

# **Research Briefing:**

Negotiations on the UK's  
withdrawal from the EU:  
Monitoring Report - 14 May  
2018



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# **Research Briefing:**

# Negotiations on the UK's withdrawal from the EU: Monitoring Report - 14 May 2018

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# 1. Introduction

This report provides an update on developments relating to the Article 50 Negotiations on the UK's withdrawal from the EU since 16 April.

This paper provides:

- A summary of the latest developments, documents and legislation published;
- An analysis of the key issues of interest to the External Affairs Committee ('the Committee') and;
- A summary of the Welsh Government's response to the latest developments.

## Summary of developments

- The Cabinet Secretary for Finance, **Mark Drakeford AM gave evidence to this Committee** on 16 April, there he outlined the Welsh Government's vision for a post-Brexit UK-EU relationship.
- On 18 April, the first day of Report Stage of the EU Withdrawal Bill in the House of Lords, the Government lost a vote on a customs union amendment. The UK Government then proceeded to lose on key votes relating to the Bill at each of the 5 subsequent days of the of the Bill's Report Stage in the House of Lords.
- On 18 April there was a Westminster Hall debate on the impact of **Brexit on the veterinary workforce in Wales**.
- On 19 April, as part of the start of Lord's EU External Affairs Sub-Committee **new inquiry into customs arrangements** post-Brexit.
- On 20 April the National Audit Office (NAO) published the **Exiting the EU: The financial settlement** report.
- On 23 April, Michel Barnier gave a **speech at Hannover Messe** highlighting the extent of a free trade agreement the EU would like to reach with the UK.
- On 24 April. House of Commons International Trade Committee undertook a one off session on the **economic effects the UK Government's approach to trade policy**.

- On 24 April it was announced that the UK and Welsh Governments had reached an **Intergovernmental Agreement on the Bill and the Establishment of Common Frameworks** and changes to Clause 11 of the Withdrawal Bill. On 25 April the Cabinet Secretary for Finance made a **statement in plenary** on 25 April in which he described the agreement as “a major advance over the original proposals.”
- On 25 April, **David Davis appeared in front of the House of Commons Exiting the European Union Committee** to provide evidence as part of the Committee's inquiry into the progress of the UK's negotiations on EU withdrawal.
- On 25 April the Minister for Trade Policy, Greg Hands, gave a speech on **Trade and tariffs: Brexit and beyond**.
- On 26 April Michel Barnier gave a speech at the **Eurofi High-level Seminar 2018**, focused on the potential for post-Brexit agreement on financial services.
- On 27 April the **UK Government** and the **EU Commission** announced that they have asked the European Central Bank and the Bank of England to convene a technical working group on risk management in the period around 30 March 2019 in the area of financial services.
- On the same day the EU published **more notices to stakeholders on 27 April**, as part of its Brexit preparedness.
- On 30 April Michel Barnier gave **a speech at the All-Island Civic Dialogue** event in Ireland, reiterating the EU's view on the Irish border issue.
- On 30 April **the Assembly's External Affairs and Additional Legislation Committee held a scrutiny session** with the UK Government's Parliamentary Under-Secretary of State at the Department for Exiting the European Union, Mr Robin Walker MP and the Minister for the Constitution, Chloe Smith MP.
- On 1 May Secretary of State for Exiting the European Union, David Davies, gave **evidence to the Lords' EU Select Committee** on the progress of the Brexit negotiations.
- On the same day **the Civil Service announced plans** to develop a new 'International Trade Profession' across Whitehall.

- Also on 1 May the House of Commons' Welsh Affairs Committee **heard evidence** from the UK Government's Minister of State for Agriculture, Fisheries and Food, George Eustice MP.
- On May 3 it was announced that the UK Government and the Devolved Administrations had **agreed to plans to work together on UK frameworks**.
- On May 4 the UK Government published detail on **the topics for discussions on the Future Framework** with the EU at forthcoming meetings.
- On 10 May the House of Lords EU Select published a report on the impact of Brexit on **food prices and availability**.

## 2. Latest developments and documents published

### Negotiations

Since the agreement reached on the Draft Withdrawal Agreement on 19 March, covered in the previous report, the negotiations have centred on the UK's relationship with the Customs Union post Brexit.

On 30 April, Michel Barnier, made **a speech at the All-Island Civic Dialogue** event in Ireland. While he noted that the EU is prepared to 'look constructively at all options which allow us to meet our objectives' he reaffirmed the EU position that:

...we all agree that we do not want a border, and since the UK agreed to respect Ireland's place in the Single Market, then that means goods entering Northern Ireland must comply with the rules of the Single Market and the Union Customs Code.

This position, set out in the 'backstop solution' contained in the Draft Withdrawal Agreement, was outlined as being 'unacceptable' by the **UK Prime Minister on 26 March 2018**:

...because they were not in line with Belfast Agreement and threatened the break-up of the UK's internal market. And as such they were not a fair reflection of the Joint Report.

Michel Barnier in his speech at the All-Island Dialogue linked the issue of the Irish Border to the wider negotiations, stating that:

...agreement on the orderly withdrawal, including the backstop for Ireland, will pave the way for constructive negotiations for a broad partnership for the future – not only on economics and trade, but also on a lot of areas of thematic cooperation

He also stated that 'we need substantive progress on the backstop before the June European Council'.

A **series of meetings on issues related to Ireland/Northern Ireland** between the UK and the EU took place between 14 March and 18 April 2018, however no mutually acceptable solution has been reached to date.

The UK Government's initial position on the Customs Union was to suggest two possible options for customs arrangements between the UK and the EU. A new 'customs partnership' that would involve the UK collecting EU tariff rates at its external borders and a highly streamlined customs system which would focus on the use of technological solutions and exemptions for very small businesses in Northern Ireland to minimise the need for customs checks. These options were set out in its **policy paper published in August 2017**.

However, there are **widely reported divisions within the UK Government** as to the viability of the customs partnership, with some senior UK Government Ministers preferring the highly streamlined customs arrangement. Both options would see the UK formally leave the Customs Union and both were put to the EU Commission.

Politico has reported that both of these options are **considered unviable by the EU**. The Secretary of State for Exiting the European Union, David Davies, in his **evidence to the Lords' EU Select Committee on 1 May** stated:

The Commission pushed back on both. The bases of the push-backs were slightly different. The Commission was concerned, on the one hand, about how the new customs partnership would be run. On the other hand, in the context of Northern Ireland, it objected to the notion of exempting small businesses from the streamlined arrangement.

He also suggested that the lack of a Northern Ireland Executive was making the negotiations on the border 'much more difficult than it would otherwise be' as he argued that:



...some of the solutions that we have in mind are really only doable by a Northern Ireland Executive, not by a UK Government, because of the need for local sensitivities on this.

Prior to this meeting, on 25 April, **David Davis appeared in front of the House of Commons Exiting the European Union Committee** to provide evidence as part of the Committee's ongoing inquiry into the progress of the UK's negotiations on EU withdrawal. He outlined his views that the Commission's rejection of the UK's customs plans was 'their negotiating position' and committed to 'go back and address those in negotiation'.

