

Constitution, Europe, External Affairs and Culture Committee
Thursday 6 June 2024
15th Meeting, 2024 (Session 6)

Review of the EU-UK Trade and Cooperation Agreement inquiry

1. The Committee is conducting an inquiry into the [Review of the EU-UK Trade and Cooperation Agreement \(TCA\)](#). The focus of the inquiry is on how trade in goods and services between the EU and UK is currently working, if there are areas where it can be improved, and whether there is an interest in developing the trading relationship further.
2. A call for views opened on 29 September and closed on 30 November. It received 16 submissions which are available to view [online](#).
3. Previous evidence sessions include: on [8 February](#) a roundtable session with members of the Scottish Advisory Forum on Europe; on [7 March](#) a panel of representatives of the agri-food sector; on [14 March](#) evidence from the UK in a Changing Europe; on [21 March](#) a roundtable with businesses who were members of either Food and Drink Federation Scotland or Agricultural Industries Confederation; on [28 March](#) a panel with Scottish Quality Crops, Seafood Scotland, Scottish Meat Wholesalers Association, and Salmon Scotland; on [2 May](#) an evidence session focused on the Windsor Framework; on [9 May](#) a panel with business representative groups; and on [23 May](#) with the Independent Commission on UK-EU Relations think tank.
4. At this meeting, the Committee will take evidence from Chairs and Vice-Chairs of the UK Domestic Advisory Group and the EU Domestic Advisory Group (DAG) under the EU-UK TCA.
5. A SPICe briefing on the UK DAG is attached at **Annexe A**; and a SPICe briefing on the EU DAG is attached at **Annexe B**.

Clerks to the Committee
June 2024

Annexe A: SPICe briefing on the UK DAG

SPICe

The Information Centre
An t-Ionad Fiosrachaidh

The UK Domestic Advisory Group under the EU-UK Trade and Cooperation Agreement

Provisions for domestic advisory groups (DAGs) and civil society fora feature in many EU trade agreements. 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 of a UK DAG, EU DAG, and a Civil Society Forum.

During today's meeting, the Committee will hear from representatives of the UK DAG. This paper provides background on the UK DAG and highlights issues discussed in its recent meetings and reports.

Background on the UK Domestic Advisory Group

The [UK DAG](#) 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 [rules of procedure](#). The agenda, minutes, and statements made by the UK DAG are published on the [UK Government website](#).

The UK DAG is led by an Executive Council consisting of a Chair and two vice-Chairs. The Executive Council is appointed from the UK DAG membership for a term of 2.5 years. The current Executive Council are as follows:

- Chair: Sean McGuire, Confederation of British Industry (CBI)
- Vice Chair: Steve Turner, Unite the Union
- Vice Chair: Irene Oldfather, Scottish Council of Voluntary Organisations (SCVO)

The [rules of procedure](#) for the UK DAG indicate that it will organise one joint meeting with the EU DAG each year.

Membership

The UK Government announced the membership of the current UK DAG in a [written statement to the UK Parliament House of Commons](#) 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 UK Government website which hosts information on the UK DAG and publishes outputs from the UK DAG states there are 51 members. The Scottish Advisory Forum on Europe, a group of civil society organisations based in Scotland, suggested during the [Committee's meeting on 8 February 2024](#) that UK DAG membership is around 60 members (twice the size of the EU DAG). Irene Oldfather, Chair of the Scottish Advisory Forum on Europe, stated:

I gather that there is a view that the DAG is already very large, which it is. The EU DAG has 30 members—10 people from the business sector, 10 from the trade union and professional association sector and 10 from the NGO and third sector. It is quite a compact group of 30. In the UK DAG we are running at about 60 members now; I know that one of the considerations is whether we have, if we open it up, the capacity to go beyond 60.

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.

Irene Oldfather, in her capacity as Chair of the Scottish Advisory Forum on Europe and in reference to her role on the UK DAG, stated at the Committee's evidence session on [8 February 2024](#):

We are very sympathetic to Adam Marks's particular point about the Law Society of Scotland. There has been a recommendation from the executive council—the two vice-chairs, who are me and Steve Turner, and the chair, who is Sean McGuire—of the domestic advisory group to the UK Government that that is something of a missed opportunity that we would like to see being rectified at the earliest possible time. I hope that we will see that in the not-too-distant future.

