



**European Committee
of the Regions**

CIVEX-VII/011

149th plenary session, 27-28 April 2022

OPINION

Strengthening the EU-UK relationship at subnational level and remedying the territorial impact of the UK's withdrawal from the EU

THE EUROPEAN COMMITTEE OF THE REGIONS

- regrets that the Trade and Cooperation Agreement (TCA) lacks "territorial depth" and does not duly recognise the role of local and regional authorities (LRAs) in the EU-UK relationship;
- stresses that the CoR-UK Contact Group (CG), established in February 2020, is the only institutional channel for providing a forum for continued dialogue and political partnership between the EU and UK LRAs and for exchanging know-how, in particular on territorial cooperation and cross-border issues, and calls for its formal recognition under the TCA in order to provide an assessment of the subnational dimension of the key policy and legislative issues that will have an impact on the UK-EU bilateral relationship;
- and encourages the European Parliament (EP) to adopt a formalised interaction between the CoR and the EP's Delegation to the UK (D-UK) to the EU-UK Parliamentary Partnership Assembly (PPA) to provide territory-based evidence about the implementation of the TCA;
- welcomes the CoR study on *New trade and economic relations between EU-UK: the impact on regions and cities* which concludes that Brexit effects are asymmetric across sectors and EU regions, impact more heavily on smaller companies, may reduce human capital mobility and cooperation between EU and UK enterprises, and negatively affect regions and communities involved in interregional projects with the UK;
- insists that the provisions of the Brexit Adjustment Reserve (BAR) Regulation relating to the involvement of regions and local communities in the implementation of the BAR and the reporting at NUTS 2 level are fully respected;
- sees untapped prospects for cooperation between EU and UK LRAs in jointly engaging on common challenges, such as providing humanitarian assistance, the sustainable management of the North Sea, the Channel and the Irish Sea, as well as the global fight against climate change, the implementation of the Sustainable Development Goals at local and regional level and the shift towards more sustainable and digital tourism.

Rapporteur

Michael Murphy (IE/EPP)

Councillor, Tipperary County Council, Mayor of Clonmel Borough District

Opinion of the European Committee of the Regions – Strengthening the EU-UK relationship at subnational level and remedying the territorial impact of the UK's withdrawal from the EU

I. POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR),

General remarks

1. welcomes the Trade and Cooperation Agreement (TCA) between the European Union (EU) and the United Kingdom (UK) which fully entered into force on 1 May 2021 and provides a stable legal framework for the bilateral relationship. The CoR supports a joint and responsible approach to the implementation of the TCA, including the Northern Ireland Protocol and the respect of the level-playing field, and acknowledges the European Commission's efforts to find creative solutions, in particular for issues arising between Northern Ireland and the rest of the UK;
2. recalls that the TCA¹ is a Free Trade Agreement (FTA)² and includes provisions for cooperation on economic, social, environmental and fisheries issues, but also entails a "close partnership on citizens' security" and an overarching governance framework. The CoR notes that the TCA includes areas of Member State competence, which in some EU Member States are in the remit of regions with legislative competences;
3. regrets therefore that the TCA lacks "territorial depth" and does not duly recognise the role of local and regional authorities (LRAs) in the EU-UK relationship and refers to LRAs only when it comes to adapting some elements of the agreement to specific regional conditions³ or on very specific issues such as fiscal provisions⁴. The CoR highlights that the TCA includes a defined role for civil society, which is considered an element *per se* of the "Institutional framework"⁵;
4. welcomes the cooperation between the European Union and the United Kingdom in reaction to the Russian aggression in Ukraine and highlights that local authorities across Europe are at the frontline of providing practical and humanitarian support;

Aiming for a greater institutional recognition of the EU-UK relationship at subnational level

5. stresses that the CoR-UK Contact Group (CG), established in February 2020, is the only institutional channel for providing a forum for continued dialogue and political partnership

1 based on Article 217 TFEU

2 based on Article 207 TFEU

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between the EU and UK local and regional authorities and for exchanging know-how, in particular on territorial cooperation and cross-border issues; Recognises that the CG provides the space for mutual benefit and shared interest to discuss problems or opportunities, particularly in relation to thematic areas that know no boundaries (e.g. climate change, tourism, the digital and green transition and common cultural heritage) arising from the UK's withdrawal from the EU. It also gives CoR representatives the means to discuss such issues with UK local and regional authority representatives, and thus allows for the CoR to maintain and foster such fruitful relationships at the subnational level;

