Talks on future EU-UK relations formally started in early March with an ambitious agenda for negotiations and time pressure to find a substantial agreement before the end of the year. This already tight timeline was significantly disturbed by the COVID-19 outbreak, with formal negotiations suspended for over a month. The ultimate deadline, however, remains the same, as the UK government rejects the idea of a prolongation of the ongoing transition period after December 2020.

As talks have resumed last week on the occasion of a second formal round of (virtual) negotiations, it is time to take stock and reflect on the feasibility of an EU-UK agreement in the months to come.

How the COVID-19 Outbreak Impacted EU-UK Talks

On the basis of the mandates agreed by both sides, negotiations started in March. Rounds alternating between Brussels and London were planned every two to three weeks. The first session took place on March 2-5 and was the occasion to test the complex structure put in place, as over 100 people in about ten parallel negotiating tables are involved in the negotiating process. Due to the COVID-19 outbreak, formal talks were suspended after this first round. Both chief negotiators had to respect a confinement period and initial attempts to conduct negotiations via videoconference did not materialize. This situation has resulted in a significant delay in the negotiations.

Two noteworthy developments did, however, take place during this period. First, the EU and the UK exchanged draft legal agreements. The EU made public a text presenting a single overarching agreement. The UK communicated separate drafts on several aspects of the negotiations. These were communicated solely to the European Commission, precluding the wider public - but also EU member states as well as members of the European Parliament - to see their content. Overall, the draft agreements reflect the content of both parties’ mandates. The sharing of these documents, which is not common so early in trade negotiations, represents nevertheless a positive step. Secondly, the first meeting of the Joint Committee responsible for the implementation and application of the Withdrawal Agreement took place. The EU has emphasized it sees the proper implementation of the Withdrawal Agreement as a key priority in perspective of its future relations with the UK.

Negotiations Resume under Challenging Conditions

On April 15, both Chief Negotiators announced that they had agreed on a new calendar for three one-week rounds to take place via videoconference over the next months. An EU-UK High-Level meeting taking stock of the negotiations is maintained for June. The possibility to achieve significant deliverables until this date seems however more uncertain than ever. Technical conditions for negotiations are challenging, fewer political resources are available due to the current COVID-19 crisis, and divergences on main files remain.
A second formal round of talks took place in this difficult context on April 20-24. At the end of this negotiating session, EU Chief Negotiator Michel Barnier held a press conference during which he highlighted serious difficulties in the negotiations. He regretted the lack of tangible progress and called for more political momentum in the discussions. During this round, the UK side once again reiterated that it will refuse any prolongation of the transition period. On that point, Michel Barnier commented that the UK “could not refuse to extend the transition period and at the same time slow down discussions on important areas.”

Limited progress has indeed been made on areas of difficulty since the beginning of the negotiations. First, no understanding of the very structure of the agreement has been found so far. The EU is firm on its intention to establish an overarching agreement while the UK still proposes separate deals covering sectoral aspects. In addition, both sides’ positions on key issues such as the level of UK alignment to EU rules or the role of the EU Court of Justice in the governance of the future deal remain far apart. Agreeing on settlements for thematic files like fisheries, cooperation on criminal matters or in the field of financial services, also constitute a major challenge. Furthermore, the UK government has given signs that it might put into question certain aspects of the Withdrawal Agreement, notably the implementation of the protocol on Ireland/Northern Ireland or the rules concerning geographical indication for food products. This would trigger a backlash from the EU which is not ready to renegotiate these issues. Finally, the COVID-19 crisis has also drawn attention to other aspects, such as possible negotiations on mutual recognition agreements for medicines of medical devices.

Only two negotiating rounds are due to take place before the decisive June EU-UK High-Level Meeting. The next one is planned for the week of May 11. Time is shrinking and a lot remains to be achieved for Brexit to happen in a controlled manner. Our Brexit team will continue to update you on related developments.

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