

Mr. Mike Nesbitt MLA, Chairman, Committee for the Executive Office, Room 375, Parliament Buildings, Ballymiscaw, Stormont, Belfast, BT4 3XX. Committee.executive@niassembly.gov.uk

20th January 2017

Dear Mike,

## Re: European Commission's 2017 Work Programme

Thank you for your recent correspondence regarding the European Commission's Work Programme for 2017 and your Committee's report on EU priorities for the year ahead.

As you quite rightly note the European Commission's Work Programme (CWP) does indeed provide early warning on legislative and non-legislative actions for the next twelve months. It is therefore incumbent upon the Government, Northern Ireland Executive and all departments and their officials to make the most of this resource by responding to the CWP's contents effectively and in a timely manner.

Of course since my correspondence with the then OFMdFM Committee in relation to last year's CWP the UK has voted to leave the EU. Two new departments have been created by Prime Minister Theresa May in response to the outcome of the referendum; the Department for Exiting the European Union (DEXEU) and the Department for International Trade (DIT). DEXEU now holds the policy responsibility for the UK's relationship with the EU institutions and has therefore produced the Explanatory Memorandum (EM) setting out the Government's initial views on the main initiatives contained within the 2017 CWP. As is normally the case the Devolved Administrations were consulted in the drafting of the EM by the Government, it therefore records the initiatives, both new and priority proposals, of 'potential interest' to the Northern Ireland Executive. The Government's EM, plus the CWP Annexes are crucial reading for Assembly committees.

# New Initiatives (Annex I) and Priority Proposals (Annex III)

I welcome that the current Commission mandate continues to keep the number of new initiatives to a minimum. This year's CWP includes 21 proposed new initiatives with the Commission once more preferring to make progress by prioritising initiatives that are already 'on the table'.



According to the Government's EM the Northern Ireland Executive has indicated potential interest in the European Fund for Strategic Investment (EFSI) - the so-called 'Juncker Plan'. As I noted last year the UK as a whole has been relatively successful in securing EFSI support for projects. It is however less clear at this stage how successful Northern Ireland projects have been in progressing through the application process for the Commission's flagship initiative - perhaps this could be explored by the relevant committee(s)? The Commission is proposing to extend the duration and scope of EFSI, this should be closely monitored and the programme utilised wherever possible at a Northern Ireland level.

In terms of EU trade policy the TTIP negotiations have been paused for several months due to the US Presidential election. US President Donald Trump's approach to trade and protectionism will now determine if the TTIP talks will actually progress any further. The Circular Economy continues to be a major feature of the Commission's CWP and should continue to be monitored by MLAs. The proposals regarding the Energy Union continue to merit close scrutiny, particularly in relation to the issue of LULUCF due to the potential implications for agriculture. In relation to the European Defence Action Plan I agree with the Government that cooperation to improve Europe's collective security is important, it is however vital that these efforts must not undermine the role of Nato. I also note the Government's response to the Commission's proposals on a range of international challenges and issues, such as; Syria, Africa-EU Partnership and an EU Global Strategy. Committees may wish to consider these global issues through the course of their work.

Although the MFF is not specifically noted in the EM as an issue of interest by the Northern Ireland Executive, the on-going discussions on the review of the EU's multi-year budget should be closely monitored due to the potential cross-cutting implications for all EU programmes and policy areas. The same can be said about the Financial Regulation/Omnibus proposals; these too are important due to their potential implications for the management of EU funds. Within these proposals there is a focus on simplification with the Commission wanting the changes to come into effect in January 2018. The UK has an obvious interest in ensuring that EU funds are managed properly and used effectively whilst we remain within the EU. The Omnibus aspect of this package includes reforming agricultural legislation which is of real interest to Northern Ireland and I am following this closely given my role as Agriculture Coördinator for the ECR Group.

