



OFFICIAL REPORT
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Culture, Tourism, Europe and External Affairs Committee

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**CULTURE, TOURISM, EUROPE AND EXTERNAL AFFAIRS COMMITTEE
12th Meeting 2020, Session 5**

CONVENER

*Joan McAlpine (South Scotland) (SNP)

DEPUTY CONVENER

*Claire Baker (Mid Scotland and Fife) (Lab)

COMMITTEE MEMBERS

*Annabelle Ewing (Cowdenbeath) (SNP)

*Kenneth Gibson (Cunninghame North) (SNP)

*Ross Greer (West Scotland) (Green)

*Gordon Lindhurst (Lothian) (Con)

*Stuart McMillan (Greenock and Inverclyde) (SNP)

*Oliver Mundell (Dumfriesshire) (Con)

*Beatrice Wishart (Shetland Islands) (LD)

*attended

THE FOLLOWING ALSO PARTICIPATED:

David McAllister MEP (European Parliament)

CLERK TO THE COMMITTEE

Stephen Herbert

LOCATION

Virtual Meeting

Scottish Parliament

Culture, Tourism, Europe and External Affairs Committee

Tuesday 26 May 2020

[The Convener opened the meeting at 10:00]

Negotiation of the Future Relationship between the European Union and the United Kingdom Government

The Convener (Joan McAlpine): Good morning, and welcome to the 12th meeting in 2020 of the Culture, Tourism, Europe and External Affairs Committee, which is our third remote meeting. Our main item of business is an evidence session on the negotiation of the future relationship between the European Union and the United Kingdom Government. We are joined by David McAllister MEP, who is speaking to the committee in his role as chair of the UK co-ordination group in the European Parliament. It is a pleasure to welcome him to the meeting, albeit remotely, and I hope that we will be able to welcome him in person to the Scottish Parliament very soon.

Before I invite Mr McAllister to make an opening statement, I want to go through some technical issues. Because of the challenges of managing a virtual meeting, we will take questions in a pre-arranged order. Once Mr McAllister has made his opening remarks, I will invite members to ask questions and then David to respond. I will then go back to each member, who can ask one follow-up question. Once that is completed, I will invite the next questioner to speak, and so on. I would be grateful if questions and answers could be kept succinct. I remind everyone to give broadcasting staff a few seconds to operate their microphone before they begin to ask their question or provide an answer.

I invite Mr McAllister to make an opening statement for about five minutes.

David McAllister MEP (European Parliament): Thank you so much for inviting me, and I give a warm greeting from Brussels. It is a great honour to address the committee.

I will kick off with a five-minute introduction on where we stand with regard to the on-going negotiations. As the convener mentioned, I chair the UK co-ordination group in the European Parliament. That has replaced the Brexit steering

group, which, as you might remember, was led by Guy Verhofstadt, who is a Belgian Liberal MEP.

I will begin by outlining how different the negotiations are from any other trade negotiations that the EU has ever held, due to the unprecedented level of interconnectedness, the geographic proximity and the already tight alignment of the UK with EU regulatory standards. In order to address in the best possible way the interests of EU citizens and UK citizens, the European Union has adopted a negotiating framework that envisages a strong and comprehensive partnership between both sides. We deliberately talk about a “partnership”, because a partnership is more than just a mere free trade agreement.

The approach in Brussels takes into account the wishes of the UK Government to affirm clearly British independence and sovereignty, as well as taking into account geographical proximity and how interconnected the EU and the UK are after 46 years of successful UK membership of the EU. From the start, the EU has made it clear that the more privileges and rights the UK seeks, the more obligations are linked. There will be no more cherry picking. We experienced that over many years and, in the end, that was not satisfactory for both sides. I say that as somebody who feels very close at heart to the UK but who sees that, unfortunately, our ambition has not been matched by that of the UK Government—at least until now.

Nevertheless, I welcome the belated publication by the UK Government of a series of legal texts covering a number of areas. I take that as an important step in improving transparency and accountability for citizens.

We want to have an open debate and discussion, so I will be frank. After three rounds of negotiations, no real progress has been achieved, with the exception of limited openings on an equally limited number of areas. That is disappointing. Yesterday, we had a joint meeting of the European Parliament’s Committee on Foreign Affairs and Committee on International Trade by remote videoconference, and colleagues across all party lines echoed that they are disappointed that progress has not been made and that we are now under enormous time pressure.

