

#### Windsor Framework Democratic Scrutiny Committee

Inquiry into Regulation (EU) 2024/1143 of the European Parliament and of the Council, of 11 April 2024, on geographical indications for wine, spirit drinks and agricultural products, as well as traditional specialities guaranteed and optional quality terms for agricultural products, amending Regulations (EU) No 1308/2013, (EU) 2019/787 and (EU) 2019/1753 and repealing Regulation (EU) No 1151/2012

Ordered by the Windsor Framework Democratic Scrutiny Committee to be published 30 May 2024

Report: NIA 26/22-27 Windsor Framework Democratic Scrutiny Committee

## Contents

Purpose and Membership	3
ntroduction	6
The Committee's Decision on Whether to Hold an Inquiry	9
The Inquiry Process 1	0
The Committee's Conclusions 1	2
Next Steps 1	3
Links to Appendices 1	4
Appendix A: Minutes of Proceedings 1	4
Appendix B: Memoranda and Other Papers 1	4
Appendix C: Minutes of Evidence 1	4
Appendix D: Consultation Responses 1	5

## Purpose and Membership

#### Purpose

The Windsor Framework Democratic Scrutiny Committee is a standing committee of the Northern Ireland Assembly established under <u>Schedule 6B to</u> the Northern Ireland Act 1998.

The purpose of the Committee is to assist with the observation and implementation of <u>Article 13(3a)</u> and <u>Article 13(4)</u> of the Windsor Framework.

The functions of the Committee include:

- (a) the examination and consideration of new EU acts and replacement EU acts;
- (b) the conduct of inquiries and publication of reports in relation to replacement EU acts;
- (c) engagement with businesses, civil society and others as appropriate in relation to replacement EU acts;
- (d) engagement with the UK Government in relation to replacement EU acts;
- (e) engagement with Ministers and Northern Ireland departments in relation to replacement EU acts;
- (f) the collation and publication of evidence collected as part of its other activities; and
- (g) dealing with other matters (including legislative proposals which may become new EU acts or replacement EU acts) which the Committee considers to be connected with its purpose or other functions.

A replacement EU act means an EU law which updates, by amending or replacing, any of the relevant<sup>1</sup> EU laws *which already apply in Northern Ireland, as listed under Annex 2 of the Windsor Framework.* Areas of EU law

<sup>&</sup>lt;sup>1</sup> Relevant EU laws those EU instruments referred to in the third subparagraph of Article 5(1) of the Windsor Framework, the first indent of heading 1 of Annex 2 to the Framework or headings 7 to 47 of Annex 2 to the Framework

that apply in Northern Ireland include legislation on goods, animal and plant health rules, rules on agricultural production, VAT and excise on goods, and state aid rules. The EU's Customs Code also applies to goods entering Northern Ireland. There is a procedure by which members of the Assembly may seek to prevent the application of a replacement EU act (an emergency brake mechanism known as the Stormont Brake). <u>Further information on the</u> <u>Stormont Brake can be found here.</u>

A new EU act means a new EU law which falls within the scope of the Windsor Framework, but which neither amends nor replaces an EU act listed in the Annexes. The Northern Ireland Assembly has a role, by means of an "applicability motion", in setting out its position on whether a new EU act should be added to the list of EU laws applicable in Northern Ireland. <u>Further</u> <u>information on Applicability Motions can be found here.</u>

#### Membership

The Committee has nine members, including a Chairperson and Deputy Chairperson, and a quorum of five members. The membership of the Committee is as follows:

Mr Philip McGuigan MLA (Chairperson)<sup>2</sup> Mr David Brooks MLA (Deputy Chairperson) Ms Connie Egan MLA<sup>4</sup> Mr Eóin Tennyson MLA<sup>3</sup> Mr Jonathan Buckley MLA Ms Joanne Bunting MLA Mr Declan Kearney MLA Ms Emma Sheerin MLA Dr Steve Aiken OBE MLA

 $<sup>^2</sup>$  Mr Philip McGuigan MLA replaced Mr Declan Kearney MLA as Chairperson on 9 February 2024