UK business concerns around accessing the Customs Union were expressed on 19 April, as part of the start of Lord's EU External Affairs Sub-Committee **new inquiry into customs arrangements** post-Brexit. Giving evidence to the Inquiry, Deputy CEO of the Freight Transport Association, **James Hookham stated that:**

...with the Government's stated intention of leaving the customs union and the Single Market, we are concerned—and, indeed, vocal—on behalf of our members about the potential impact of that decision on the continuity of supply chains". When asked about the impact of Brexit on small business trading with EU 27 countries, Mr Hookham said that "I fully take your point that a lot of smaller businesses could simply decide that the costs, challenges and inconvenience introduced by a hard customs border are simply not worth the effort and will cease to trade with their customers in Europe, which would be a retrograde step.

On 30 April, **the Assembly's External Affairs and Additional Legislation Committee held a scrutiny session** with the UK Government's Parliamentary Under-Secretary of State at the Department for Exiting the European Union, Mr Robin Walker MP and the Minister for the Constitution, Chloe Smith MP. During the session, Mr Walker highlighted that the UK Government will:

...of course seek to negotiate a new arrangement between the UK and the EU that will allow for frictionless and tariff-free market access, and I think it's welcome that the EU's negotiating guidelines include that aspiration of no tariff barriers and frictionless arrangements with regard to the border.

During the session with the Lords EU Select Committee on 1 May, the Secretary of State for Exiting the European Union, indicated that in terms of finalising the Draft Withdrawal Agreement:

...we are at 75%, but the last 25% is the hardest...The outstanding areas that are not locked down are obviously Northern Ireland, which people know about, some elements of the remaining separation issues, which I will come back to in a second, and the governance of the agreement.

He noted that the UK Government expects a resolution of the separation issues<sup>1</sup> by June, but it is aiming to have all of the issues resolved by October. However, he went on to note that 'you can never be sure that you will hit those targets; it is a negotiation, after all.'

The issue around governance is the disagreement as to who should arbitrate in the dispute resolution mechanism on the Withdrawal Agreement. The EU wants the European Court of Justice (ECJ) to have a role, whereas the Secretary of State reported, to the Lords EU Select Committee, that 'we are not going to allow the ECJ to have a say inside the UK.' Instead he highlighted the UK Government's preferred option for a 'Joint Committee' and some sort of specialist support committees' with members from the UK Supreme Court and the ECJ.

In April, the Hansard Society published a research note entitled **Brexit: Parliament's Five Transition Tasks**. This sets out the technical implications for Parliament of the transitional period due to follow the UK formal withdrawal from the EU in March 2019, acting as 'Parliament's transition 'to do' list'.

## Future partnership

In late April, Michel Barnier gave two speeches outlining some of the EU's thinking regarding the future partnership between the UK and EU. On 23 April, he gave a **speech at Hannover Messe** highlighting the extent of a free trade agreement the EU would like to reach with the UK. It would like an agreement that results in:

- Zero tariffs and no quantitative restrictions on goods;
- Customs cooperation to facilitate goods crossing the border;
- Rules to limit technical barriers to trade and protect food safety [sanitary and phytosanitary measures];
- A framework for voluntary regulatory cooperation to encourage convergence of rules;

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<sup>1</sup> The Minister listed: intellectual property, customs, VAT, Euratom, public procurement, and ongoing co-operation on civil and commercial matters as the separation issues.

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- An open market for services, where companies from the other party have the right of establishment and market access to provide services under host state rules;
- Access to public procurement markets, investments and protection of intellectual property rights;
- Ambitious provisions on the movement of people, encompassing the coordination of social security and the recognition of professional qualification;
- Socio-economic cooperation, including an air transport agreement and UK participation in EU programmes, such as those related to research and innovation; and
- Mutually acceptable rules on data flows and personal data.

But he warns that this depends on the UK and EU reaching 'common ground on competition and state aid, social and environmental standards, and guarantees against tax dumping'.

Following this, Michel Barnier gave a speech on 26 April at the **Eurofi High-level Seminar 2018**. This focused on the potential for post-Brexit agreement on financial services. As part of that speech he highlighted that:

Theresa May has clarified that the UK is not looking for passporting. It is positive that there is now more recognition of the cost of Brexit for the UK... But the UK also needs to understand that the EU cannot accept mutual market access without the common safeguards that underpin it...

He argued that the EU will not be able to maintain financial stability, investor protection, market integrity and a level playing field if:

...financial institutions could operate in the EU, or serve clients in the EU, based on an authorisation by the supervisors of a third country, subject to the rules, supervision and enforcement mechanisms of this third country alone.

However, Michel Barnier stated that the UK will not be discriminated against post-Brexit and that the UK should seek to engage with the **EU's financial equivalence scheme**, which other nations, such as the United States of America currently do.

In his evidence to **the Lords EU Select Committee on 1 May**, the Secretary of State for Exiting the European Union, answered questions relating to the future UK-EU

partnership. In his responses he highlighted the UK Government's view that a future partnership should be readily achievable as:

...we start, uniquely in terms of international trade agreements, with identity and with no product differentiation between us.

However he also acknowledged that there is a challenge in reconciling two inconsistent issues of:

...on the one hand, we want to give back control—we want Parliament to decide what the future regulations should be. On the other hand, we want to maintain alignment in outcome terms with the European Union and give it the confidence that it will not be undercut in some way.

On May 4 the UK Government published detail on the **topics for discussions on the Future Framework at forthcoming meetings**, which 'reflect the range of areas the UK and EU will discuss in building our future relationship after we leave the EU'. It does not contain any detail on when these meetings will take place.

## Brexit Preparedness

On 27 April, the **UK Government** and the **EU Commission** announced that they have asked the European Central Bank and the Bank of England to convene a technical working group on risk management in the period around 30 March 2019 in the area of financial services. However, the UK Government notes that:

This technical work is separate from the on-going negotiations on the Withdrawal Agreement between the EU and the UK and from the negotiations on the overall understanding of the framework for the future relationship between the EU and the UK.

The UK has made several announcements in relation to its plans to boost UK trade following Brexit in this reporting period. On 25 April the Minister for Trade Policy, Greg Hands, gave a speech on **Trade and tariffs: Brexit and beyond**.

In that speech, the Minister outlined the department's non-EU trade ambitions and actions. To develop international trade outside the EU, the UK Government has set up trade working groups with 21 countries and is seeking to transition the 40 or so trade agreements the EU has in place with third countries in to UK law. He also reported that the UK Government is working to 'to ensure we have our own World Trade Organisation tariff schedules' and that the UK Government will be a 'voice for free trade at the World Trade Organisation and other international fora'.