As the UK Government is still determined not to extend the transition period, we have three things to do in parallel by 31 December. First, we need to implement the withdrawal agreement, which is utterly important for the negotiations of the future partnership. The EU will be vigilant regarding the implementation of the withdrawal agreement, and the European Parliament, in particular, will closely scrutinise that aspect of the negotiations. In the context of the withdrawal agreement, the protocol

on Northern Ireland of course remains the biggest challenge, considering its technical complexity and political sensitivity.

Secondly, we have to prepare our businesses and citizens on both sides for the changes that will take place on 1 January 2021 whether or not we have an agreement.

The third thing that we have to do is negotiate the future agreement. We still believe that it is wise to negotiate a comprehensive economic and security partnership with an overall governance framework, as agreed by the EU and the UK in the political declaration of 17 October 2019. As you well know, there are four fields on which we are still at odds, which are the level playing field, fisheries, co-operation on justice and police issues and governance overall.

The next negotiating round will start on 1 June. We will be debriefed by Michel Barnier after 4 June, which is the final day of the negotiating round. After the negotiating round, both sides will have to analyse whether it makes sense to hold as planned the high-level conference in June and what it will be about. It was planned that the high-level conference would take stock of where we were after a few months of negotiations, and, if it takes place, it should also indicate where our priorities lie in the second half of the year.

At the moment, there is a pessimistic mood here in Brussels. Not only the European Commission but the member states and the European Parliament share the analysis that there is a considerable lack of tangible progress on the main issues. We are under enormous time pressure; we understand that the UK Government is not willing to ask for an extension of the transition period, which means that the clock is ticking fast and we need to make progress soon.

Thank you again for inviting me. It is an honour for me, as the son of somebody who came from Glasgow to Germany in the 1950s, to talk to representatives of the Scottish Parliament. I am still the proud holder of a British passport, I love visiting Scotland and I have been to your Parliament many times. I want to underline the good work that you are all doing; I follow Scottish politics as well as I can from Brussels. I hope to answer as many of your questions as I can.

The Convener: Thank you for those comprehensive opening remarks. It is a great honour for the committee that you are giving evidence to us. We appreciate that you have been a good friend to the Scottish Parliament and to our committee and we have spoken to you in both Brussels and Scotland before. It has been a very productive relationship and we hope that it will continue, in person, in the future.

As you know, following the publication of the draft text, there was an exchange of letters between Michel Barnier and David Frost, the UK negotiator, which did not suggest much agreement at all. The letter from David Frost was badly received by Michel Barnier, who underlined the EU's refusal to allow cherry picking from past agreements and emphasised that the UK had

"no automatic entitlement to any benefits that the EU may have offered or granted in other contexts".

Given that terse exchange of letters, what is achievable given the timescale? Was there anything in the draft text from the UK that surprised you? For example, I noticed that there was no mention of the European Court of Justice in any of those 12 draft texts.

David McAllister: First, here in Brussels, as in Edinburgh and throughout Scotland, the two letters were met with a great deal of interest. Perhaps this exchange of letters had to happen, because it shows the degree of disappointment and dissatisfaction on both sides. I am trying to be diplomatic but, personally, I believe that the tone of the British letter was quite harsh. The two letters have been sent and published so we all know where we are, but now that we have exchanged letters, we have to get back to the negotiating table—sending letters back and forth will not help us to move forward.

It is very unfortunate that the negotiations cannot take place in person. As we have all experienced in the past few weeks, videoconferencing is the second-best option. At the moment, on what are very politically sensitive issues, the chief negotiators are unable to talk to each other confidentially behind closed doors, as they might normally do for six, eight or even 12 hours. That option is not possible at the moment, and that is an additional difficulty.

We are way behind on the talks—and the timeframe was already ambitious. At this point, we should have been preparing for the fifth round of talks, but instead we are on the third round. I cannot tell the committee what will happen in June. Both sides now know that it is very serious. However, let me be clear that the current schedule and the pressing timescale are a result of the UK's choice.