Call for expressions of interest

The UK Government opened a new [call for expressions of interest](#) for the next membership of the UK DAG on 29 April 2024. The call for expressions of interest closes on 19 June 2024. The expressions of interest document indicates that membership of the DAG is reserved for organisations, not individuals. Eligible candidate organisations must be not for profit civil society or business representation organisations with specific expertise related to the TCA.

To apply, new candidates must submit a cover letter detailing their eligibility and reasons for joining. Current members of the DAG must reconfirm their interest in remaining a member alongside "*additional supporting information*".

The call for expressions of interest notes that the UK Government will:

[...] determine the updated DAG membership while ensuring that involvement in these groups is as balanced as it can be, including considering geographical and regional representation.

There is no date yet for announcing the outcome of the call for expressions of interest, but the UK Government notes that it will publish this "*as soon as possible*".

Sectoral and geographical sub-groups

UK DAG members can also form sub-groups that operate for a year and focus on sectoral or geographical issues. Five sub-groups have formed so far and cover the following areas:

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

UK Domestic Advisory Group 2024 to 2025 Priorities Report

The UK DAG published its [2024 to 2025 Priorities Report](#) on 2 May 2024. This report covers the five subgroup areas and identifies short term TCA implementation issues, longer-term priorities for the upcoming TCA review, and future opportunities to develop the agreement. The Executive Council of the UK DAG published a statement alongside the report, which states:

For business, trade unions, civil society and academia, a fully functioning and uniformly applied TCA is a top priority, with both sides honouring the commitments contained within it. Moreover, we believe that by working together and improving the co-operation between the UK and EU, we can better address shared geopolitical, societal and climate challenges to the benefit of all. We welcome the progress made over the past year in a number of key areas including Horizon Europe, MOU on Financial Services and Rules of Origin and we look forward to ongoing collaboration that will result in further mutually beneficial progress.

Cross-cutting issues

In addition to the statement from the Executive Council, the report highlighted short-term and long-term issues that cross each of the five UK DAG subgroups. The matters highlighted as those that could be addressed in the short term are:

- Obtaining agreement for UK DAG members to act as observers on Specialised Committees under the TCA.
- Closer working relationships between the Parliamentary Partnership Assembly (PPA)¹ and UK DAG.
- Monitoring of UK-EU regulatory divergence.
- Promoting coordination and cooperation between the UK Government and devolved governments on TCA issues.
- Addressing the (perceived) lack of guidance on the evidence levels required to comply with Rules of Origin (i.e., documentation to demonstrate where goods originate from).
- Encouraging the establishment of all working groups envisaged by the TCA (e.g., Medicinal Products, Motor Vehicles & Parts, and Organics).

Matters that the UK DAG identify as longer-term priorities include:

- Reviewing the cumulative impact of changes to trade and customs obligations on businesses trading between Great Britain, Northern Ireland, and the EU.

¹ The Parliamentary Partnership Assembly (PPA) is an inter-parliamentary institution established by the TCA to bring together members from the UK Parliament and the European Parliament.

- Obtaining clear communications from the parties to the TCA to facilitate business transition to and compliance with new rules and obligations.
- Reviewing TCA Rules of Origin and transitional arrangements.
- Developing a shared understanding of mutual recognition of conformity assessment to enhance trade cooperation.

Sub-group issues

The “key” priorities highlighted by subgroups in the introduction of the report are briefly summarised below.

Trade and Customs

- Implementation of the Border Target Operating Model (BTOM)²
 - The Trade and Customs subgroup note in their priorities report that the introduction of the BTOM Sanitary and Phytosanitary (SPS) measures, including digital health certificates and physical checks for EU-originated animal and related products, continue to be a significant concern for UK importers and their EU supply chains.
 - In the medium to long term, the Trade and Customs subgroup recommend that both the EU and UK consider negotiating the establishment of a UK/EU/European Free Trade Association (EFTA) SPS zone.
- EU restrictions on food and animal products
 - The Trade and Customs subgroup note that the EU’s restrictions on seed potato imports from Great Britain (GB) following the UK’s withdrawal from the EU has had a significant negative impact on GB exports. The report notes that “EU and GB producers would support a GB derogation based on demonstrating equivalence of regulations”.
- Carbon Border Adjustment Mechanism (CBAM)
 - The Energy and Climate Change subgroup note that the introduction of the [EU's Carbon Border Adjustment Mechanism \(CBAM\)](#), including its applicability to Northern Ireland and the related customs reporting requirements for trade between Great Britain (GB) and EU markets, needs careful consideration. The subgroup set out in their report that businesses must be able to meet these operational requirements reasonably and that alignment between UK and EU CBAM should be pursued alongside the linkage of Emissions Trading Schemes (ETS) as envisaged in the TCA.