<sup>&</sup>lt;sup>3</sup> Mr Eóin Tennyson MLA replaced Ms Sorcha Eastwood MLA as a member on the Committee on 22 April 2024

<sup>&</sup>lt;sup>4</sup> Ms Connie Egan MLA replaced Mr Patrick Brown MLA as a member on the Committee on 20 May 2024

# Introduction

- This report sets out the conclusions of an inquiry by the Windsor Framework Democratic Scrutiny Committee ('the Committee') into a published replacement EU act: <u>Regulation (EU) 2024/1143</u> of the European Parliament and of the Council, of 11 April 2024, on geographical indications for wine, spirit drinks and agricultural products, as well as traditional specialities guaranteed and optional quality terms for agricultural products, amending Regulations (EU) No 1308/2013, (EU) 2019/787 and (EU) 2019/1753 and repealing Regulation (EU) No 1151/2012.
- The Regulation is a replacement EU act because it amends Regulations (EU) No 1308/2013, (EU) 2019/787 and (EU) 2019/1753, and repeals Regulation (EU) No 1151/2012, as listed in the Windsor Framework at Article 5(4), Annex 2, point 31, point 43 and point 45.
- 3. The replacement EU act applies in Northern Ireland under Article 13(3) of the Windsor Framework but is subject to the mechanism set out in Article 13(3a) of the Windsor Framework. This mechanism provides for a replacement EU act, or relevant parts of a replacement EU act, not to apply in Northern Ireland if the United Kingdom Government ('UK Government') notifies the EU within two months of the act's publication in the EU Official Journal.
- 4. The UK Government may only make this notification if it is satisfied that the conditions in Article 13(3a) of the Windsor Framework have been met and that the procedures set out in its <u>Unilateral Declaration on the involvement of the institutions of the 1998 Agreement</u> have been followed. These procedures provide, amongst other things, that 30 MLAs from at least two parties (and excluding the Speaker and Deputy Speakers) will need to notify the UK Government of their wish that the emergency brake mechanism should be applied.<sup>5</sup>

<sup>&</sup>lt;sup>5</sup> The emergency brake mechanism applies to EU acts referred to in the first indent of heading 1 and in headings 7 to 47 of Annex 2 to the Windsor Framework and to Article 2(1)(c) of Council Regulation (EC) 1186/2009 setting up a Community system of reliefs from customs duty.

- 5. If the UK Government is satisfied that the necessary conditions have been met, it will notify the EU in the Joint Committee. The EU law will not apply in Northern Ireland in its new form two weeks later. The older version of the EU law will still apply. The relevant law would then be discussed in the EU-UK Joint Committee under the process for new EU laws Article 13(4). The UK Government must not agree (apart from in exceptional circumstances) to adopt the new law unless the Assembly has passed a motion with cross-community support, known as an applicability motion.
- The replacement EU act in question Regulation (EU) 2024/1143 was published in the EU Official Journal on 23 April 2024. The UK Government formally notified the Committee of the act's publication on 25 April 2024.
- 7. Under paragraph 8(1) of Schedule 6B to the Northern Ireland Act 1998, the Committee must decide no later than five working days after the day on which it was notified of the replacement Regulation whether it wishes to hold an inquiry. In reaching a decision, paragraph 8(2) of Schedule 6B requires the Committee to have regard to whether it appears likely that the replacement EU act:
  - significantly differs (in whole or in part) from the content or scope of the EU instrument which it amends or replaces; and
  - would have a significant impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist.
- 8. The Committee may also have regard to any other matters it considers appropriate.