I have been told that, as Europeans, we should not request an extension of the transition period. I understand that. It is totally up to the UK. It is an open secret that, if the UK were to ask for an extension, it would be unlikely that the EU would say no. We must accept that it takes two to tango. Given that your country is going through the biggest challenge since the second world war—as are all other countries in Europe—there would be

understanding here in Brussels if things were to take a little longer.

10:15

The second point is that David Frost said that he would like to negotiate tariff line for tariff line. That would mean that there is absolutely no chance of concluding a trade agreement before the end of the year. If you say that, you definitely need more time, because that is what we do in normal trade negotiations with third countries, which as you know take five, six, seven or eight years.

I find it unfair that, in certain parts of the British media, the EU's position in the negotiations is described as being ideological or dogmatic. Let me say, as a very pragmatic German Christian Democrat from the political centre, that our line is not about dogmatism or ideology but about establishing conditions for an ambitious and balanced partnership with a UK that has regained its total sovereignty—whatever that means; we know that it was very important for some in the UK—which takes into account our geographic proximity and the importance of our trade.

We cannot compare the UK with Canada or South Korea. There is a big difference, because the UK is in our immediate neighbourhood and the world's largest single market is the most important trading partner for the UK. Our objective is to ensure open and fair competition to benefit businesses and companies on both sides. We are offering the UK something that is unprecedented for a third country that is not a member of the single market—access, no quotas and no tariffs. That, of course, comes at a price, which is that we do not start a race to the bottom when it comes to standards on the environment, consumer protection, state subsidies and other matters.

Finally, I repeat what I said yesterday to the European Parliament's Committee on Foreign Affairs. Our efforts and engagement to negotiate an agreement have always been based on the political declaration that was signed by both sides in October. It is not an EU invention; it has the signature of the UK Prime Minister. Secondly, we will not strive for an agreement to be reached at all costs. We are making an offer and it is up to the UK to decide whether it wants to accept that. However, if we are so much at odds on the vital issues, it is for the UK Prime Minister and the 27 heads of Government to think about how we can continue our negotiations in the second half of the year. I will remain an optimist until the last minute and hope that both sides know how important an ambitious and balanced partnership would be for them both, to be concluded before the end of this year.

The Convener: Thank you, David. You are saying that it is a bleak picture. It sounds as though if an agreement cannot be reached we could see an end to negotiations in June, if the UK does not ask for an extension, which, legally, it is not allowed to do.

Professor Christopher Grey at Royal Holloway, University of London, told the committee in a written submission:

"My view is that an extension to the transition period (TP) is vital, although it need not necessarily take the form of the UK request. The Withdrawal Agreement (WA) would allow it to be agreed by the Joint Committee without publicly having been initiated by either side."

Is that the kind of political fudge that might allow the UK Government to get an extension to the period? Is there another creative way in which we could get an extension that would not be too humiliating for the UK Government? Given the Covid-19 situation, most people would consider it reasonable.

David McAllister: An extension of the transition period for one year or two years can be agreed by the Withdrawal Agreement Joint Committee. I believe that it is sensible to extend the transition period, but I would never publicly ask the UK to follow my advice. There are ways and means to make sure that the transition period is extended and, for the sake of the matter, the EU would be ready to take all the blame from the British media.

The Convener: Whatever decision is made, that tends to happen anyway.

David McAllister: Exactly—it does not matter what we say. We love reading UK newspapers but it is interesting that, now that you have left the EU, they give the impression of being more interested than before in what we are doing in Brussels.

Michel Barnier, Ursula von der Leyen and I started our political careers together 20 years ago. Ursula said that we should start the negotiations in a spirit of mutual respect and good will. That is important; even though there are 430 million people in the single market and 70 million in the UK, we want the negotiations to be full of respect for both sides. Despite challenges and difficulties, the huge majority of people in Brussels who are responsible for negotiations want to make the best of the difficult situation. We want to have the closest partnership possible with the UK.

We understand that the UK has important issues; it draws lines of a certain colour. On the other hand, neither is the EU in an easy situation. The most important thing for us is that the integrity of the single market needs to be protected at all times and that the four freedoms of the single market come as a package. We understand that the UK might not accept the four freedoms;

however, it will have to understand that that will have consequences.