² The Border Target Operating Model (BTOM) is the UK Government’s approach to border checks on imports and SPS controls (applying to imports of live animals, germinal products, animal products, plants and plant products). More information on BTOM can be found in this [SPICe blog](#).

Energy and Climate Change

- UK participation in North Seas Energy Cooperation (NSEC)
 - The Energy and Climate Change subgroup call for heightened transparency from the UK Government around the UK's participation and status in the [North Seas Energy Cooperation \(NSEC\)](#).
- Emissions Trading Schemes (ETS) and Carbon Border Adjustment Mechanism (CBAM)
 - The Energy and Climate Change subgroup also highlighted the EU's CBAM and called for the UK Government to implement its own CBAM.
 - The Energy and Climate Change subgroup report calls for the UK Government to begin negotiations with the EU as soon as practicable to link the EU and UK ETS.

Regulatory Cooperation and Level Playing Field

- The Regulatory Cooperation and Level Playing Field subgroup report calls for both parties to the TCA to uphold and build on Level Playing Field commitments. The subgroup indicates that this will ensure "effective and robust frameworks" for competition policy, subsidy control, employment and social protection, and environmental and climate protection. The subgroup also note that this will ensure International Labour Organisation commitments are fully implemented.

Business and Labour Mobility

- Temporary visitors to EU Member States
 - The Business and Labour Mobility subgroup report notes that it wants the parties to the TCA to reconsider the range of activities that short term business visitors can undertake without a visa as part of the TCA review. In addition, the subgroup report calls for the full implementation of Article 145 of the TCA, which provides for transparency of information on the categories of visa or other authorisations required for the entry and temporary stay of British citizens in EU Member States.
- Improvement of mobility for artists and associated technical support staff
 - The Business and Labour Mobility subgroup report calls for a cultural worker visa waiver that would allow artists and associated technical support staff to travel visa-free for longer than 90 in 180 days. The report also calls for haulage exemptions for organisations transporting equipment such as staging, sound, and lighting on cross-border tours.

Nations and Regions

- Devolved involvement in the institutions of TCA Governance
 - The Nations and Regions subgroup report made several recommendations aimed at “strengthening” the involvement of devolved institutions in the TCA. These recommendations include:
 - Establishing a formal process for involving wider civil society stakeholders in the PPA.
 - Allowing the Senedd, Scottish Parliament, and Northern Ireland Assembly to contribute to the PPA agenda and providing agendas to the devolved legislatures in a timely manner.
 - Enabling representatives of devolved legislatures to participate in plenary and breakout sessions at the PPA.
 - Consulting and involving devolved governments as active participants in specialised committees where appropriate.
 - Reconsidering the inclusion of broader civil society organisations, beyond those represented on the DAGs, in the annual Civil Society Forum.
- Citizens’ Rights and Equality issues
 - The Nations and Regions subgroup report raises issues relating to the EU-UK relationship and equality issues that do not fall within the remit of the TCA.
 - These include a call to monitor progress in equality and social policy within the EU, ensuring UK frameworks do not fall behind in areas such as pay equality, transparency, and accessibility.
 - The subgroup also calls for exploring interoperability with the EU’s new mutual recognition system for disability status (EU Disability Card) and disabled people’s parking rights (European Parking Cards).

Areas for discussion with the UK DAG

Today’s evidence session is an opportunity to discuss the operation of the TCA with members of the UK DAG. Thus far, the Committee has concentrated on how the TCA has facilitated trade in goods between the UK and the EU. This evidence session will allow the Committee to hear the witnesses’ perspectives on the current state of UK to EU trade in goods.

Members may also wish to discuss the issues highlighted in the UK DAG’s recent priorities report and explore potential areas for enhanced cooperation beyond the current scope of the TCA. In particular, Members may wish to discuss with the UK DAG how the recommendations made in their report can be delivered. Members

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may also wish to explore the recommendations made by the nations and regions subgroup in relation to greater devolved involvement in the PPA.

Finally, with the impending change in UK DAG membership, Members may wish to discuss whether progress has been made to address the underrepresentation of the Scottish legal profession within the UK DAG.

Courtney Aitken

30.05.2024

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The Scottish Parliament, Edinburgh, EH99 1SP www.parliament.scot

Annexe B: SPICe briefing on the EU DAG



EU civil society engagement on EU-UK relations

During today's meeting, the Committee will hear from representatives of the EU Domestic Advisory Group (DAG). This paper provides background on the EU DAG and the European Economic and Social Committee (EESC) from whose membership the DAG is composed.