On 1 May **the Civil Service announced plans** to develop a new 'International Trade Profession' across Whitehall to support Crawford Falconer, the government's Chief

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Trade Negotiation Adviser. The following day, 2 May, the Rt Hon Greg Hands, held a **'trade policy townhall'** with business and third-sector stakeholders. In this meeting, the Minister highlighted that his department is 'currently designing a new Export Strategy', designed to boost the UK's exports. He also reiterated the UK Government's rationale for leaving the EU Customs Union.

The House of Commons International Trade Committee undertook a one off session on the **economic effects the UK Government's approach to trade policy**, on 24 April. Seven witnesses from various universities and think tanks gave oral evidence, including Patrick Minford of the University of Cardiff.

As part of its Brexit preparedness, the EU has published **more notices to stakeholders on 27 April**, including on the internal energy market, protection certificates for medicinal and plant protection products, rules in the field of institutions for occupational retirement provision.

## The cost of the Withdrawal Agreement

On 20 April the National Audit Office (NAO) published the **Exiting the EU: The financial settlement** report. The NAO reviewed the UK Government's estimate that the financial settlement that the UK will be liable to pay when leaving the EU, as a result of the draft Withdrawal Agreement, as approximately £35-39 billion. One of its conclusions was:

...that the range of uncertainties were not fully reflected in HM Treasury's estimate. This means relatively small changes in events could push the cost of the settlement outside HM Treasury's published range...We have identified a number of issues HM Treasury will need to consider to ensure that the interests of the UK taxpayer are protected as it implements the settlement.

The author of the report, the Comptroller and Auditor General, Sir Amyas Morse, provided oral evidence to the **House of Commons Treasury Committee on 24 April** as part of the Committee's inquiry into the **UK's economic relationship with the European Union**. While top treasury officials such as Permanent Secretary Tom Scholar, gave oral evidence on the report to the **House of Commons Public Accounts Committee on 23 April**. In his evidence to the House of Lords EU Select Committee, highlighted above, David Davies noted that the costs of withdrawal will be staggered over 'some years'.

## UK legislation

The House of Lords Report Stage of the **European Union (Withdrawal) Bill** concluded on 8 May after sitting for 6 days. Members of the House of Lords debated the UK Government amendments and other devolution provisions on Wednesday 2 May, the fifth day of Report Stage. The Bill will now go to Third Reading on 16 May before returning to the Commons for consideration of amendments made by the Lords.

On 24 April it was announced that the UK and Welsh Governments had reached an agreement on changes to Clause 11 of the Withdrawal Bill. **Amendments** were tabled to the Bill itself and the UK Government has also published a supporting **Intergovernmental Agreement on the Bill and the Establishment of Common Frameworks**. This Agreement sets out additional commitments on how the amendments will work in practice.

The devolution amendments tabled by Lord Callanan on behalf of the UK Government were accepted without division by Members of the House of Lords.

The Scottish Government declined to join the agreement between the Welsh and the UK Government. In a **statement** given by Michael Russell, Scotland's Minister for UK Negotiations on Scotland's Place in Europe, it states that the Scottish Government "cannot support any proposal that would enable the powers of the Scottish Parliament to be constrained without the agreement of the Scottish Parliament." In a letter to the UK Prime Minister, the Scottish First Minister set out two possible ways forwards including removing clause 11 from the Bill or placing a requirement for the consent of the Scottish Parliament on the face of the Bill, but the two governments are yet to reach an agreement.

The amendments agreed between the UK and Welsh Governments invert clause 11 by giving the devolved legislatures the freedom to legislate on any areas within their powers, as opposed to placing a blanket restriction on legislative competence. However, the agreed amendments also give powers to UK Ministers to make regulations imposing restrictions in devolved areas. This power to make regulations placing restrictions will last for up to two years after 'exit day' and the restrictions themselves are able to last for up to five years.

The Intergovernmental Agreement states the areas likely to be subject to restrictions imposed by UK Ministers are those identified in the **frameworks analysis** published by the UK Government as likely to require legislative frameworks. The document lists 24 policy areas in which the UK Government considers that legislative frameworks may be needed. The Intergovernmental Agreement also states that:

It is possible that some additional areas that the UK Government believes are reserved, but are subject to ongoing discussions between the governments, will also be subject to clause 11 regulations.

Regulations placing restrictions on the Assembly's powers must be laid in draft and approved by the UK Parliament, but only after the Assembly has made a 'consent decision' in relation to laying the draft or after 40 days have passed without the Assembly making a decision. A 'consent decision' includes a decision not to agree to the laying of the draft or a decision to refuse consent, meaning that restrictions can be placed on the Assembly's powers without its consent. In such cases, the UK Government must explain why they have decided to lay the draft in any event. They must also lay any statement provided by the Welsh Ministers setting out their opinion as to why the Assembly has made that decision.

Despite the agreed amendments enabling UK Ministers to pass regulations placing restrictions on legislative competence without the consent of the Assembly, the Intergovernmental Agreement states that the UK Parliament will "not normally" be

asked to approve clause 11 restrictions without the consent of the devolved legislatures.

The amendments also enable UK Ministers to repeal the power to impose restrictions on the Assembly's competence and require UK Ministers to report to the UK Parliament every three months on the restrictions in place. UK Ministers must also provide a copy of every report laid before Parliament to the Welsh Ministers.

With regards to legislating for England in areas subject to restrictions in Wales, the Intergovernmental Agreement states that the UK Government commits not to bring forward legislation in those areas for as long as the restrictions are in force.

Other devolution amendments tabled by the UK Government were also agreed to during Lords Report Stage, for example amendments to Schedule 2 to enable the Welsh Ministers to amend retained directly applicable EU law in devolved areas except where clause 11 regulations have been made. This is a concurrent power, meaning that UK Ministers also have the power to amend retained directly applicable EU law in devolved areas. The Intergovernmental Agreement states that "it will not normally do so without the agreement of the devolved administrations." In terms of legislation in devolved areas the Welsh Ministers cannot amend because of clause 11 restrictions, the Intergovernmental Agreement says that the UK Government commits to consulting the Welsh Government before making regulations.

UK Government amendments to prevent regulations made under clause 7 and Schedule 2 to the Bill from being used to amend the Government of Wales Act 2006 were also agreed by the Lords.

In addition to the concessions made in relation to devolution provisions in the Withdrawal Bill, the UK Government also lost 14 votes during Lords Report Stage.

On 18 April, the first day of Report Stage of the EU Withdrawal Bill in the House of Lords, the Government lost a vote on a customs union amendment. Members of the House of Lords voted by 348 to 225 in favour of requiring Ministers to make a statement outlining the steps taken during Article 50 negotiations to enable the UK to continue participating in a customs union with the EU. 24 Conservative peers also voted in favour of the amendment. On the same day, the Government also lost a vote on Amendment 11 providing for enhanced protection of some areas of EU law. Members voted by 314 votes to 217 in favour of ensuring that retained EU law relating to employment, equality, health and safety, consumer and environmental rights can only be amended or repealed by primary legislation after Brexit.

On 23 April, the second day of Report Stage, the UK Government lost a vote on crossbench Amendment 15 relating to the EU Charter of Fundamental Rights.



