CONSTITUTION, EUROPE, EXTERNAL AFFAIRS AND CULTURE COMMITTEE

5th Meeting, 2024, Session 6

Thursday 8 February 2024

TCA

- The roundtable session with members of the <u>Scottish Advisory Forum on Europe</u> (SAFE) is intended as a scene-setter for the Committee's <u>Review of the EU-UK</u> <u>Trade and Cooperation Agreement</u> inquiry.
- 2. The witnesses are—
 - Irene Oldfather, Chair, SAFE
 - Rachel Le Noan, Policy and Public Affairs Officer, SCVO
 - Agnes Tolmie, Chair, Scottish Women's Convention
 - Dr Adam Marks, International Policy Executive, Law Society of Scotland
 - Alastair Sim, Director, Universities Scotland
 - Tom Sallis, Director of Global Partnerships, Scotch Whisky Association
 - Lloyd Austin, Convener of the Governance Group, Scottish Environment LINK
 - Robert Smith, Head of International Policy, Association of the British Pharmaceutical Industry (ABPI)
- 3. The roundtable will consider the following key themes—
 - How trade in goods and services between the EU and UK is currently working
 - Where there are challenges and how these could be resolved
 - Opportunities for further developing the UK-EU relationship.
- 4. SPICe has provided a briefing at **Annexe A** and SAFE's written submission to the Committee's call for views can be found at **Annexe B**. In addition to SAFE's submission, the Law Society of Scotland also provided its <u>own submission</u> to the call for views.

Committee Clerks
February 2024

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Constitution, Europe, External Affairs and Culture Committee

5th Meeting, 2024 (Session 6), Thursday, 8 February

Civil Society Groups under the EU-UK Trade and Cooperation Agreement and the Scottish Advisory Forum on Europe

The <u>EU-UK Trade and Cooperation Agreement</u> (TCA) provides for the consultation of civil society in the EU and UK on the implementation of the TCA. This paper sets out the provisions of the TCA pertaining to the constitution of civil society groups under the agreement.

The paper also provides some background on the Scottish Advisory Forum on Europe.

Consultation of civil society on the implementation of the Trade and Cooperation Agreement

Articles 12 to 14 of the TCA establish fora for civil society groups in the EU and UK to provide views on the implementation of the agreement. These fora comprise Domestic Advisory Groups (DAGs) and a Civil Society Forum. Article 12 of the TCA, which provides for the consultation of civil society on the implementation of the TCA, states:

"The Parties shall consult civil society on the implementation of this Agreement and any supplementing agreement, in particular through interaction with the domestic advisory groups and the Civil Society Forum referred to in Articles 13 and 14".

Domestic Advisory Groups

Article 13 of the TCA provides for the establishment of DAGs. The parties are expected to consult its respective DAG on issues covered by the TCA. The EU and UK, in line with what is stated in Article 13, have both formed DAGs comprising:

"a representation of independent civil society organisations including nongovernmental organisations, business and employers' organisations, as well as trade unions, active in economic, sustainable development, social, human rights, environmental and other matters".

Article 13 grants flexibility to the EU and UK in how their respective DAGs are convened and structured. The parties are expected to consult their respective DAGs at least once a year and consider its views and recommendations. Each party is expected to publish the list of organisations participating in its DAG. The parties are also encouraged to facilitate interaction between their respective DAGs.

UK Domestic Advisory Group

The <u>UK DAG</u> meets at least twice a year and rotates the location of its plenary meetings between the four nations of the UK. It is supported by a secretariat provided by the UK Government and <u>rules of procedure</u>. The agenda, minutes, and statements made by the UK DAG are published on the <u>UK Government website</u>. UK DAG members can also form sub-groups that operate for a year and focus on sectoral or geographical issues. The <u>minutes from the UK DAG meeting on the 20 September 2023</u> indicate 5 sub-groups have formed so far and focus on the following issues:

- Business and Labour Mobility
- Trade and Customs
- Regulatory Cooperation and Level Playing Field
- Energy and Climate Change
- Issues Affecting Nations and Regions

The <u>rules of procedure</u> for the UK DAG indicate that it will organise one joint meeting with the EU DAG each year.