Because the integrity of the single market is so important, we are also keen on following how the “Protocol on Ireland/Northern Ireland” is implemented. The time to implement the protocol is short, and the practical implementation measures must start immediately, so that the protocol can be operational by 1 January 2021. The special status for Northern Ireland requires full implementation of the political declaration on the British side. How effectively and quickly the British side implements what has been agreed in the protocol indicates how credible and trustworthy the UK could be in other political fields, where we will also need to rely on each other’s good will.

The Convener: Thank you. All our members want to dig into aspects of those issues. I invite the deputy convener, Claire Baker, to ask her questions.

Claire Baker (Mid Scotland and Fife) (Lab): Thank you, convener. The withdrawal agreement is the legal basis on which the UK is leaving the EU, and the political declaration is the accompanying document that sets out the proposals and the direction. As you emphasised, that was signed on 17 October; in December, we had a general election. You seem to put quite a lot of faith in the political declaration. Given the political changes that we have seen in the past six months or so, do you still believe that it is a meaningful document to the UK Government?

David McAllister: In the old Roman days, we would say, “Pacta sunt servanda”—what has been agreed needs to be implemented. We consider the political declaration to be an important document. Important issues that are being discussed at the moment were outlined in the political declaration, which was signed by both sides; in international politics and international law, a change of Government does not change such texts. Even though the political declaration might not be legally binding, it played a crucial role with regard to the withdrawal agreement.

Just a few months ago, both sides agreed on important aspects, and the European Council, the European Parliament and, in the end, the European Commission worked on a mandate for the negotiations on the basis of the political declaration. What we find difficult is that we now have a piecemeal approach in London, whereby the UK Government picks certain bits and pieces of the political declaration that are in the British interests but leaves others by saying, “That’s not so relevant. We’ve had elections and there’s a new majority in the House of Commons.” Once again, that is cherry picking, which is extremely unpopular in Brussels, because we have gone through that process for so many decades. By the

way, in your language, you pick cherries, but the German translation is “Rosinen picken”, so we pick raisins, but the meaning is the same.

Once again, I can say only that our efforts and engagement in negotiating an agreement have been indicated in the political declaration, which we consider to be binding. The Prime Minister gave us his word. Is there a reason not to trust the Prime Minister? I cannot imagine one.

Claire Baker: I do not disagree with any of the arguments that you have put forward. However, increasingly, it appears that the UK Government is trying to be flexible with the political declaration and, as you say, does not see it as a legal document.

I want to ask about the level playing field and the different approaches to how that should be introduced. As a member of the European Parliament, you are looking for “dynamic alignment”. Michel Barnier is talking about a “non-regression” partnership, and the UK Government is talking about “reciprocal commitments”. Do you see areas for agreement? The three positions are quite strongly set out, so do you see any flexibility in order that an agreement can be reached? What would be the consequences of not reaching an agreement on a level playing field?

David McAllister: I will start by providing some information, because you mentioned the European Parliament’s position. How does the European Parliament plan to be further involved in the process? I have here my lecture for tonight and tomorrow, which is a working document. At our plenary session on 17 or 18 June, the European Parliament plans to adopt another resolution on the state of play with the EU and UK negotiations.

The two leading European Parliament committees—the Committee on Foreign Affairs and the Committee on International Trade—have appointed rapporteurs, who have drafted a text. The rapporteur for the Committee on Foreign Affairs is Kati Piri, who is a Dutch socialist, and the rapporteur for the Committee on International Trade is Christophe Hansen, who is a Luxembourgish Christian Democrat.

This was not done when Guy Verhofstadt chaired the Brexit steering group, but we have asked all the committees to provide opinions if they wish, in the form of letters or declarations. Seventeen out of 20 committees have contributed. The working document contains 60 pages of what the two rapporteurs have written, and all the statements of the working committees. This is now a very big Christmas tree. We have to work now on this resolution and have a big Christmas tree or a smaller Christmas tree—or perhaps no Christmas tree at all, because we are in the month of June.

10:30

However, rest assured—because you followed the wording on the level playing field—that “dynamic alignment” came from the European Parliament, which indicates that the European Parliament pays enormous attention to certain issues, such as citizens’ rights, environmental protection, consumer protection and other standards, and on the Irish-Northern Irish issue. The European Parliament did not play a big role during the Brexit negotiations—there was one vote, which went through with a huge majority—but please bear in mind that in a vote on a future EU-UK partnership agreement, the European Parliament will once again have the final word.