Members of the House of Lords voted by 316 votes to 245 to ensure that most of the EU charter of fundamental rights remains part of domestic law after Brexit.

On 25 April, the third day of Report Stage, the Government lost a vote on the exercise of Ministerial powers. Members of the House of Lords voted by 349 to 221 in favour of Lord Lisvane's crossbench amendment to substitute "the Minister considers appropriate" in clause 7 of the Bill with "is necessary" so that Ministers may only pass regulations when necessary as opposed to when they consider appropriate.

On 30 April, the fourth day of Report Stage, Members voted 335 and 244 against, giving Parliament a 'meaningful' vote on the outcome of negotiations with the EU. The amendment tabled by Viscount Hailsham requires parliamentary approval of the outcome of the negotiations. Similarly, Members voted in favour of giving Parliament a say on future negotiations (271 for and 233 against).

On 2 May, the fifth day of Report Stage, Members voted 309 for and 242 against including the intentions of the Good Friday Agreement as part of the Bill.

On 8 May, the sixth and last day of Report Stage, Members backed Amendment 93 to ensure that nothing prevents continued participation in EU agencies after Brexit. Members also voted to remove exit day as 29 March 2019 from the Bill. Members also voted 247 for and 218 against the continued participation in the European Economic Area (EEA). Finally, Members voted in favour of providing for parliamentary committees to sift regulations made under clauses 7-9 and 17 of the Bill.

## Documents and Position Papers

Since the last monitoring report was published the EU has published its negotiation directives on the transition period, a position paper on suggested clauses for inclusion in the Withdrawal Agreement and a series of presentations made as part of the informal internal discussions on a future relationship. These are added to the table below.

Table 1 Position Papers and key documents published by the EU and UK

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
<p><b><u>Essential Principles on Citizens Rights</u></b></p> <p>29 May 2017 to EU 27</p> <p>12 June to UK</p>	<p>Sets out the EU's position on rights of UK citizens in the EU and EU citizens in the UK.</p>	<p><b><u>Safeguarding the position of EU citizens in the UK and UK nationals in the EU: Position Paper.</u></b></p> <p>26 June 2017</p>	<p>Sets out the UK position on the rights EU citizens should enjoy in the UK and that UK nationals should enjoy in the EU. See Research Service <b><u>blog post</u></b> for further detail.</p>
<p><b><u>Essential Principles on the financial settlement</u></b></p> <p>29 May 2017 to EU 27</p> <p>12 June to UK</p>	<p>Sets out the EU's proposals for a methodology that should be agreed during the Phase 1 negotiations on how the UK's financial obligations to the EU should be calculated. Annex 1 contains a list of agencies, bodies and financial instruments to be included in the methodology.</p>	<p>None.</p>	<p>UK Secretary of State for DEXEU <b><u>has outlined</u></b> that the UK will 'interrogate' the EU's position rather than set out its own.</p>
<p><b><u>Nuclear material and safeguard equipment (Euratom)</u></b></p> <p>23 June 2017 to EU27</p>	<p>Sets out the EU's proposals for the treatment and transfer of ownership of special fissile materials. Covers less areas than proposed by UK in</p>	<p><b><u>Nuclear material and safeguards issues.</u></b></p>	<p>The UK Government sets out six principles it wants negotiations on these matters to achieve. It covers some additional areas to those covered by</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
13 July to UK	equivalent paper.		the European Commission including existing contracts for the supply of nuclear material and spent fuel and radioactive waste. The UK states that spent fuel and radioactive waste should remain the responsibility of the State in which it was generated post withdrawal.
<p><b><u>Judicial cooperation in civil and commercial matters</u></b></p> <p>29 June 2017 to EU 27</p> <p>13 July to UK</p>	Sets out proposals for procedures to be put in place for cases pending at time of UK withdrawal.	<p><b><u>Providing a cross-border civil judicial framework: a future partnership paper</u></b></p> <p>22 August 2017</p>	The UK Government has set out its position for the procedures that should apply to cases pending at time of UK withdrawal and proposals for on-going cooperation in this area in a single paper. The paper states that Annex A of the paper responds directly to the EU's paper and sets out the UK Government's priorities should no agreement be reached on a future partnership. It