The UK Government announced the membership of the UK DAG in a <u>written</u> <u>statement to the UK Parliament House of Commons</u> on 31 March 2022. The statement, issued by James Cleverley MP, states:

"The Government ran an Expression of Interest campaign from 19 October 2021 until 29 November 2021 to determine membership of the Domestic Advisory Group and Civil Society Forum, the two formal civil society engagement channels provided for in the Trade and Cooperation Agreement (TCA).

Today, after careful analysis of applications to try to ensure a balanced, sectoral and geographical representation of civil society organisations, the Government is publishing the membership list for the UK Domestic Advisory Group...

The membership list will be kept under review and additional members will be considered in the future".

The Law Society of Scotland, in its submission to the Committee's Call for Views on the inquiry, expressed disappointment at not being selected as a UK DAG member through the expressions of interest process. Its submission states:

"From the context of the UK legal services sector the jurisdiction of England and Wales is represented by the Law Society and the Bar Council but the Scottish legal sector is unrepresented after the failure of our and the Faculty of Advocate's application.

The legal services market is no less important to Scotland than the equivalent market is to England and Wales, and our experience would fill the obvious geographic gap so far as Scotland is concerned. We also understand that the DAG is to rotate between the four nations of the UK which will result in the curious situation that it will meet in the Scottish legal jurisdiction without any representative of that jurisdiction being present".

EU Domestic Advisory Group

The <u>EU announced its DAG</u> on the 15 December 2021. The <u>rules of procedure for</u> the <u>EU DAG</u> indicate that it meets four times a year and publishes the agendas and minutes from its meetings. The rules of procedure for the EU DAG also indicate that it will organise one joint meeting with the UK DAG each year.

Civil Society Forum

Article 14 of the TCA provides for a Civil Society Forum which is expected to meet at least once a year to discuss the implementation of the TCA. It includes representation from both the EU and UK. Article 14.3 of the TCA states:

The Civil Society Forum shall be open for the participation of independent civil society organisations established in the territories of the Parties, including members of the domestic advisory groups referred to in Article 13. Each Party shall promote a balanced representation, including non-governmental organisations, business and employers' organisations and trade unions, active in economic, sustainable development, social, human rights, environmental and other matters.

The EU and UK <u>agreed operational guidelines for the conduct of the Civil Society</u> <u>Forum</u> on 5 May 2022. Two Civil Society Forum meetings have been held so far with the first taking place on 4 October 2022 and the second on 7 November 2023.

The UK delegation to the Civil Society Forum was selected following the <u>expressions</u> of interest process used to select the UK DAG. The UK participants in the <u>Civil Society Forum and the conclusions of the meetings</u> are published on the UK Government website. The EU delegation to the Civil Society Forum in <u>2022</u> and <u>2023</u> was selected following an open call for registration on both occasions.

The UK and EU DAGs <u>issued a joint statement ahead of the Civil Society Forum</u> which was hosted by the UK on 7 November. The statement welcomed developments such as the <u>Windsor Framework</u>, <u>Financial Services Memorandum of Understanding</u>, and the <u>UK's accession to Horizon Europe and Copernicus</u>. However, the statement also indicated that challenges relating to the implementation of the TCA persist. Issues mentioned in the statement included the need for timely guidance on the <u>UK Government Border Target Operating Model</u>, concerns over the <u>EU certification scheme for cloud services</u>, the interest in simplifying mobility of people (particularly young people and creative professionals) ahead of new border obligations being introduced, and rules of origin for electric vehicles and batteries.

The Scottish Advisory Forum on Europe

The Scottish Advisory Forum on Europe (SAFE) was established to promote the EU-UK priorities of Scottish civil society.