I have the impression that this newly elected European Parliament will want to show and flex some muscles here and there. I am saying that as a representative of the European People’s Party. If you look at the debates in other political groups, such as the socialist group, the liberal group and the green group—or in the socialist communist gauche unitaire européenne group—you can imagine that issues of the level playing field play an even more important role than perhaps in my political family. We have to be very clear that the standards that we have now—standards that the UK has accepted and implemented—are key for any further co-operation with the single market.

We followed with interest what Mr Gove said a few days ago, which was that he could live with some tariffs and quotas. However, that is inconsistent with the current timeline and the ambition that was declared in the political declaration, because if you want to negotiate tariff by tariff and quota by quota, you will need a long, long time. The question for the UK Government would then be, what do you do in the meantime? We all, on both sides, hopefully still want to avoid a cliff edge on 1 January next year.

I wish that I could present you the working document, but I think that it is still internal. We have to go through it, shorten the text and make it more readable, including for our interested readers in Scotland. On 18 June, we hope that it will be adopted. We adopt our documents in something that we call English—it is kind of the same language that you speak in the United Kingdom. It is a very technical, EU English, but you are used to such papers.

The Convener: Thank you. We look forward to receiving it.

Oliver Mundell (Dumfriesshire) (Con): What would you see as the purpose of an extension? You have set out that the EU has what are in effect red lines, and the UK has its red lines. We have been talking for four years and some of

those red lines still exist. What would be achieved by talking for longer?

David McAllister: The trade agreements that UK colleagues often refer to are the EU-Canada agreement—the comprehensive and economic trade agreement, or CETA—and the Japan-EU free trade agreement, or JEFTA. Those are probably the most modern, far-reaching and ambitious trade agreements that we have concluded in the history of the European Union. The Canadian agreement took us eight years and the Japanese agreement took us even longer.

Therefore, the timeframe for this was already extremely ambitious. Even if we had agreed on extending the transition period to the maximum time of two years, we would still have had only three years in total to negotiate something that is completely unprecedented, because never before has the EU disentangled its relations with a member state, a member of the single market and a member of the customs union. This is terra incognita for both sides.

The timeframe would have been ambitious, anyway, but things have changed since March. We are facing the largest challenge since the second world war and the largest economic crisis since the 1930s. Many people would show some understanding if politicians in London said that, although they had been determined to leave the single market on 31 December, because of the huge challenge of the pandemic and all its consequences, including for the on-going negotiations, they agreed to gain some time. We certainly need more time.

It would have been helpful if the UK had immediately published all its texts for the public to see. From the first day, the EU presented its draft text of 325 pages or so, saying, “This is our proposal; anyone can have a look at it. This is where we are”. What we have seen on the British side is that, step by step, certain texts have been handed over to the Commission negotiators, but they have not been allowed to share those draft texts with members of the European Parliament. From a democratic scrutiny point of view, that is hard for the European Parliament to understand, because we are just as interested in reading in detail what the UK side has proposed. Until now, we have been dependent on reports written by people in the Commission that summarise the UK proposals.

The texts have now finally been published, which, as I said, is a major step forward. We just need more time. For instance, on the delicate issue of fisheries, there has been some movement in the third round of negotiations and the UK has now presented a text that the EU can deal with. In that example, I am pretty sure that we can find an

agreement. However, the time pressure is not helpful.

If I have followed and understood the debate correctly, I am probably preaching to a majority—of politicians in Scotland, at least—that is in favour of extending the transition period. However, that does not matter; we can do whatever we want, but our British dancing partner does not want to dance the tango with us. We have to accept that there will not be an extension of the transition period.

By the way, on the technical side, that means that negotiations will have to be concluded by the beginning of November, which means that we have only June, July, August, September and October—five and a half months—to get it all done.

Oliver Mundell: Thank you for that answer. You are not preaching to me, but I know that there are other politicians in Scotland who would want an extension and would have views on your comments. I do not think that I could realistically go back to my constituents, more of whom voted for Brexit than voted for me, and tell them that we were going to wait even longer to get fully out of the EU, especially if a Canada or Japan-style agreement is not on offer. It would be worth waiting longer if there were good deal on offer from the EU, but from what you are saying, those options are closed off to the UK.

You mentioned that there could be movement on fishing. What might that look like? We have seen various press reports in the UK on that.