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			states that no agreement on future cooperation is not however its preference. The paper states that leaving the EU will bring an end to the direct jurisdiction of the European Court of Justice but that the UK will seek an agreement with the EU that allows for close and comprehensive cross-border civil judicial cooperation.
<p><b><u>Ongoing Police and Judicial cooperation in criminal matters</u></b></p> <p>29 June 2017 to EU 27</p> <p>13 July to UK</p>	<p>Proposals for the procedures that will apply to on-going procedures such as European investigation orders and European Arrest Warrants procedures at the date of withdrawal and the treatment of information obtained by these procedures.</p>	<p><b><u>Security law enforcement and criminal justice: Future Partnership Paper</u></b></p>	<p>Annex A of the paper provides a direct response to the issues raised by the EU in its paper. However, the UK advocates that discussions on the withdrawal issues on criminal matters take place with reference to discussions on a future partnership. The paper calls for a deeper relationship and cooperation on law enforcement and criminal justice issues between the</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			<p>UK and EU than the EU currently has with third party countries. It states that it should be read in conjunction with other future partnership papers on security and data protection.</p>
<p><b><u>Ongoing Union and Judicial Procedures</u></b>                      29 June 2017 to EU 27                      13 July to UK</p>	<p>Sets out the proposals for procedures to be put in place for cases before the European Court of Justice involving the UK or UK residents/legal persons on-going at the time of withdrawal and for proposals for on-going administrative procedures before Union institutions, bodies, offices and agencies concerning the UK or UK residents/legal persons. The EU proposed that the European Court of Justice should retain some competence to adjudicate in cases brought after the withdrawal against the UK about matters that</p>	<p><b><u>Ongoing union judicial and administrative proceedings: Position Paper.</u></b>                      13 July 2017</p>	<p>The UK Government recognises that there will be some cases pending at the point of withdrawal that should continue to fall within the jurisdiction of the European Court of Justice and seeks agreed criteria on the definition of 'pending'. It also seeks clarification of the role of the UK Advocate General and UK lawyers in the Court for a transitional period whilst cases are still pending. It does not agree that the European Court of Justice should retain some competence over cases brought after the</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
	happened when the UK was still a Member State.		withdrawal date relating to actions that took place before the withdrawal date.
<p><b><u>Issues relating to the functioning of EU Institutions, Agencies and Bodies</u></b></p> <p>29 June 2017 to EU 27</p> <p>13 July 2017 TO UK</p>	<p>The paper sets out the EU's position on what protections and immunities will apply to EU institutions and agencies in the UK at after withdrawal whilst the activities of the EU's bodies in the UK are being wound-up.</p>	<p><b><u>Privileges and Immunities</u></b></p> <p>13 July 2017</p>	<p>The UK's position paper agrees that protections and immunities should be offered to EU property, assets and operations in the UK for a transitional period after withdrawal. Negotiators on both sides have indicated that they are close to reaching agreement on this issue.</p>
<p><b><u>Governance</u></b></p> <p>29 June 2017 to EU 27</p> <p>13 July 2017 to UK</p>	<p>The paper sets out the EU's proposals for a dispute resolution mechanism for the Withdrawal Agreement, including that a Joint Committee be established to consider disputes. It states that the Joint Committee should make references to the European Court of Justice for binding decisions where agreement cannot be reached in the Committee. It</p>	<p><b><u>Enforcement and Dispute resolution:</u></b></p> <p>Future Partnership Paper</p> <p>23 August 2017</p>	<p>The paper includes proposals for a new enforcement and dispute resolution mechanism for both the Withdrawal Agreement and any future partnership. The paper states that a new mechanism will be needed as the jurisdiction of the European Court of Justice will come to an end. The UK's position is that where</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
	<p>states that the European Commission should retain full powers for the monitoring and implementation of the agreement on citizen's rights.</p>		<p>the Withdrawal Agreement or any future partnership arrangements give rise to rights or obligations for individuals and business operating in the UK these will be given effect in UK law and enforced by UK courts. The position paper argues there is no precedent or imperative in EU or UK law which states that enforcement or dispute resolution has to fall under the direct jurisdiction of the European Court of Justice.</p>
<p><b><u>Goods placed on the market under Union law before the withdrawal date</u></b></p> <p>29 June 2017 to EU</p> <p>13 July 2017 to UK</p>	<p>The paper sets out proposals for the procedures that should apply to goods that comply all Union rules and are placed on the market for sale before withdrawal date but have not been sold at the time of withdrawal.</p>	<p><b><u>Continuity in the availability of goods for the EU and the UK:</u></b> Position Paper</p> <p>21 August 2017</p>	<p>The UK Government states that this issue should be resolved with reference to any future partnership. The UK seeks further discussion on the meaning of "placed on the market" and suggests it should include services associated with the supply of goods.</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
<p><b><u>Customs related matters needed for an orderly withdrawal of the UK from the Union</u></b></p> <p>7 September 2017 to EU 27</p>	<p>Proposals for the customs procedures that should apply to goods whose movement started before the date of withdrawal but ends on or after.</p>	<p><b><u>Continuity in the availability of goods for the EU and the UK:</u></b> Position Paper</p> <p>21 August 2017</p> <p><b><u>Future customs arrangements: Future Partnership Paper</u></b></p> <p>15 August 2017</p>	<p>The UK position paper on the continuity of goods acknowledges that customs issues related to goods on the market at time of withdrawal will need addressing but does so with reference to its proposals for a future customs relationship and states that the issue should be addressed with reference to a future partnership.</p>
<p><b><u>Guiding Principles transmitted to EU 27 for the Dialogue on Ireland/Northern Ireland.</u></b></p> <p>7 September to EU 27</p>	<p>Principles set out for the basis of discussions of the relationship between Ireland and Northern Ireland. No solutions are proposed for the Irish border and the paper places the onus on the UK to propose solutions.</p>	<p><b><u>Northern Ireland and Ireland:</u></b> Position Paper</p> <p>16 August 2017</p>	<p>The position paper states that the Common Travel Area (CTA) between Ireland and the UK should remain, that swift progress should be made on the issue and that the rights of EU citizens in Ireland will not be affected by the CTA's continuance. The paper does not propose specific options for the land border but sets out principles to test models against. It</p>



EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			<p>cross-references the UK Government's proposals for future customs arrangements. It states that no solution agreed should require a new customs border between Northern Ireland and Great Britain. It makes specific proposals on agri-food products. It suggests that separate to the broader discussions on the financial settlement there should be an agreement to continue PEACE funding to Northern Ireland and border counties of Ireland.</p>
<p><b><u>Public Procurement</u></b> 7 September to EU 27</p>	<p>Proposals for the rules and procedures on public procurement that should apply to procurement procedures and contracts on-going at the date of withdrawal.</p>	<p>None</p>	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
<p><b><u>Intellectual Property Rights (including geographical indications)</u></b></p> <p>7 September 2017 to EU 27</p>	<p>Proposals for the continuation of the protection of intellectual property rights agreed before the date of withdrawal including the protection of protected food names. The EU suggests that the UK will need new domestic legislation to be in place before the date of withdrawal on protected food names.</p>	<p>None</p>	
<p><b><u>Use of Data and Protection of Information Obtained or Processed before the Withdrawal Date</u></b></p> <p>7 September to EU 27</p>	<p>Proposals to the reciprocal rules and protections that should apply to data held or processed in the UK and the EU after the date of withdrawal.</p>	<p><b><u>Confidentiality and access to documents:</u></b> Position Paper</p> <p>21 August 2017</p>	<p>The paper states that the aim should be for the Withdrawal Agreement to ensure that the UK and EU have equivalent protections and obligations on information and access to documents as it currently the case under existing EU legislation.</p>
<p>None</p>		<p><b><u>Future Customs Arrangements: Future</u></b></p>	<p>The position paper proposes two possible options for a future</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
		<p><b><u>partnership paper</u></b></p> <p>15 August 2017</p>	<p>customs relationship. A highly streamlined customs arrangement between the UK and EU or a new customs partnership with the EU where the UK would align its border with the EU in such a way that it would remove the need for the UK-EU customs border. The UK would leave the customs union and be able to negotiate its own trade deals under both options.</p> <p>Under the second option the position paper proposes that the UK would mirror EU requirements for goods from the rest of the world where their final destination is the EU. It states that this would be unprecedented and could be challenging to implement but wishes to explore it with the EU.</p> <p>The paper proposes a time</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			<p>limited model of close association with the EU Customs union for a transitional period to avoid a cliff-edge for business and individuals on both sides.</p>
None		<p><b><u>The exchange and protection of personal data: Future partnership paper</u></b> 24 August 2017</p>	<p>Sets out the UK Government's proposals for a new UK-EU model for the exchanging and protection of personal data based on the current EU approach. It suggests the Information Commissioner's Office could continue to cooperate with EU regulators.</p>
None		<p><b><u>Collaboration on Science and innovation: Future partnership paper</u></b> 6 September 2017</p>	<p>It sets out the UK Government's proposals for a science and innovation agreement with the EU. It states the agreement should be broad and make room for new areas of research. It states that the UK's continued access to</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
			<p>EU research and innovation programmes will need to be negotiated along with the size of any financial contribution the UK would have to make to participate in them. It states that this contribution would need to be weighed against the UK Government's other spending priorities. Reference to the participation of Welsh Universities in existing programmes and networks is made.</p>
None		<p><b><u>Foreign Policy, defence and development: Future partnership paper</u></b></p> <p>12 September 2017</p>	<p>The paper proposes a future partnership with the EU on security and defence which is broader than any agreement the EU currently has with a third-party country. It sets out the areas where there is currently cooperation on defence, security and international development.</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
None		<p><b><u>Customs Bill White Paper: legislating for UK's future customs, VAT and excise regimes</u></b></p> <p>9 October 2017</p>	<p>The <b><u>White Paper on the Customs Bill</u></b> sets out the UK Government's initial proposals for a standalone customs, VAT and excise regime following the UK's exit from the EU. The White Paper includes proposals for a contingency scenario should no deal be reached with the EU on a future trading relationship.</p>
None		<p><b><u>Preparing for our future UK trade policy</u></b></p> <p>9 October 2017</p>	<p>The <b><u>trade policy white paper</u></b> sets out the UK Government's preferred positions for a new trade policy and indicates what legislation will be needed to implement that policy. The paper sets out five priorities for a new trading policy.</p>
<p><b><u>European Council Conclusions</u></b> on progress made in the negotiations-</p>	<p>The Council concluded that insufficient progress has been made in the discussions on the</p>	None	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
20 October	Withdrawal Agreement to begin negotiations on the future relationship. It provided detail on where further progress is needed. It also stated that internal preparations between the 27 remaining Member States for discussions on a future trade relationship would begin.		
None		<p><b><u>Sanctions and Anti-Money Laundering Bill</u></b></p> <p>19 October</p>	The Bill is considered necessary to ensure that the UK can implement an international sanctions regime following its exit from the EU.
None		<p><b><u>Technical Note: citizen's rights administrative procedures in the UK</u></b></p> <p>7 November</p>	The UK Government published further details on how the system for EU Citizens to apply for permanent UK residency will work. This was sent as a technical paper to the European Commission.