SAFE is made up of representatives from across Scottish civil society. According to SAFE's submission to the Committee:

"The Scottish Advisory Forum on Europe (SAFE) serves as a platform for meaningful engagement and dialogue concerning Scotland's relationships with Europe. Comprising civil society organizations and leaders across various priority areas such as health, trade, environment, workers' rights, education, and research, SAFE aims to identify and influence opportunities for connection and collaboration between Scotland and Europe."

SAFE initially produced a paper outlining Scottish civil society priorities for UK-EU relations which it submitted to the UK Domestic Advisory Group (DAG).

SAFE"s work was also instrumental in the establishment of a DAG sub-group on Nations and Regions "to ensure that any particular and differential issues relating to Wales, Scotland, Northern Ireland and the English Regions are given the attention that they deserve and are accommodated within the DAG framework".

As Vice Chair of the UK DAG (having been proposed for the role by the Scottish Council of Voluntary Organisations), Irene Oldfather has taken a lead role in coordinating the work of SAFE.

As the Committee will be aware, Irene Oldfather served as a Member of the Scottish Parliament from 1999 to 2011. She also convened the European and External Relations Committee between 2007 and 2011.

SAFE's priorities for the Trade and Cooperation Agreement

SAFE's submission to the Committee for the TCA inquiry is included as an annexe.

In the submission, SAFE identified a number of areas in which SAFE members wanted to see further work to implement the TCA and, in some cases, further development of the EU-UK relationship. These include:

- UK participation in EU programmes in addition to Horizon which has now been confirmed. Other programmes highlighted for participation include Erasmus, Creative Europe, European Territorial Cooperation, and Interreg (Interregional cooperation).
- Reopening of EU markets for Scottish seed potatoes producers.
- Linking of EU and UK Emissions Trading Schemes
- Simpler guidance on customs and rules of origin
- Address the challenges for touring creative professionals
- Maximise opportunities for young people
- Highest standards of environmental protection

On development of the TCA further, SAFE identified the need for an SPS agreement and more opportunities for UK service providers in the EU:

"An agreement on Sanitary and Phytosanitary (SPS) measures would not only ensure the safety of traded food but also enhance efficiency by harmonizing standards and procedures. Moreover, exploring opportunities for UK nationals to provide services in the EU through agreements that address licensing and professional qualifications would contribute to the growth of the services sector."

SAFE also suggested that the TCA should be the starting point in developing the UK-EU relationship and welcomed the review to come:

"While the TCA has laid a foundation for post-Brexit relations, continuous engagement and adaptability are key. It would be beneficial to regularly review the agreement, considering the evolving economic landscape, technological advancements, and the needs of businesses and citizens on both sides. Open channels for dialogue and feedback will be essential for addressing emerging challenges and fostering a robust and mutually beneficial EU-UK relationship."

Issues to discuss

Today's evidence session provides an opportunity for the Committee to discuss SAFE's views on elements of the TCA which still need to be fully implemented. In addition, it is an opportunity to discuss where SAFE members see there are opportunities for further developing the UK-EU relationship.

The Committee may also wish to discuss how SAFE engages with the UK DAG and whether it will seek to engage in the DAG sub-group on Nations and Regions.

Courtney Aitken and Iain McIver SPICe Research

CEEAC/S6/24/5/1 Annexe A

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Scottish Advisory Forum on Europe (SAFE) Review of EU-UK Trade and Cooperation Agreement

8: How trade in goods and services between the EU and UK is currently working and if there are areas where it can be improved.

I. The Scottish Advisory Forum on Europe (SAFE)

The Scottish Advisory Forum on Europe (SAFE) serves as a platform for meaningful engagement and dialogue concerning Scotland's relationships with Europe. Comprising civil society organizations and leaders across various priority areas such as health, trade, environment, workers' rights, education, and research, SAFE aims to identify and influence opportunities for connection and collaboration between Scotland and Europe. Launched in May 2023, SAFE has garnered enthusiasm from Scottish and European networks, demonstrating successful cross-sectoral collaboration and strong links with the European Economic and Social Committee.

