Implementation report on the EU-UK Trade and Cooperation Agreement

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The Committee on Foreign Affairs and the Committee on International Trade adopted the joint report by Andreas SCHIEDER (ALDE, AT) and Seán KELLY (EPP, IRL) on the implementation of the EU-UK Trade and Cooperation Agreement.

The EU-UK Trade and Cooperation Agreement (TCA) is unprecedented in terms of international agreements, due to its scope and complexity. The TCA puts an obligation on the parties to jointly review the implementation of the Agreement and supplementing agreements as well as any matters related thereto five years after its entry into force; and every five years thereafter.

The report is the first evaluation by the European Parliament of the implementation of the TCA, since its provisional application from 1 January 2021 and entry into force on 1 May 2021.

Main conclusions

Trade and Cooperation Agreement between UK and EU

The report welcomed the Windsor Framework which addresses the challenges that have arisen in the operation of the Protocol on Ireland and Northern Ireland over the first two years of its implementation and creates legal certainty, therefore, paving the way for full implementation. It underlined the specific situation of Northern Ireland, thanks to its unique position with access to both the EU and UK internal markets. It called for the swift implementation of the Windsor Framework in order to ensure lasting certainty and predictability for businesses and people in Northern Ireland.

Members also welcomed the positive initiatives included in the Windsor Framework, such as the proposal on medicines to ensure that people in Northern Ireland have access to all medicines at the same time and under the same conditions as people in Great Britain, and the proposal on sanitary and phytosanitary (SPS) measures, while keeping in mind that the transport of animals should respect animal welfare.

Institutional framework

Members welcomed the full operationalisation of the TCA's institutional framework in 2022 and the good functioning of the joint bodies under the Agreement. They underlined the importance of the institutional structures for the smooth implementation of the EU-UK TCA and called for continued transparency in the implementation of the agreements concluded between both sides. Members also recalled that Gibraltar was not included in the territorial scope of the TCA between the EU and the UK, and that separate EU-UK agreements on Gibraltar require the prior agreement of Spain.

Trade

Members recalled that the TCA provides a comprehensive and ambitious basis for the relationship between the parties, in particular for EU-UK trade, while ensuring a level playing field for fair competition and sustainable development. The report concluded that the trade arrangements in goods and services established in the TCA are working well, although certain implementation difficulties have persisted, such as the sponsorship scheme for the entry and temporary stay of natural persons for business purposes and the verification of origin for applying preferential tariff treatment.

Members took note of the further postponement of the implementation of certain UK import procedures and checks, in particular sanitary and phytosanitary checks, on products coming from the EU. The UK Government is called on to digitalise and simplify UK customs procedures to the extent possible in order to avoid further frictions in trade between the EU and the UK.

The report recognised the need to continue the ongoing progress towards ensuring the availability of veterinary medicines in Northern Ireland in order to maintain animal welfare and food security. Members also recalled the ongoing legislative work to revise the pharmaceutical legislation, which will also aim to ease the historical dependency of markets in Cyprus, Ireland and Malta on medicines supplies from or that transit through the UK.

Fisheries

The report pointed out that the full impact of Brexit is not yet fully known, not least because the full implementation of the TCA in relation to fisheries is still ongoing and will only be completed after the transition period ends on 30 June 2026. The Commission is called on to take all the necessary measures to ensure that reciprocal access to waters and fisheries resources is maintained after 30 June 2026 and that there are no further quota reductions for EU fishers. Members called for the exchange of fishing quotas between the parties to be streamlined and manageable for the sector.

Participation in Union programmes

Members deplored the fact that the UK lost access to EU research programmes as a result of its withdrawal from the EU and highlighted the importance and the mutual benefits of continued cooperation in research and innovation between the EU and the UK. They also deeply regretted the unilateral, political decision of the UK Government not to participate in the Erasmus+, Creative Europe and European Solidarity Corps programmes.

The report noted a significant drop in the number of EU students studying at UK universities, which fell by as much as 50 % in the case of first year students between 2020-2021 and 2021-2022.

Cooperation in foreign and security policy

Members regretted that, apart from the areas of cybersecurity, counter-terrorism, and weapons of mass destruction, the TCA does not include provisions on cooperation in foreign policy and defence, owing to UK’s unwillingness to negotiate on such provisions. On the other hand, they welcomed the good coordination between the EU and the UK on sanctions against Russia.

Furthermore, Members called for the stronger involvement of the UK in European security and defence projects.