6. recognises that the relationship between the EU and the UK, taking account of the unprecedented withdrawal of a Member State from the EU, will remain the most intense and multi-dimensional of any relationship with a third country and the relationship at the subnational level deserves recognition. It therefore, calls for the formal recognition of the CoR-UK Contact Group and as an official sub-national interlocutor between EU and UK local and regional government under the TCA in order to provide an assessment of the subnational dimension of the key policy and legislative issues that will have an impact on the UK-EU bilateral relationship, just as the Parliamentary Assembly, the Civil Society Forum and the UK-EU specialised committees will undertake in their areas of interest. The CoR also calls on LRAs in the UK to continue to work with the UK Government on formal recognition of the CG;
7. urges the European Commission to re-examine the structures of the Joint Partnership Council, which oversees the implementation and application of the TCA, to seek to address the lack of territorial depth by involving LRAs in the monitoring and governance of the TCA. The establishment of local dialogues (technical concertation) to address topics of local competences (fisheries, training, mobility, territorial cooperation...) would contribute to an improvement in EU/UK relations at the macro level;
8. encourages the European Parliament to adopt a formalised interaction in a mutually beneficial way on points of common concern between the CoR and the European Parliament's Delegation to the UK (D-UK) to the EU-UK Parliamentary Partnership Assembly (PPA) to provide territory-based evidence about the implementation of the TCA;
9. appreciates the ongoing political and technical level talks to resolve the issues arising from the implementation of the Northern Ireland Protocol, is also aware of the ongoing work by the European Commission to finalise a Treaty on Gibraltar, but emphasises nonetheless that such developments that remain to be worked out should not hamper the pressing willingness of Local and Regional Authorities to chart out ways of cooperation;

Remedying the territorial impact of Brexit

10. considers that since early 2020, it remains difficult to disentangle the effects emerging from the negotiation and entry into force of the TCA from those of the COVID-19 pandemic⁶. Welcomes the recent CoR study on *New trade and economic relations between EU-UK: the impact on*

⁶ See chapter VI of the CoR's Annual Barometer 2021: <https://cor.europa.eu/en/our-work/Documents/barometer-fullreport%20web.pdf>

regions and cities which concludes that Brexit effects are asymmetric across sectors and EU regions, impact more heavily on smaller companies, may reduce human capital mobility and cooperation between EU and UK enterprises, and negatively affect regions and communities involved in interregional projects with the UK; welcomes the fact that the study confirms that an increase of the Brexit Adjustment Reserve budget will be necessary to address these asymmetric impacts in Europe;

11. recognises that the territorial impact of Brexit is felt in regions right across the EU and the issues are, amongst others, economic, environmental, social, cultural and educational – from trade at major ports that are particularly exposed, such as those of Antwerp, Calais, Cork, Dover, Dublin, Rotterdam and Zeebrugge, to the future of student exchanges, university sectors collaborating on climate adaptation and change, regional trade agencies scoping alternative markets and working out citizens' issues including mobility and integration;
12. stresses the importance of the Brexit Adjustment Reserve (BAR) in mitigating the most immediate costs and assessing the longer-term assessment needs of the impact of Brexit, supporting the Member States' regions and economic sectors, including job creation and protection, such as short-time working schemes, reskilling and training and scoping out new markets;
13. the CoR therefore insists that the provisions of the BAR Regulation relating to the involvement of regions and local communities in the implementation of the BAR and the reporting at NUTS 2 level are fully respected. The CoR also recalls that, with a view to the programming of BAR funds, it had requested a focus on SMEs, on measures aimed at the reintegration of EU citizens and on technical assistance. In terms of distribution of funds, the CoR advocated a minimum coverage/threshold for the new maritime border regions with the UK and an allocation of the envelope on fisheries without national indexation;
14. at present, the CoR shares the concern of regional counterparts in the UK suggest that the strategic planning of regional policy suffers from the loss of EU Cohesion policy funding and the lack of multi-annual programming security;