## The Replacement EU Act

- 9. Food, drink and agricultural product names with a geographical connection can be registered and protected as Intellectual Property. That protection is called a "geographical indication" (GI), which covers protected geographical indications (PGIs), protected designations of origin (PDOs) and spirit drink GIs. Product names that follow a geographic tradition in their preparation can also be protected as traditional speciality guaranteed (TSG). GI protection guarantees a product's qualities, characteristics or reputation as well as its authenticity and origin. It protects the product name from misuse or imitation and is a way of recognising the unique skills and knowledge of food and drink producers and of promoting Northern Ireland produce.
- 10. The replacement EU act repeals and replaces the EU's existing Agri-food GI Regulation and amends provisions in the EU's GI Regulations relating to spirits and wine. They protect registered product names when they are sold in Northern Ireland and the EU, while separate United Kingdom (UK) GI schemes protect registered product names when they are sold in England, Scotland and Wales.
- 11. The United Kingdom's policy on GIs is a reserved matter, as it relates to Intellectual Property. The UK Government is the competent authority for applying the EU's GI schemes in Northern Ireland.
- 12. The European Commission's objectives in proposing the replacement Regulation were to ensure effective protection of products registered under the EU's GI schemes and encourage take-up by farmers and producers. The changes are intended to simplify administrative processes and registration procedures for GI protection, integrate specific sustainability criteria, improve enforcement of GI rules (including better protection of GIs on the internet), and raise consumer awareness of GI schemes.

# The Committee's Decision on Whether to Hold an Inquiry

- 13. The Committee met on 2 May 2024, to decide whether or not to hold an inquiry into Regulation (EU) 2024/1143.
- 14. To assist it in reaching a decision, the Committee considered legal advice on whether it appeared likely that the replacement EU act differed significantly (in whole or in part) from the content or scope of the old Regulations which it seeks to amend or replace. The Committee noted that the legal advice indicated that the replacement EU act significantly differs, in part, from the content or scope of the EU instrument which it amends or replaces.
- 15. The Committee also considered whether it appeared likely that the replacement EU act would have a significant impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist. It did this by: examining an initial assessment of impact provided by the Department of Agriculture, Environment and Rural Affairs (DAERA); considering the UK Government's Explanatory Memorandum (EM) dated 4 May 2022, which was produced when the act was at proposal stage; and, considering relevant correspondence published by the House of Lords European Affairs Sub-Committee on the Windsor Framework. The assessment of impact, the EM, and the correspondence published by the House of Lords European Affairs Sub-Committee, can be found at **Appendix B**.
- 16. Having had regard to whether it appears likely that Regulation (EU) 2024/1143:
  - significantly differs (in whole or in part) from the content or scope of the EU instrument which it amends or replaces; and
  - would have a significant impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist,

the Committee decided to hold an inquiry into that act. This <u>decision</u> was published on the Committee's webpage.

## **The Inquiry Process**

- 17. In conducting an inquiry, paragraph 9(2) of Schedule 6B to the Northern Ireland Act 1998, requires the Committee to "seek substantive discussion and engagement" with the UK Government, the relevant Northern Ireland Minister or department, and, to the extent that the Committee considers appropriate, representatives of businesses and civil society affected by the replacement EU act, or who would be affected, if the act was to apply in Northern Ireland. The Committee may also consider any matters it deems appropriate.
- 18. The Committee had to conclude its inquiry and publish a report setting out its conclusions no later than 15 working days before the end of the two-month scrutiny period. The scrutiny period started when the replacement Regulation was published in the EU Official Journal on 23 April 2024, and therefore ends on 23 June 2024.
- The Committee considered matters relating to its inquiry, including making a decision on whether to conduct an inquiry, at five meetings. The Minutes of Proceedings can be found at **Appendix A**.
- 20. At its meeting on 2 May 2024, the Committee agreed to seek substantive discussion and engagement with the UK Government. It therefore wrote to the UK Government to seek its views on whether applying, or not applying, the replacement EU act would have an impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist. In considering the matter of divergence, details of the position in England, Scotland and Wales was also requested. A copy of the Committee's correspondence and the UK Government's response, which included an updated EM (dated 14 May 2024), can be found at **Appendix B**.
- 21. At this meeting, the Committee also agreed to seek substantive discussion and engagement with the relevant Northern Ireland department which was DAERA. Therefore, it requested that DAERA officials attend the Committee meeting on 9 May 2024, to give oral evidence. Officials attended as requested and the Hansard of the oral evidence session can be found at **Appendix C**.