SAFE represents diverse industries and interests, and this issue paper consolidates the concerns and priorities of SAFE members, with a specific focus on the Scottish context. Submitted to the UK-EU Trade and Cooperation Agreement Domestic Advisory Group (DAG) in September 2023, the paper ensures that Scottish priorities are duly reflected in DAG's activities. The DAG, a consultative body, facilitates communication between the government and those most affected by the Agreement, with member organizations submitting their views and discussing progress.

The DAG set up to govern the Trade and Cooperation Agreement (TCA) is finding its way. It took the UK government a year longer than EU counterparts to put it in place, but there are now five sub-committees working on the following issues: Business and Labour Mobility, Energy and Climate Change, Level Playing Field and Regulatory Cooperation, Trade and Customs. Finally, we set up a sub-group on Nations and Regions to ensure that any particular and differential issues relating to Wales, Scotland, Northern Ireland and the English Regions are given the attention that they deserve and are accommodated within the DAG framework.

II. Issues submitted by SAFE members

SAFE members submitted key issues and priorities relevant to specific areas in the Trade and Cooperation Agreement, calling for progress, innovation, and a robust relationship with the EU and European partners.

 The successful completion of negotiations on UK's participation to the to Horizon Europe Research Programme (TCA Chapter 5) is an important first step but we need to ensure that other opportunities will follow.

As mentioned later in our response, SAFE members understand the importance of UK's participation in various EU programmes, including Erasmus+. Various sectors

across Scotland eagerly await the resumption of cooperation with European partners.

• Full UK Participation in Various EU Programs (TCA Chapter 5)

Scottish universities and stakeholders emphasize the importance of full UK participation in Erasmus+, Creative Europe, European Territorial Cooperation, and Interreg. The TCA, in their view, does not preclude ongoing UK participation in these programs, and the replacement initiatives by the UK government have not replicated the EU's scale. SAFE members welcome the ongoing progress in the negotiations for the UK's association with the Horizon Europe research program, which is crucial for fostering innovation and collaboration in key sectors.

• Secure Agreement to Reopen EU Markets to Seed Potato Exporters (TCA Chapter 3)

Discussions on seed potato exports from Great Britain to the EU have reached an impasse. Improved relations following the Windsor Framework may enhance the chances of an agreement, benefiting both Scottish exporters and growers in EU Member States.

• Commitment to Open Negotiations on Linking UK and EU Emissions Trading Schemes (TCA Chapter 7)

SAFE urges a proactive approach to link the UK and EU Emissions Trading Schemes, advocating for a firm timetable for preliminary discussions through the Level Playing Field Specialized Committee.

 Simpler Guidance on Customs, Rules of Origin, and Key Issues (TCA Title 1)

Businesses face difficulties due to unclear trading requirements across the EU. SAFE calls for joint guidance on customs, rules of origin, and a mutual recognition agreement on conformity assessment and markings of industrial goods.

 Establishment of Technical Barriers to Trade Working Groups (TCA Title 3, Article 9)

SAFE urges the expedited establishment of Technical Barriers to Trade Working Groups to reflect the views of Scottish stakeholders and calls for preparatory discussions with Devolved Governments.

• Strengthen the Case for Touring Creative Professionals (TCA Chapter 3)

Simplifying visa restrictions for creative professionals touring the EU is vital. SAFE suggests reciprocal offers and the removal of barriers, benefiting both parties.

Maximize Opportunities for Young People (TCA Chapter 5, Section 2)

SAFE emphasizes the need to restore opportunities for young people to live, work, study, and learn in the EU, proposing potential addenda to the TCA to cover cooperation in this area. Progress on youth mobility remains both an ambition and priority. Both the UK and the EU need to work together to ensure young people

across Europe have the possibility to live, work, study, and learn in the EU. Initiatives, such as the Stronger Together for a Better World Competition, funded by the British Council and the European Union, show that there is a clear appetite for collaboration between young people in the UK and the EU.

Ensure Rights of Citizens (TCA Protocol on Social Security Coordination)

SAFE highlights challenges faced by EU and UK citizens, calling for prioritization of safeguarding rights, awareness campaigns, and research on citizen issues.