The EESC provides the secretariat for the EU Domestic Advisory Group (DAG). The EESC is composed of representatives from civil society organisations based in the EU. The EU DAG is responsible for considering the effects of the implementation of the EU-UK Trade and Cooperation Agreement.

EU Domestic Advisory Group

The [EU-UK Trade and Cooperation Agreement \(TCA\)](#) provides for the consultation of civil society in the EU and UK on the implementation of the TCA. The [EU Domestic Advisory Group under the EU-UK Trade and Cooperation Agreement](#) is the EU's primary means of consulting civil society on the implementation of the TCA. The EESC provides the secretariat to the EU DAG.

The [EU announced the membership of its DAG](#) on the 15 December 2021. Their 30 members are based on the 3 EESC groups: 10 from the Workers Group, 10 from the Employers Group, and 10 from the Civil Society Group.

The [rules of procedure for the EU DAG](#) 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 indicate that it will organise one joint meeting with the UK DAG each year.

The Senedd Cymru (Welsh Parliament) Legislation, Justice and Constitution Committee reported on its [inquiry on UK-EU Governance](#) in November 2023. The EU DAG contributed to this inquiry via [written evidence](#). In this written evidence, the EU DAG highlighted the EU-UK Issues Tracker that they compiled throughout 2022 and 2023. The Issues Tracker is intended to draw practical challenges and any other TCA implementation issues to the attention of the European Commission and other EU bodies, as appropriate. The [most recent edition was published in April 2023](#) and discussed sectoral issues such as:

- Customs

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- Reinforcement of customs cooperation and trade facilitation
- Impact of customs procedures on transport and logistics
- Rules of origin and statements of origin
- Transport
 - Competitiveness and reciprocal market access
 - Freeports and level playing field issues
 - Level playing field for ports in decarbonisation policies
- Cultural and Creative Industries
 - Road haulage/cabotage rules for live performance sectors
 - Visas for artists and cultural professionals
- Agriculture
 - Trade disruptions in seed potato
- Sanitary and Phytosanitary Measures:
 - Ensuring frictionless EU-UK food, drink, and agri-food trade
- Fisheries
 - Progress in EU-UK fisheries agreements, but overfishing concerns.

The EU DAG was supportive of EU-UK DAG collaboration in its written evidence to the Senedd, describing DAG to DAG collaboration as the “*beating heart of every trade agreement*”. The evidence referenced the [UK and EU DAGs’ joint statement from 6 November 2023](#). The statement welcomed EU-UK developments such as the [Windsor Framework](#), [Financial Services Memorandum of Understanding](#), and the [UK’s accession to Horizon Europe and Copernicus](#). 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 [UK Government Border Target Operating Model](#), concerns over the [EU certification scheme for cloud services](#), and the interest in simplifying mobility of people (particularly young people and creative professionals) ahead of new border obligations being introduced.

The EU DAG also highlighted in its written evidence to the Senedd inquiry that closer collaboration with the Parliamentary Partnership Assembly (PPA)³ is a priority of both the EU and UK DAGs. The EU DAG accepted invitations to address the UK Delegation to the PPA on 22 May and join a meeting of the EU Delegation to the

³ The Parliamentary Partnership Assembly is an inter-parliamentary institution established by the TCA to bring together members from the UK Parliament and the European Parliament.

PPA on 26 October 2023. The written evidence submitted to the Senedd inquiry states:

These engagements should ideally lead for the EU and UK DAG chairs to be invited to attend the PPA meetings as permanent observers.

European Economic and Social Committee

The [European Economic and Social Committee \(EESC\)](#) serves as a consultative body within the European Union (EU). It comprises of representatives from employers' associations, trade unions, and civil society organisations and is intended to ensure the perspectives of civil society are considered in EU decision-making processes. The EESC provides the secretariat for the EU DAG. Membership of the EU DAG is also drawn from the EESC membership.