In theory the continued focus of the current Commission mandate on fewer initiatives makes it a more straightforward and manageable task for committees to at least maintain an overview of all new and priority initiatives that relate to their policy areas and to follow their progress. The Government's EM makes the point that officials continue to analyse and assess the financial and regulatory implications of aspects of the CWP – this is an important consideration for committees and departments locally.



# REFIT Initiatives (Annex II), Withdrawals (Annex IV) and Repeals (Annex V)

I welcome that this Commission mandate is continuing with its REFIT agenda. Northern Ireland stakeholders, including Assembly committees must play an active part in efforts to cut red tape and reduce the regulatory burden where appropriate. The on-going work to simplify the CAP is an example of the REFIT agenda in action.

The initiatives contained within Annexes IV and V should also be noted.

#### European co-ordination and engagement and Brexit

In terms of the Government's Brexit negotiations the Prime Minister's recent speech in which she set out her broad objectives has provided some degree of clarity as to the potential nature of the UK's future relationship with the EU. Of course Article 50 must be invoked to formally start the negotiations and much will therefore depend on the response of the EU27 during those talks. We also await the Supreme Court's ruling on whether the Government requires parliamentary approval prior to invoking Article 50.

I noted with interest the Prime Minister's comments regarding the Union, Northern Ireland and the Common Travel Area, however it was also clear from her speech that the Northern Ireland Executive has lagged far behind the other Devolved Administrations when it comes to proactively engaging with the Government on Brexit – yet another serious failure of the out-going DUP/Sinn Fein Executive. Unlike the short-lived Executive the Ulster Unionist Party has not been found wanting when it comes to responding to the result of the referendum and the potential implications of Brexit for Northern Ireland, publishing a vision document and establishing a Brexit Advisory Panel. Commenting further on the future UK/EU relationship is perhaps outside the scope of this particular exercise but it is clear that if the Government doesn't get the negotiations right Northern Ireland has the most to lose. Of course the current local political situation means that Northern Ireland now has no voice in crucial Brexit-related negotiations.

Turning specifically to the 2017 CWP, since the referendum UK Ministers, Commission President Jean-Claude Juncker and numerous EU Commissioners and leaders have repeatedly stated that the UK has all the rights and obligations associated with EU membership until the UK actually leaves the bloc.

This means that both before the triggering of Article 50 and during the Brexit negotiations themselves the Government will continue to implement and apply EU legislation. Crucially UK Ministers, officials, technical experts, businesses and other stakeholders also have the right to expect to be fully involved in negotiations regarding legislation during this period. The UK should not therefore be sidelined by others nor become sidetracked by Brexit and reduce other key engagement at the European level whilst the Government negotiates the



UK's EU departure. We must also remember that the Government plans to end the authority of EU law by transposing it into British law as soon as the UK exits the EU through the proposed Great Repeal Bill, meaning that initiatives contained within the 2017 CWP would apply to the UK post-Brexit, in the short term at least.

Northern Ireland officials and stakeholders must therefore continue to make the most of all normal channels and opportunities to negotiate and influence EU legislation. This of course includes making the most of the NI Task Force. Furthermore, as the UK continues to contribute to the EU budget, Northern Ireland stakeholders in all sectors have a right to continue to participate in and benefit from EU programmes and funding streams.

At a Northern Ireland level more can be done to remove the silos and barriers that exist within and between the recently reconfigured departments. Brexit means that there is also an even greater need to improve cooperation and engagement between Northern Ireland departments and the Whitehall departments and agencies that often take the lead when it comes to negotiating European issues on behalf of the UK as a whole. There is therefore a considerable job of work for Assembly committees in terms of scrutinising the work of departments in relation to their engagement at the European level and monitoring Commission initiatives – when this can happen now depends on the outcome of post Assembly election negotiations.

I trust you find these comments helpful as you and your committee colleagues prepare your report on European priorities for 2017.

Yours sincerely.

Jim Nicholson

Ulster Unionist MEP for Northern Ireland