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(Resolutions, recommendations and opinions)

OPINIONS

COMMITTEE OF THE REGIONS

129TH COR PLENARY SESSION, 16.5.2018-17.5.2018

Resolution of the European Committee of the Regions on the implications of the United Kingdom’s withdrawal from the European Union for the EU’s local and regional authorities

(2018/C 361/01)

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR),

— Having regard to the Joint Report from the negotiators of the European Union (EU) and the UK Government of 8 December 2017 on progress during phase 1 of negotiations under Article 50 TEU on the UK’s withdrawal from the EU, and to the European Commission draft Withdrawal Agreement of 28 February 2018,

— Having regard to the European Council (Art. 50) Guidelines of 23 March 2018 on the overall understanding of the framework for the future relationship between the EU and the UK,

— Having regard to the European Parliament resolution of 14 March 2018 on the framework of the future EU-UK relationship,

1. Welcomes that with the approval of the terms of the transition period no discrimination should exist between EU citizens who arrived in the UK and UK nationals who arrived in EU-27 up to the end of the transition period. Welcomes that the rights under the Withdrawal Agreement of UK citizens who will remain in the EU, and EU citizens who will remain in the UK, are protected for life and demands assurances that future changes in policy in the EU Member States or in the UK do not put these rights in jeopardy. This includes right to health care and the mutual recognition of social security contributions.

2. Welcomes the progress being made in terms of the issues to discuss in the future framework for the relationship between the EU and the UK, and urges the negotiating parties to clarify the key elements on the basis for cooperation (such as its structure, governance, scope and mechanisms for dispute settlement, enforcement and participation) as soon as possible, to give orientation and certainty to local and regional authorities.

3. Highlights the importance of regulatory alignment between Ireland and Northern Ireland and therefore with the EU, the so called ‘backstop clause’. Recalls that an optimal, viable and legally operative solution for the border between Northern Ireland and Ireland needs to be found and hopes further progress is made for the European Council Summit in June.

4. Notes that the UK’s withdrawal will inevitably have consequences and depending on the deal struck between the EU and the UK, the new relationship it could make the exchange of goods and services as well as the movements of persons and capital more difficult than in the customs union and single market to which the UK currently belongs. Therefore calls for pragmatism so as to avoid negative consequences for either side while respecting the integrity of the customs union and the single market.
5. Notes however that, although there is a range of potential options in terms of the UK's future relationship with the EU, there is not sufficient focus on what the future relationship should look like at the level of local and regional authorities. Underlines that many important issues require local and regional action and therefore continued cooperation with the sharing of best-practices at the level of local and regional authorities is needed.

6. Recalls that since the referendum the CoR has provided a platform for continued dialogue with the UK local and regional authorities, while carrying out consultations and in-depth assessments of the impact of the UK's withdrawal at subnational level: these indicate that the economic and social effects of the UK's withdrawal from the EU will most likely be asymmetrical not only across different sectors of the economy, but also across regions and countries, with some regions and Member States being more exposed due to the nature and scale of their trade linkages with the UK.

7. Points out that the CoR's analytical work shows that the majority of regions have not, to date, succeeded in properly assessing the possible impact of the UK leaving, given in particular the uncertainty surrounding the negotiations and the future relationship. Notes that the absence of data on the impact of UK withdrawal will inevitably restrict the scope to prepare effectively and take mitigating measures.

8. Given the uncertainties related to the United Kingdom's withdrawal from the European Union and its concrete consequences, all levels of governance both in the UK and in the EU-27 must continue to prepare, for all possible outcomes, as stressed by the European Council. It is especially important that regional and local authorities prepare for all scenarios. Stresses the importance of maintaining a high level of transparency at all of the decision-making stages, as a prerequisite for enabling local and regional authorities to deal with all possible outcomes.

9. Calls for an extra effort to be made to inform society of changes in future relations. Points out, in particular, that awareness raising and sharing of information will help businesses, notably SMEs, better prepare to face structural and economic adjustments, and calls on local and regional authorities to develop specific strategies adapted to their needs to mitigate the impact of the United Kingdom's withdrawal, wherever necessary and justified.

10. Urges the EU Member States as well as the EU institutions to ensure that local and regional authorities are not left to deal with these challenges on their own and that these challenges are mitigated as far as possible through a positive future relationship. In this context notes with deep concern the recent proposals for the MFF by the European Commission and reiterates its conviction that a strong cohesion policy, including reinforced European Territorial Cooperation programmes such as Interreg, essential for the local and regional authorities in the EU to address adverse consequences of the UK's withdrawal; furthermore underlines that also other EU policies such as Common Agricultural Policy and Common Fisheries Policy should be used to mitigate these negative impacts which should be taken into consideration when deciding upon their future financing. Calls on the European Commission to assess before 29 March 2019 the possible need for a stabilisation fund for regions most adversely affected by the UK's withdrawal from the EU.

11. Notes that sufficient flexibility in state aid rules may also be necessary to allow local and regional authorities to cope with specific critical situations.

12. Recalls that whilst the UK as a third country would not be able to participate in the EU's decision-making process — the best way to mitigate the impact of the UK's withdrawal from the EU is through an ambitious agreement, setting out a genuine partnership between the EU and the UK, not limited to trade and economic relations; stresses that even if such an agreement can only be finalised and concluded once the UK will have left the EU, efforts should be made to facilitate its prompt conclusion. Also stresses the need to envisage specific agreements on foreign policy and defence, which would maintain a link between the UK and the EU, together with intelligence sharing.