David McAllister: On fisheries, some key disagreements remain. The UK insists on having a stand-alone agreement with minimal content and annual discussions on quotas, using the EU-Norway agreement on the North Sea as the most relevant model. However, the EU highlights the long-term conservation and sustainable exploitation of stocks and it considers that although quotas can be discussed species by species, that cannot be done annually. That is now the major point of divergence between the two sides. The UK, for understandable reasons, wants annual negotiations, but that will not be accepted by countries such as France, the Netherlands, Denmark and others that have a specific interest.

However, at least we now have a starting point, and that is the way forward. I believe that both sides are supposed to use all their endeavours to find a way to reach agreement until 1 July, so we are under even more time pressure.

Ross Greer (West Scotland) (Green): Good morning, David, it is nice to see you. I agree with you on the point about an extension. It was almost inevitable that an extension would be required even before the crisis that we now find ourselves in, but surely, in the midst of this crisis, there

would be broad understanding among the public in Scotland and across the UK about the need for an extension.

I would like to ask a little more about the points that you made on the Irish protocol. Now that the UK Government has accepted what was known all along—that customs checks between Northern Ireland and Great Britain will be needed—are there still issues of difference of opinion and policy in what has been agreed in relation to the Irish protocol, or is the issue now purely one of implementation and a lack of time to get that implementation under way?

David McAllister: If you are seen as Mr Brexit in the European Parliament, you get so many questions, which is not so nice, but you also get so many lines to take to try to answer some of those questions. I was expecting all these questions so I will just tell you the latest from the Barnier team. On the Irish and Northern Irish protocol, the negotiating team has declared:

“The Commission welcomes the publication of the UK’s paper on the implementation of the Protocol on Ireland / Northern Ireland, which it will now study in detail. We will share our assessment with the European Parliament and Member States and look forward to detailed discussions with the UK at technical level.

The Protocol provides a stable and lasting solution to address the unique circumstances on the island of Ireland. This solution avoids a hard border and protects the Good Friday (Belfast) Agreement in all its dimensions, while also safeguarding the integrity of the EU’s Single Market.

The detailed legal commitments set out in the Protocol must now be implemented precisely to give full effect to this solution. The time to implement the Protocol is short, and practical implementation measures must start immediately so that the Protocol can be operational by 1 January 2021. To this end, the Commission stands ready to work with the UK authorities.”

That was the Commission’s official answer. I hope that I read it out perfectly.

10:45

Ross Greer: Thank you. My second question is on a different area—the Erasmus+ programme. A number of non-EU member states participate in Erasmus+ and other schemes and receive huge benefit from doing so. You will be aware that education and related issues are matters for the Scottish Parliament and Government. Do you believe that there would be scope for Scotland to participate in Erasmus+ in the way that other non-EU nations do, even if the rest of the UK were to take a different decision?

David McAllister: Yes. Our European Parliament Committee on Culture and Education, which is responsible for Erasmus+, gave the following opinion. It

“reiterates its support for the UK’s continued participation in the Erasmus+ programme; recalls that participation in the programme requires the UK to make a full and fair financial contribution;”

calls on the Commission not to accept piecemeal UK participation in Erasmus+ or participation for a period shorter than

“the full length of the programme under the”

multi-financial framework; and

“stresses the importance of ensuring the requisite conditions for learning mobility under Erasmus+ both in the UK and the EU, including equal treatment for learners on an exchange, for example with respect to tuition fees, easy access to core services and the avoidance of unjustified financial or administrative burdens”.

That is the latest comment on Erasmus+ from the European Parliament, from our colleagues on the culture committee.

The Convener: Thank you for that update.

Beatrice Wishart (Shetland Islands) (LD):

Good morning. I would like to ask more about the fisheries negotiations—not least because I represent a fishing community. You have already referred to the fact that there has been some movement after the third round of discussions. I note that the chair of the European Parliament Committee on Fisheries indicated that the UK’s position could be self-sabotaging, and Michel Barnier has said that both sides could shift from “maximalist” positions on fisheries. I would like better understanding of what that shift might be: what would a minimalist position be?