Charting new avenues of cooperation beyond the TCA

15. stresses the willingness from the grassroots of local government associations and local authorities across the UK and in particular the devolved nations for ongoing, even enhanced, relationships at the sub-national level with EU counterparts in this post-Brexit era;
16. points out that there is real merit in recognising and fostering the subnational relationship, which is important, as local concertation can contribute to better relationships at the macro level; For example, the re-establishment of a local technical concertation on fisheries in the Channel Islands area could contribute to an improvement in EU/UK relations at the macro level;
17. welcomes the fact that even if the UK no longer participates in EU funding programmes, it continues to participate in four technical EU programmes: Horizon Europe, Copernicus and satellite surveillance, Euratom research and training and ITER. In particular, the first two

programmes mentioned are relevant to local and regional authorities. Notes that there are a number of initiatives that regions of the UK continue to participate in, including Scotland and Wales continuing to participate in the Horizon Europe-financed Vanguard Initiative⁷, (which accompanies industrial transformation following an inclusive, interactive, and entrepreneurial process built on the Regions RIS3/I3), and Kent County Council participates in the Straits Committee initiative⁸;

18. recalls that some UK regions are still involved in the current programming period (up until the end of 2023) including Interreg North Sea, the Channel Interreg and the Interreg Ireland Wales, and notes that the UK is a major budget contributor to these cross-border programmes of up to a third of the budget. The CoR notes that local and regional authorities will most likely not be able to compensate for the loss of Interreg funding by using regional or local funds;
19. recognises that in relation to programme closure, particularly where the Managing Authorities are based in the UK (Interreg France (Channel) England, and Ireland Wales) these must be closed under the best possible conditions in the interest of the British and EU beneficiaries and in line with EU requirements;
20. recognises that the only cross-border cooperation programme surviving Brexit after 2023 will be the PEACE PLUS programme for the period 2021-2027, financed by the EU with approximately EUR 1 billion. PEACE PLUS will combine the existing EU PEACE and Interreg funding components into a single coherent cross-border programme for Northern Ireland and the border counties of Ireland. The programme remains an essential contribution for the implementation of the Good Friday Agreement;
21. notes that the participation of the UK in INTERREG programmes – which already have strong third-country participation, such as the Northern Periphery and Arctic Programme, the North Sea Region Programme and the North West Europe Programme – may be possible if the UK government agrees to fund participation;
22. stresses that setting up a European Grouping of Territorial Cooperation (EGTC) involving a partner from only one EU Member State, including its outermost regions, and one local or regional authority from the UK may be possible and suggests that EU Member States may consider this tool, if consistent with its territorial cooperation, in seeking collaborations with the UK;
23. regrets that the impact of Brexit has not been taken into account by the European Commission in the 8th Cohesion Report. The impact has contributed to the disruption of the economy, interregional cooperation, research ecosystems, training systems and demography for a certain number of EU regions. The European Committee of the Regions would like to see geopolitical developments better taken into account in the prospective approach to the post-2027 period;

⁷ <http://www.s3vanguardinitiative.eu/members>

⁸ The Straits Committee is a multilateral forum for dialogue, providing a flexible framework for its members to work together within the boundaries of their responsibilities and for extending cooperation to local stakeholders such as from the voluntary sector, education or the world of business.

24. welcomes the fact that UK cities and regions are still actively involved in many EU networks and associations, such as the Congress of Local and Regional Authorities of the Council of Europe and are expected to remain within certain European associative frameworks such as the Conference of Peripheral Maritime Regions (CPMR), Eurocities and the Council of European Municipalities and Regions (CEMR) and that these mechanisms provide for excellent exchange of experiences between UK and EU LRAs;
25. expresses confidence that cooperation between EU and UK LRAs will continue through twinning, considering that around 100 UK towns and cities⁹ have a twinning link with towns and cities in EU Member States; urges the partnerships to continue to explore possible funding methods to support this work, as these partnerships foster sharing of best practices, mutual understanding and common values and are essential to a European way of life;
26. recognises the importance of educational exchanges for students' mobility and joint research, as well as the development of language skills and human ties and supports the efforts of UK devolved administrations to open new avenues for cooperation beyond the TCA framework;
27. pays particular tribute to the Welsh "Taith" programme¹⁰ and welcomes both the Welsh and Scottish international learning exchange programmes, which may at least in part compensate the withdrawal of the UK from Erasmus+ and fill in the gaps left by the UK national Turing Programme¹¹;
28. notes that there is a visible trend towards a bilateralisation of relations at subnational level as illustrated by the opening of representations of EU regions in London and elsewhere in UK. The devolved nations in the UK also pursue agendas of "global nations", which prioritise bilateral relationships with European regions. In England, cities and metropolitan areas also initiate bilateral cooperation projects as evidenced i.e. by the Greater Manchester and North Rhine-Westphalia partnership. While welcoming bilateral relationships, the CoR suggests that this bilateralisation should not be at the expense of local and regional authorities in countries with weaker capacities at subnational level and this support should not be perceived as competing with the CoR's objective to obtain an institutional recognition of the subnational dimension of the EU-UK relationship;
29. sees untapped prospects for cooperation between EU and UK local and regional authorities in jointly engaging on common challenges, such as providing humanitarian assistance, the sustainable management of the North Sea, the Channel and the Irish Sea, as well as the global fight against climate change, the implementation of the Sustainable Development Goals at local and regional level and the shift towards more sustainable and digital tourism. In this regards, supports the idea launched by the United Kingdom and France to ensure minimum wages for