13. Urges the European Union to prioritise connectivity of people and goods between regions in the European Union and also between the EU and the UK. Highlights in particular the critical role of ports, airports as well as road and rail networks in ensuring this connectivity and wishes to see a refocus of policy and investment in this regard.
14. Recalls the need for the UK to maintain the protection for European designations of origin and geographical indications as well as the recognition of the European legislation on sanitary, phytosanitary and environmental matter in order to avoid the emergence of new controls to exports that would hamper the shipments to that country.

15. Welcomes the provisional agreement on a transition period set out in Part Four of the draft Withdrawal Agreement, during which the Union law shall be applicable to and in the UK, which provides more legal certainty and time for negotiations on the future relationship between the EU-27 and the United Kingdom.

16. Recalls that the local and regional authorities in the European Union of 27 have an interest in the UK being allowed to participate as a third country in certain Union programmes to which it makes an appropriate financial contribution, in particular in the fields of education, culture, research, innovation, as well as relevant agencies, and in a close relationship with regard to security, border and migration management.

17. Welcomes the four underlying principles of the draft Withdrawal Agreement, i.e. ensuring that the existing citizens’ rights will be safeguarded, that financial commitments undertaken by the EU-28 will be respected, that the North-South cooperation on the island of Ireland will be maintained, and that a hard border between Northern Ireland and Ireland will be avoided.

18. Considers it essential that a future partnership agreement include provisions on the movement of natural persons based on full reciprocity and non-discrimination among Member States, beyond any transition period. In order to ensure the future mobility, the agreement shall guarantee mutual recognition of professional, academic and vocational qualifications.

19. Highlights that it is highly important to ensure that no hard border is erected on the island of Ireland and that the Good Friday Agreement is not jeopardised; therefore calls on the UK and the EU to keep seeking solutions which allows for the continuation of the movement of goods, persons and services between their territories, without negatively affecting the integrity of the European customs union and internal market, or the rights and obligations of Ireland under EU law, including with respect to the free movement of Union citizens and their family members, irrespective of their nationality. Stresses the need to maintain the EU PEACE and Interreg programmes with the UK, as a partner.

20. Recalls its previously-expressed hopes that the region of Andalusia and specifically the thousands of workers of the seven municipalities of the Campo de Gibraltar district, who cross into Gibraltar on a daily basis to work, and citizens on both sides do not lose out as a result of the UK leaving the EU, given the high degree of social and economic interdependence in this area, particularly in the neighbouring town of La Línea de la Concepción.

21. Recalls that the outermost regions of the European Union suffer from the structural difficulties set out in Article 349 of the Treaty on the Functioning of the European Union. The huge dependence of some of these regions on the British economy indicates that special EU measures are needed to protect them, in order to offset any negative impact on these fragile economies.

22. Calls upon the Parties to explicitly foresee that the joint bodies mentioned in the draft Withdrawal Agreement address the territorial dimension and persons and services between their territories, without negatively affecting the integrity of the European customs union and internal market, or the rights and obligations of Ireland under EU law, including with respect to the free movement of Union citizens and their family members, irrespective of their nationality. Stresses the need to maintain the EU PEACE and Interreg programmes with the UK, as a partner.

23. Beyond 2020, appropriate arrangements should be put in place to ensure easy access for UK local and regional authorities to cooperate with EU counterparts through the participation in EU cooperation programmes in a similar fashion that countries, such as, for instance, Norway or Iceland currently do, as well as by way of macro-regional strategies, Interreg and within EGTC frameworks.

24. Recalls, in this context, that, even if the CoR does not have a formal role in the negotiations, some of its members and the authorities they represent will have the possibility of adopting formal positions according to their respective roles in their different national legal frameworks; as a consequence, requests that the forthcoming negotiations on the future partnership agreement are held in a transparent and inclusive way so that local and regional authorities can put forward their point of view and react in an appropriate and timely manner, and anticipate any repercussions, particularly economic, and thus safeguard their own territories. Reiterates its belief that the CoR is best placed to devise and implement institutional mechanisms to promote post-withdrawal regular consultation and interaction with local government and devolved parliaments and assemblies in the UK and agrees to start making internal preparations to prevent a gap in relations as a result of withdrawal.
25. Notes that the process of negotiating the United Kingdom's exit from the European Union and future relations with the United Kingdom demonstrates the costs and risks of 'non-Europe' and the added value of the European Union as a community with a shared future and values based on real solidarity and concrete achievements for its citizens' well-being, starting with freedom of movement. The context of the negotiations also provides an opportunity to relaunch European integration as an open-ended process with the aim of building a fairer and more inclusive Europe founded on shared values and promotion of multilevel governance between the European Union and national, regional and local authorities.

26. Instructs its President to forward this resolution to the chief negotiator of the European Commission, the Brexit coordinators for the European Parliament and the European Council, the UK Government, the assemblies and governments of the UK's devolved administrations and local governments, and the Bulgarian Presidency of the Council of the EU.

Brussels, 17 May 2018.

The President
of the European Committee of the Regions

Karl-Heinz LAMBERTZ