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
None		<p><b><u>Trade Bill 2018</u></b></p> <p>7 November</p>	<p>The Bill provides ministers with powers to make changes to domestic UK law to implement the WTO's Agreement on Government Procurement and any necessary changes if the UK replicates some of the EU's existing deals with third party countries. It also provides for the establishment of a new Trade Remedies Authority and gives HMRC new data and powers and duties in relation to export and trade.</p>
<p><b><u>Joint Report</u></b> from the negotiators of the European Union and the UK Government on progress during Phase 1 of negotiations under Article 50 TEU on the UK's orderly withdrawal from the EU</p> <p>8 December 2017</p>	<p>Both the EU and the UK Government reached agreement in principle in the areas under consideration during the first phase of negotiations, enabling talks to move to the next phase. The report sets out their agreed position on protecting the rights of Union citizens in</p>	<p><b><u>Joint Report</u></b></p> <p>8 December 2017</p>	



EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
	the UK and UK citizens in the Union; the framework for addressing the unique circumstances in Northern Ireland; and the financial settlement.		
<p><b><u>Communication from the Commission to the European Council (Article 50)</u></b> on the state of progress of the negotiations with the UK under Article 50 of the Treaty on European Union</p> <p>8 December 2017</p>	Based on the Joint Report from the negotiators of the EU and the UK Government, the Commission recommended to the European Council (Article 50) to conclude that sufficient progress had been made in the first phase of the negotiations.		
None		<p><b><u>Prime Minister's commitments to Northern Ireland</u></b></p> <p>8 December 2017</p>	Prime Minister Theresa May set out six key commitments to Northern Ireland that guided her in the negotiations with the EU.
European Council <b><u>Guidelines</u></b>	Following the decision that sufficient progress had been made, the European Council	None	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
15 December 2017	(Article 50) issued draft guidelines to move to the second phase of negotiations where a transition period and the framework for the future relationship will be discussed.		
<b><u>Supplementary negotiating directives</u></b> 20 December 2017	Supplementary directives for the negotiation of an agreement with the UK setting out the arrangements for its withdrawal from the EU.	None	
<b><u>Slides on Fisheries</u></b> 17 January 2018	Presentation on fisheries to inform the internal preparatory discussions on a future relationship.	None	
<b><u>Slides on Aviation</u></b> 17 January 2018	Presentation on aviation to inform the internal preparatory discussions on a future relationship.	None	
<b><u>Slides on Governance</u></b>	Presentation on governance to inform the internal	None	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
19 January 2018	preparatory discussions on a future relationship.		
<b><u>Slides on Security, Defence and Foreign Policy</u></b> 24 January 2018	Presentation on security, defence and foreign policy to inform the internal preparatory discussions on a future relationship.	None	
<b><u>Slides on Police and Judicial Cooperation in criminal matters</u></b> 24 January 2018	Presentation on police and judicial cooperation to inform the internal preparatory discussions on a future relationship.	None	
<b><u>Council (Article 50) negotiating directives on the transition period</u></b> 29 January 2018	Directives from the European Council setting out the guidelines for the Union's negotiator on a transition period with the UK	None	
<b><u>Slides on a Level Playing Field</u></b> 31 January 2018	Presentation on a level playing field to inform the internal preparatory discussions on a future relationship.	None	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
<p><b><u>Slides on Services</u></b> 6 February 2018</p>	<p>Presentation on Services to inform the internal preparatory discussions on a future relationship.</p>	<p>None</p>	
<p><b><u>Slides on International Agreements and Trade Policy</u></b> 6 February 2018</p>	<p>Presentation on International Agreements and Trade Policy to inform the internal preparatory discussions on a future relationship.</p>	<p>None</p>	
<p><b><u>Position Paper on Transitional Arrangements in the Withdrawal Agreement</u></b> 7 February 2018</p>	<p>Paper outlining suggested legal text on transition for inclusion in a Withdrawal Agreement.</p>	<p>Response to Position Paper on Transitional Arrangements in the Withdrawal Agreement 21 February 2018.</p>	<p>Response with suggested amendments to the position paper published by the European Commission.</p>
<p>None.</p>		<p><b><u>Technical note on international agreements</u></b> 8 February 2018</p>	<p>This technical note outlines further information on the UK's approach to international agreements during the implementation period.</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
<p><b><u>Slides on Transport</u></b> 21 February 2018</p>	<p>Presentation on transport to inform the internal preparatory discussions on a future relationship.</p>	<p>None.</p>	
<p><b><u>Slides on Mobility</u></b> 21 February 2018</p>	<p>Presentation on mobility to inform the internal preparatory discussions on a future relationship.</p>	<p>None.</p>	
<p><b><u>Slides on regulatory issues</u></b> <b><u>21 February 2018</u></b></p>	<p>Presentation on regulatory issues to inform the internal preparatory discussions on a future relationship.</p>	<p>None.</p>	
<p><b><u>Brexit preparedness document rail transport</u></b> 27 February 2018</p>	<p>Information for citizens and businesses on the implications of the UK's withdrawal from the EU on rail transport.</p>	<p>None.</p>	
<p><b><u>Brexit preparedness document consumer protection and passenger rights</u></b></p>	<p>Information for citizens and businesses on the implications of the UK's withdrawal from the EU on consumer protection and</p>	<p>None.</p>	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
27 February 2018	passenger rights.		
<b><u>Brexit preparedness document animal health and welfare</u></b> 27 February 2018	Information for citizens and businesses on the implications of the UK's withdrawal from the EU on animal health and welfare.	None.	
<b><u>Brexit preparedness document maritime transport</u></b> 27 February 2018	Information for citizens and businesses on the implications of the UK's withdrawal from the EU on maritime transport.	None.	
<b><u>Draft legal text on the Withdrawal Agreement</u></b> 28 February 2018	Draft articles and clauses for a legal text to implement the agreement reached between the EU and UK on Withdrawal.	None.	
<b><u>European Council draft negotiation guidelines on a framework for a future partnership</u></b> 7 March 2018	Suggested guidelines from the Council to the Commission on agreement a framework for a future partnership between the EU and UK.	None.	