The EESC's [Mission Statement](#) reads:

This Committee fulfils three key missions:

- *helping to ensure that European policies and legislation tie in better with economic, social and civic circumstances on the ground, by assisting the European Parliament, Council and European Commission, making use of EESC members' experience and representativeness, dialogue and efforts to secure consensus serving the general interest;*
- *promoting the development of a more participatory European Union, which is more in touch with popular opinion, by acting as an institutional forum representing, informing, expressing the views of and securing dialogue with organised civil society;*
- *promoting the values on which European integration is founded and advancing, in Europe and across the world, the cause of democracy and participatory democracy, as well as the role of civil society organisations.*

Members of the EESC are nominated by the national governments of EU member states (proportionate to each member state's population) and appointed by the European Council. The EESC operates independently of member states' national governments (once its members are appointed). EESC Members serve renewable five-year terms with their current mandate expected to run until October 2025. The EESC comprises of 329 members representing diverse interests across EU member states.

EESC members can choose to align with one of three Groups, representing "Employers (Group I)", "Workers (Group II)" and "Civil Society Organisations (farmers, the professions, and consumers etc. - Group III)". Each Group has its own secretariat.

The EESC issues opinions on matters requested by EU institutions (e.g., a legislative proposal) but may also provide its input proactively on topics of relevance. The process for adopting an opinion is the same regardless of whether it is initiated

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by the EESC or requested by the European Commission, European Parliament, or European Council.

Opinions issued by the EESC relating to EU-UK relations include:

- [The implementation of the EU-UK Withdrawal Agreement, including the Protocol on Ireland and Northern Ireland](#)
- [Specific rules relating to medicinal products for human use intended to be placed on the market of Northern Ireland](#)
- [Specific rules relating to the entry into Northern Ireland from other parts of the United Kingdom of certain consignments of goods](#)
- [EU-UK youth engagement](#).

Youth engagement is a significant part of the current EESC's work programme. The [opinion on EU-UK youth engagement](#) issued by the EESC proposes a mobility scheme for EU and UK citizens. The opinion states:

Given that post-Brexit changes to arrangements for mobility between the UK and the EU have had a disproportionately significant impact on younger people both in the EU and in the UK, especially in the area of education and science, the EESC should propose to the EU institutions to consider the possibility of facilitating EU-UK youth relations, including a possible reciprocal youth mobility scheme with the UK, as well as identifying various areas where EU-UK youth engagement can help young people on both sides of the Channel, which at the same time would contribute to enhancing EU-UK relations in general. In addition to youth mobility, there are opportunities for establishing links between EU and UK youth organisations in the area of education, science, the environment, climate change, etc.

Following the EESC opinion, the European Commission [published a recommendation](#) that EU member state governments agree to open negotiations with the UK Government for an agreement on youth mobility between the EU and the UK. SPICe [published a blog](#) on the detail of the Commission's proposal on 19 April 2024.

In recent years, the EESC has expanded its engagement with civil society, both within and beyond the EU. This includes engaging with civil society in non-member states and regions, such as those seeking EU membership or within partnership agreements. For example, the [EESC has signed a Memorandum of Understanding \(MOU\) with the Scottish Advisory Forum on Europe \(SAFE\)](#). The Committee took evidence from [SAFE on 8 February 2024](#). Irene Oldfather, Chair of SAFE, stated at that meeting:

As I mentioned at the beginning, we signed a memorandum of understanding with the European Economic and Social Committee, which, I suppose, was a really clever one to do because that committee is made up of social partners, business, trade unions, the third sector and academics; it mirrors our membership. I think that there are huge opportunities through that.

Scotland is the first sub-state region to sign such an MOU. We do not want to try to do too much too quickly, so our first steps are in youth engagement and youth mobility. There is currently an opinion going through the EESC that Scotland and Scottish young people have had the opportunity to input into through our conference in November. John Curtice and I have been invited to committee in April to further those discussions. Other areas that we are interested in are green energy and citizens wellbeing.

Areas for discussion with the EU DAG

Today's evidence session is an opportunity for the Committee to discuss with Members of the EU DAG how the TCA is operating.

Thus far the Committee's focus on the TCA has been on how the TCA has facilitated the trade in goods between the UK and the EU. Today offers an opportunity to discuss with the witnesses their perspective on how the trade in goods is operating both on an EU to UK and on a UK to EU basis. In addition, Members may wish to discuss whether the witnesses would highlight any ways in which the TCA might be developed to facilitate the trade in goods.

Members may also wish to discuss with the EU DAG, whether there are other areas of the TCA which they'd like to see considered during the review and whether there are areas beyond the current scope of the TCA which they'd like to see the EU and UK explore options for cooperation in.

Finally, Members may wish to discuss with the witnesses how they engage with and represent stakeholders from across Europe and how they work with the UK DAG and what links they have with civil society organisations in Scotland.

Courtney Aitken

22.05.2024

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