- 22. The Committee also agreed to seek substantive discussion and engagement with representatives of business and civil society. It opted to use Citizen Space as a platform to facilitate this engagement. A survey asking for views on the impact of the replacement EU act was launched on 3 May 2024.
- 23. At its meeting on 2 May 2024, the Committee agreed to write directly to key representatives of business and civil society, identified by the Assembly's Research and Information Service, as being affected, or who would be affected, if the replacement EU act was to apply in Northern Ireland, and a selection of Northern Ireland spirit producers, to alert them to the Citizen Space survey. The survey, which was publicised widely, was also open for response by any other representatives of business and civil society as well as members of the public. Four survey responses were received. Three respondents agreed that their responses could be published, and these can be found at **Appendix D**.
- 24. The Committee deliberated on the evidence received at its meeting on 23 May 2024. The evidence received is not rehearsed in this report; a complete picture of the written and oral evidence can be found in the Appendices.
- 25. At its meeting on 30 May 2024, the Committee agreed its Inquiry report and that it should be published.

### **The Committee's Conclusions**

- 26. In reaching its conclusions, the Committee has carefully considered all the evidence provided to it. The Committee has focused in particular on the two conditions that must be satisfied if the Stormont Brake is to be pulled.
- 27. In relation to the legal question of whether the replacement EU act significantly differs (in whole or in part) from the content or scope of the EU instrument which it amends or replaces, the Committee noted the legal advice it commissioned which indicated that the replacement EU act significantly differs, in part, from the content or scope of the EU instrument which it amends or replaces.
- 28. The Committee recognised that while a large proportion of the replacement EU act is in effect a consolidation and harmonisation of the current GI framework, the replacement act contains a number of significant new provisions, which were not contained in the original EU instruments.
- 29. Having considered its commissioned legal advice, the Committee concluded that the replacement EU act significantly differs, in part, from the content or scope of the EU instrument which it amends or replaces.
- 30. In relation to the question of whether the replacement EU act would have a significant impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist, the Committee considered the UK Government's assessment of impact provided via its updated EM, the written and oral evidence it received from DAERA officials, and the responses to its Citizen Space survey.
- 31. In considering this evidence, the Committee took the view that for an act to have a significant impact specific to everyday life of communities in Northern Ireland in a way that is liable to persist, that significant impact must be negative.
- 32. Having considered the evidence received from the UK Government, Department of Agriculture, Environment and Rural Affairs, and respondents to its Citizen Space survey, the Committee concluded that the replacement EU act would not have a significant impact specific to

everyday life of communities in Northern Ireland in a way that is liable to persist.

## **Next Steps**

33. Having reached its conclusions, the Committee's inquiry report will be issued to all Members of the Legislative Assembly for further consideration.

## **Links to Appendices**

#### **Appendix A: Minutes of Proceedings**

View Minutes of Proceedings of Committee meetings related to the report:

Minutes of Proceedings 2 May 2024

Minutes of Proceedings 9 May 2024

Minutes of Proceedings 16 May 2024

Minutes of Proceedings 23 May 2024

Minutes of Proceedings 30 May 2024 [available from 6 June 2024]

#### **Appendix B: Memoranda and Other Papers**

View Memoranda and Papers supplied to the Committee from other individuals or organisations:

Department of Agriculture, Environment and Rural Affairs Initial Assessment of Impact

UK Government Explanatory Memorandum - 4 May 2022

Correspondence published by the House of Lords European Affairs Sub Committee on the Windsor Framework

Response from the UK Government including an updated Explanatory Memorandum - 14 May 2024

#### **Appendix C: Minutes of Evidence**

View Minutes of Evidence of Committee meetings related to the report:

Minutes of Evidence- 9 May 2024

#### **Appendix D: Consultation Responses**

View responses to the Committee's consultation:

**Consultation Responses** 

You may re-use this publication (not including images or logos) free of charge in any format or medium, under the terms of the Open Northern Ireland Assembly Licence.

#### Find out more about the Open Northern Ireland Assembly Licence.

This Report can be made available in a range of formats including large print, Braille etc. For more information please contact:

Windsor Framework Democratic Scrutiny Committee Marie Austin, Committee Clerk Northern Ireland Assembly Parliament Buildings Ballymiscaw Stormont Belfast BT4 3XX

Telephone: 028 90 520302 Email: <u>windsorframework.committee@niassembly.gov.uk</u> Twitter: @NIA\_DSC