⁹ Office of National Statistics, UK, 2018 Data, published in September 2020:
<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/datasets/twinnedtownsandcities>

¹⁰ Five-year programme (2022 to 2026) programme launched in February 2022 with Welsh Government funding up to EUR 65 million.

¹¹ Which offers no reciprocity, a one-year duration, and a focus on academic staff rather than students.

seafarers and workers operating on intra-European links, i.e. also between the UK and the European Union;

30. stresses that the relationship between EU and UK regions is also based on common cultural heritages, languages, and Celtic (language) connections, amongst others, shared European values and histories amongst our citizens.
31. considers that there is an onus on all EU institutions to better grasp and understand the potential of relations and partnerships at the EU-UK subnational level recognising the pivotal role of local and regional authorities as the level of government closest to the citizen;
32. considers that the creation of comprehensive advisory structures for Brexit preparedness by regional or local authorities is a useful tool for improving relations between the UK and the EU;
33. concludes that, in considering the future challenges and direction of the EU, in the aftermath of Brexit, there is a need to further understand the challenges and priorities of citizens in the EU and recognises that the Conference on the Future of Europe (COFE) provides an opportune mechanism to do this.

Brussels, 27 April 2022

The President
of the European Committee of the Regions

Apostolos Tzitzikostas

The Secretary-General
of the European Committee of the Regions

Petr Bližkovský

II. PROCEDURE

Title	Strengthening the EU-UK relationship at subnational level and remedying the territorial impact of the UK's withdrawal from the EU
Reference(s)	n/a
Legal basis	Article 307.4 Treaty on the Functioning of the European Union
Procedural basis	Rule 41b) ii)
Date of Council/EP referral/ Date of Commission letter	
Date of Bureau/President's decision	11 October 2021
Commission responsible	Commission for Citizenship, Governance, Institutional and External Affairs
Rapporteur	Michael Murphy (IE/EPP), Councillor, Tipperary County Council, Mayor of Clonmel Borough District
Analysis	24 November 2021 (part 1)
Discussed in commission	1 February 2022 and 29 March 2022
Date adopted by commission	29 March 2022
Result of the vote in commission (majority, unanimity)	Unanimity
Date adopted in plenary	27 April 2022 by unanimity
Previous Committee opinions / resolutions	<p>Resolution on <i>the implications of the United Kingdom's withdrawal from the European Union for the EU's local and regional authorities</i>, May 2018 (RESOL-VI-31)</p> <p>Resolution of the European Committee of the Regions on <i>the implications for local and regional government of the UK's intention to withdraw from the European Union</i>, March 2017 (RESOL-VI-22).</p> <p>Resolution of the European Committee of the Regions on <i>the implications for local and regional government of the United Kingdom's intention to withdraw from the European Union</i> (2017/C 272/03)</p> <p>Resolution of the European Committee of the Regions on <i>the implications of the United Kingdom's withdrawal from the European Union for the EU's local and regional authorities</i> (2018/C 361/01)</p> <p>Resolution of the European Committee of the Regions on <i>the Future of Cross-border Cooperation XXX</i></p> <p>Opinion of the European Committee of the Regions on</p>

	<i>the Proposal for a Brexit Adjustment Reserve</i> <i>CoR Study Restoring "lost connections" between the EU and the UK as a consequence of Brexit through local and regional authorities</i>
Date of subsidiarity monitoring consultation	n/a