Highest Standards of Environmental Protection (TCA Chapter 7)

Scottish stakeholders advocate for environmental protection standards in trade policies, exploring the potential for expanding the EU's carbon border adjustment mechanism in the future TCA review.

Impact on Citizens

Understanding the wider implications of border obstacles on citizens, including cost of living, accessibility, and administrative charges, is crucial for long-term planning.

Reassurance for Business and Trade (TCA Chapter 4 & 5)

Scottish stakeholders seek negotiation of a supplementary mutual recognition agreement for industrial goods and a closer regulatory policy relationship to ensure better coordination between the EU and UK.

III. Additional Issues

SAFE members submitted additional concerns impacting their work in Scotland and Scotlish Civil Society across various categories.

• Employment Rights

Members express concern about eroding protections around equality and human rights, including recent UK legislation affecting Trades Unions.

Customs Arrangements

SAFE calls for simpler guidance on customs, rules of origin, and key issues to ensure consistent application across all EU member states and the UK.

VAT

Members advocate for an agreement on VAT cooperation with the EU to reduce the need for fiscal intermediaries for UK companies conducting cross-border trade.

Labour Mobility

They support the introduction of short-term work visas and broadening the shortage occupations list Calls for agreements with the European Commission and member states on widening access for labour mobility and mutual recognition of professional

qualifications to address labour and skills shortages not only in Scotland but across the UK.

Trade Flow and Border Controls

They prioritise the flow of goods at the GB border and calls for light-touch compliance burdens on animal and plant product controls.

Business Travel

SAFE urges flexibility on travel for business purposes and expanding the range of business activities that can be undertaken.

Funding

The group highlights uncertainty about future funding for EU replacement funds and UKSPF.

Life Sciences

SAFE members encourage the EU and UK to cooperate in the interest of patients across Europe, noting that this was recognised within the TCA through commitments to work together on shared challenges for health security and global health threats such as antimicrobial resistance.

We would urge both sides to deepen cooperation to eliminate both regulatory and trade barriers to medicines and medical devices, strengthen global supply chain resilience for these essential goods, and facilitate cooperation on future research through full UK participation in the Horizon Europe and Copernicus research programmes. In particular, we urge both sides to use the Medicinal Products Working Group under the TBT Committee to work towards agreeing a Mutual Recognition Agreement on the batch testing of medicines to achieve these goals.

We are aware that barriers to research co-operation remain and encourage both parties to maximise the benefits to citizens and patients by facilitating third country access for UK researchers to other EU programmes [such as EU4Health] and to the databases that enable secure exchange of relevant information between researchers, and by mutual recognition e.g., of clinical trial sponsors.

9 Whether there is an interest in developing the trading relationship further e.g., through an agreement on sanitary and phytosanitary (SPS) measures or on the opportunities for UK nationals to provide services in the EU.

Yes, there is a clear interest in developing the trading relationship further. An agreement on Sanitary and Phytosanitary (SPS) measures would not only ensure the safety of traded food but also enhance efficiency by harmonizing standards and procedures. Moreover, exploring opportunities for UK nationals to provide services in the EU through agreements that address licensing and professional qualifications would contribute to the growth of the services sector

10 Whether EU-UK relations in the future could build on elements of the Windsor Framework to encourage flexible and simple conditions for trade.

Building on elements of the Windsor Framework presents a promising opportunity to encourage flexible and simple conditions for trade between the EU and the UK. The focus on ensuring the smooth movement of goods between Great Britain and Northern Ireland is crucial. Collaborative efforts to address potential challenges and enhance the framework's effectiveness will contribute to a more resilient and adaptable trading relationship.

11 Any other views

While the TCA has laid a foundation for post-Brexit relations, continuous engagement and adaptability are key. It would be beneficial to regularly review the agreement, considering the evolving economic landscape, technological advancements, and the needs of businesses and citizens on both sides. Open channels for dialogue and feedback will be essential for addressing emerging challenges and fostering a robust and mutually beneficial EU-UK relationship.