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
		<p><b><u>Frameworks analysis</u></b> 9 March 2018</p>	<p>Breakdown of areas of EU law that intersect with devolved competence in Scotland, Wales and Northern Ireland.</p>
		<p><b><u>Draft Withdrawal Agreement</u></b> 19 March 2018</p>	<p>The draft Withdrawal Agreement of 19 March 2018 includes agreed legal text for the implementation period, citizens' rights, and the financial settlement, as well as a significant number of other articles. The UK and the EU negotiating teams aim to finalise the entire Withdrawal Agreement by October.</p>
<p><b><u>European Council (Art. 50) guidelines on the framework for the future EU-UK relationship</u></b></p>	<p>These guidelines will serve as a mandate for the EU negotiator to start discussing the framework for the future relationship, with the aim of</p>	<p><b><u>The Prime Minister's letter to UK Businesses</u></b> 23 March 2018</p>	<p>Explaining the substantial elements of the transition period.</p>

EU Paper	Contents EU Paper	UK Paper	Contents UK Paper
23 March 2018	reaching an overall understanding. That understanding will be reflected in a political declaration accompanying the withdrawal agreement and referred to in it.		
<p><b><u>Notice to Stakeholders relating to:</u></b> the internal energy market, protection certificates for medicinal and plant protection products, rules in the field of institutions for occupational retirement provision.</p> <p>27 April 2018</p>		<p><b><u>Intellectual Property and Brexit</u></b> Factsheet</p> <p>26 April 2018</p>	<p>An update factsheet on future of intellectual property laws following the decision that the UK will leave the EU. First published in August 2016.</p>



## 3. Key areas of interest to the External Affairs Committee

### Preparation for Brexit

On 25 April, the Lords EU Energy and Environment Sub-Committee **received written evidence from the Cabinet Secretary for Energy, Planning and Rural Affairs**, Lesley Griffiths AM, as part of its inquiry into plant and animal biosecurity post-Brexit. The Cabinet Secretary stated that:

Welsh Government officials are undertaking an on-going programme of identifying the deficiencies in EU derived legislation and the relevant solutions, which are required in order to ensure our legislative framework functions on day 1 of exiting the EU... One of the fundamental flaws within the UK Government's EU (Withdrawal) Bill is that it does not provide the Welsh Ministers with any powers to amend this directly applicable legislation, despite these areas falling within devolved competence. Amendments are continuing to be introduced to the Bill, which may impact on the extent of the powers provided to the Welsh Ministers to enable them to deliver for the needs of Wales. In addition, to the programme of correcting legislation, the UK Government is also proposing to introduce primary legislation into Parliament, in particular in respect of Agriculture and Fisheries. These areas have a close relationship with Animal Health and Welfare and also cover devolved areas. It is therefore imperative the UK Government fully engages with us on the arrangements they propose for England and that there is a clear, collective process to agree

The Cabinet Secretary for Finance, **Mark Drakeford AM gave evidence to this Committee** on 16 April, there he outlined the Welsh Government's vision for a post-Brexit UK-EU relationship, highlighting its desire to remain a part of certain EU programmes and bodies, like Erasmus+ and the European Investment Bank. He noted that:

...we are making considerably bigger efforts than we have needed to in the past, to keep key relationships with other parts of Europe at a regional level, to let people out there know that we are very keen to go on being able to be part of those arrangements into the future.

In terms of the negotiations on the Irish Border, Mark Drakeford highlighted that although the Welsh Government will have no formal role in the talks to find a

solution, the 'UK Government is very well informed from us about the specific Welsh interests' that are at stake.

The Committee **took evidence from the Parliamentary Under Secretary of State for Exiting the EU, Robin Walker MP and the Minister for the Constitution, Chloe Smith, MP** on 30 April. When asked about what planning the UK Government has undertaken to deal with the impact of the UK leaving the EU without agreeing to any deal, Mr Walker pointed to the £21 million in Barnett consequential that the Welsh Government will receive in 2018/19 as a result of the UK Government's budget for Brexit preparedness, as **highlighted in the previous monitoring report**. He goes on report that this extra resource is intended to be 'specifically for 'no deal' planning'.

## The Transition period

On 16 April the UK's Minister of State, Department for Exiting the European Union, Lord Callanan, **responded to questions in the Lords Chamber** on the implications for business of a short transition period as part of the United Kingdom's withdrawal from the European Union, and the extent to which reviews are taking place to assess the state of preparedness of government departments and agencies to ensure that all regulations will be in place. He said:

We have agreed a time-limited implementation period where businesses in the UK and the EU will continue to access each other's markets on current terms and will ensure that they have to make only one set of changes... We are working at pace to ensure that all the necessary arrangements are in place for 31 December 2020

## Implications of Brexit for Wales

On 18 April there was a Westminster Hall debate on the impact of **Brexit on the veterinary workforce in Wales**, and the significance of veterinary services to the agricultural and food services. During the debate, the UK's Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs, Dr Thérèse Coffey, highlighted that that all 40 of the official veterinarians who are contracted to work in meat hygiene roles in Wales for the Food Standards Agency are:

...non-UK EU nationals. Wales also relies on EU national vets as part of its bovine TB eradication programme. We fully recognise that any future restrictions on EU migration could therefore have implications for the functioning of the food supply chain in Wales and bovine TB

eradication measures. The partnership is looking at a range of initiatives, in addition to ensuring that processes are in place to secure non-UK veterinary resources, including strengthening retention of existing vets in the workforce and increasing the longer term supply of UK-qualified vets.

On a related note, the House of Lords EU Select published a report on the impact of Brexit on **food prices and availability on 10 May**. The report found that without a deal food prices are inevitably going to rise and that it will not be easy to replace EU sources of food, either through UK production or imports from non-EU nations. It calls on the UK Government to 'develop a comprehensive food security policy for the UK.'

The House of Commons' Welsh Affairs Committee **heard evidence** from the UK Government's Minister of State for Agriculture, Fisheries and Food, George Eustice MP on 1 May. During the session, Mr Eustice answered questions on what a common framework for agriculture may look like. **Mr Eustice responded:**

There is a commitment to keep the national budget at roughly £3 billion—the current level—until at least 2022. It will be important that we work out how that is allocated around the UK, so that each Administration has the funding it needs to implement its schemes and to fund a transition from the current scheme of basic payments—area payments—to wherever they want to end up.

When further questioned what UK common frameworks would mean for powers relating to agriculture that are currently devolved, **Mr Eustice stated:**

We are working through now, and we have identified, the 15 areas where we think, either in part or in whole, there needs to be a UK-wide framework. We have established that we will achieve that UK framework through consensus, and consent will not be unreasonably withheld by the devolveds. Only as a last resort, would we act without the consent of a particular devolved Administration. Having identified those 15 areas, we are going to work through regulation by regulation. Basically, we will identify those that need to be held in that pen, where we have to have that procedure applied that we have agreed in clause 11, and we will identify those areas that are out with that, which can go straight back to the devolved Administrations.

On the subject of agricultural payments post-CAP, **Mr Eustice stated:**

...we have been clear in our consultation for England—in my discussions with the devolved Administrations I think they share this view—that, currently, there is quite a lot of dependency on the single farm payment, so while we think it is a deeply unsatisfactory system for running an agriculture policy and that we could design something far better, we do think there should be a gradual transition from the system we have got to the system we want to get to.

In the aforementioned meeting of the Committee on 30 April, Mr Walker MP was pressed to commit developing a withdrawal agreement that doesn't disadvantage Welsh businesses over Northern Irish businesses. In response he said that:

...we absolutely want to see the best deal for the whole of the UK and we are, as part of our broader customs and border planning work, engaging with the Welsh ports. I've met with representatives of Holyhead and Fishguard as part of that, and I know that a number of colleagues across Government have been to visit those ports in recent months. So, it is very important that they are part of the overall UK economic offer, which we want to make as strong as possible.

## Post-Brexit Frameworks

At the conclusion of the ninth Joint Ministerial Committee on EU Negotiations (JMC (EN)) held on May 3, it was announced that the UK Government and the Devolved Administrations had **agreed to plans to work together on UK frameworks**. The plans will involve 'multilateral official level discussions in a range of areas where frameworks may be required'. The progress on these discussion will be considered at the next meeting JMC (EN).

When **Mark Drakeford AM gave evidence to the Committee** on 16 April, he explained some of the work that has underpinned the work around frameworks:

Just under 30 deep dives—formal deep dives—have now been completed. They have covered all of the areas where initial assessments suggested that cross-UK legislative underpinning for frameworks might be needed. All of those deep dives have involved officials from all three administrations. Some deep dives have lasted for more than a day, so the amount of time is slightly longer than the number.

A Welsh Government official supporting the Cabinet Secretary explained that a deep dive involves agreeing:

the common areas for discussion and sharing a mutual understanding of the policy areas as they apply now under EU frameworks where member states have agreed to make decisions on those things at an EU level—so, understanding the parameters by which that policy operates, and then actually exploring how the four administrations are currently operating in that policy area; some of these topics, depending on their nature, get quite legalistic in the sense of which laws apply and what the actual constraints within that are—also, the extent to which there's a shared view across the administrations for continuity and a similar approach as it's currently led, and the extent to which that area is intertwined with what a future trade relationship with the EU may be, and international obligations that may apply in these areas.

## Euratom

Given the Welsh Government's interest in developing a nuclear power plant in Wales, **Wylfa Newydd**, the Committee may be interested in the developments around the **European Atomic Energy Community (Euratom)** – the EU's single market for the trade in nuclear materials and technology. On 20 April, Lords EU Select Committee made available the **response they received from UK Minister of State for Energy and Clean Growth**, Claire Perry, to their report, **Brexit: Energy Security**. In the response, the UK Government stated its commitment to concluding “new safeguards agreements” with the International Atomic Energy Agency, which will “detail the UK's future safeguards obligations when Euratom safeguards arrangements no longer apply to the UK”. On the nature of these safeguards, the UK government stated that:

It is not necessary for the UK to achieve Euratom levels in order to meet our international commitments or enable trade with a range of key partners. Nonetheless, the Government has decided that it will establish a domestic nuclear safeguards regime which will deliver standards equivalent in effectiveness and coverage as that currently provide by Euratom. It is the Government's intention to reach this higher level of safeguards as soon as possible

**The UK government also stated** that it will “continue to seek a close association with Euratom, including the possibility of future co-operation on nuclear non-proliferation and safeguards, and any potential role for Euratom in supporting the establishment of the UK’s own domestic safeguards regime”.

When Mr Walker MP gave evidence to the Committee, he reported that:

The Euratom agreement obviously is a very important nuclear agreement that stands alongside the other EU treaties, and we do want to negotiate an association there, which is something for which there currently isn't a precedent outside the EU.

## 4. Welsh Government Response

On 24 April it was announced that the Welsh Government had reached an agreement with the UK Government in relation to the Withdrawal Bill, and in [a letter to David Lidington](#), the Cabinet Secretary for Finance said that the Welsh Government will advise the Assembly to now support a Legislative Consent Motion on the Bill:

Although the position we have currently developed does not meet the whole of our aims I recognise that the trilateral discussion process represents very significant progress from where we started.

On 25 April the Cabinet Secretary for Finance made a [statement in plenary](#) on 25 April in which he described the agreement as “a major advance over the original proposals.”

On Friday 27 April the Welsh Government laid a [supplementary Legislative Consent Memorandum](#) (LCM) in relation to the revised Bill before the Assembly. The LCM confirms that the changes to the Bill, along with the Intergovernmental Agreement, are sufficient to enable the Welsh Government to recommend that the Assembly gives its consent.

The Assembly is expected to debate the Legislative Consent Motion related to the Bill between Report and Third Reading Stages in the House of Lords.

Following the failure at a number of Joint Ministerial Council (EU Negotiations) meetings to reach an agreement on the Withdrawal Bill, both the Welsh and Scottish Governments decided to introduce their own ‘continuity’ Bills. The [Law Derived from the EU \(Wales\) Bill](#), which was treated as emergency legislation,

was passed on 21 March. On 17 April, during the four week period of intimation, the Attorney General referred the Bill to the Supreme Court for a decision whether it is within the Assembly's legislative competence.

On 18 April the Counsel General made a **statement** to the Assembly outlining the grounds on which the Bill was referred by the Attorney General. Following the agreement between the Welsh and UK Governments steps will be taken to withdraw the referral and to repeal the Welsh Continuity Bill. The Intergovernmental Agreement states:

As part of the implementation of this agreement, the governments agree that steps will be initiated to secure the repeal of Bills passed by the devolved legislatures as possible alternatives to the Withdrawal Bill, before the Withdrawal Bill receives Royal Assent. The governments will also ask their principal legal officers to make or support applications to the Supreme Court by consent to withdraw the references made to that Court in respect of such Bills.

The Welsh Government has **committed** to working with both Governments until the last moment to see if any further refinements to the Bill can be made. On 3 May the JMC (EN) met in London. The **press release** issued after the meeting states that the Withdrawal Bill was discussed but no further detail is provided.

On Monday 30 April the Assembly's Constitutional and Legislative Affairs Committee held **a scrutiny session with a Cabinet Secretary for Finance** to discuss the Withdrawal Bill and the agreed amendments.