David McAllister: Although I come from north Germany and have the two major fishing ports of Bremerhaven and Cuxhaven in my district, I am in no circumstances an expert on fisheries. I know only that the fishing industry in Germany says that we need to get a fisheries deal done. The best outcome would be that everything remains as it is, but that might be too much to expect.

The European Parliament Committee on Fisheries is led by a French liberal. It will probably come as no surprise, if you look up the membership of our fisheries committee, to see that it includes many French, Spanish, Dutch, Danish and Portuguese colleagues who are extremely interested in the issue.

The fisheries committee has also sent us an opinion, which is very straightforward. I should say that this is the opinion of the fisheries committee and will not necessarily be the opinion of the European Parliament, although it is the working document. The fisheries committee says:

“no comprehensive agreement can be concluded between the EU and the UK if it does not include a complete, balanced and long-term fisheries agreement, allowing the continuation under optimal conditions of

access to waters, resources and markets of the parties concerned”.

It goes on:

“the greatest mutual benefit will be obtained by maintaining reciprocal access to water and resources, by defining common, coherent and stable principles and rules, enabling open access of fishing and aquaculture products to markets without causing economic or social tensions through unbalanced competition”.

The other comments are all very technical. Finally, the committee says that

“the provisions of any fisheries agreement should be supported by dispute settlement mechanisms as part of a general management of the governance of the future relationship between the EU and the UK.”

That indicates a clearly expressed will in the European Parliament that the fisheries agreement should be embedded in an overarching trade agreement and that fisheries governance should be part of the general governance structure.

That is all that I can really tell you at the moment about what the European Parliament has said on fisheries. I am just getting another sheet of paper. It says that

“Agreement should be built on the principles of the CFP for the sustainable exploitation and conservation of marine living resources and for the socioeconomic benefit of fishers, operators in the fisheries sector and consumers”

and it should offer

“balanced, sustainable and long-term arrangements”.

An internal European Parliament paper says:

“It is positive that, despite the delay in the publication of the UK’s draft text on fisheries, the EU and the UK managed to achieve some progress in the negotiations on fisheries during the last negotiating round, bringing the two completely divergent positions closer to each other on 5 to 6 key areas.”

That is a positive development—or it is, at least, a starting point.

Beatrice Wishart: That might be positive for some people, but the common fisheries policy has been a source of aggravation for fishermen here for decades.

David McAllister: I know.

Beatrice Wishart: What might happen if an agreement on fisheries is not reached by 1 July?

David McAllister: What is the wording in the withdrawal agreement? Is it, “use their best endeavours”? Let us try to use our best endeavours; if we do not make it by 1 July, we will continue negotiating on fisheries in the second half of the year. If the EU says that fisheries should be part of the overall agreement, then fisheries must be embedded in the overall agreement, which we have still to negotiate.

I know that fisheries is a tricky issue in Scotland, but you should always bear it in mind that you will have to sell all the delicious fish that you catch somewhere; you cannot eat all your fish on your own. You eat more fish and chips than we do in continental Europe, but access for delicious British fish to the single market is also an offer that we have to make.

We found an agreement with the Norwegians; perhaps we can find an agreement—I was about to say with the Scots—with the British.

The Convener: Let us hope so.

Annabelle Ewing (Cowdenbeath) (SNP): On fisheries, over the many years of our membership of the EU, it has, sadly, not been a Scottish Government that has been conducting the negotiations. If it had been, we would have seen very different results over the decades.

I turn to extension—or not—of the transition. Taking into account previous comments, I agree entirely with Mr McAllister: I cannot see how the seeking of an extension could be questioned by any sane or rational person, because that reflects reality, in terms of the length of time that it normally takes to negotiate trade agreements. An extension would also reflect the fact that we are in the midst of a global pandemic, and to pile economic pressure on business at this time is just nonsensical. That point was made by the editorial board of the *Financial Times* in a statement last week, in which it asked the UK Government to give the UK economy a break by getting an extension.

An interesting question was posed by Fabian Zuleeg and his team at the European Policy Centre in a paper that they submitted to the committee this morning. I do not know whether Mr McAllister has seen it. In the paper, Mr Zuleeg asks whether, if the 1 July 2020 cut-off date passes with no extension having been agreed, it would be legally, theoretically or politically possible for an extension to be agreed for the period from July 2020 to the end of the year. He said that legally we would need to have a particular treaty, and it would require unanimity in the European Council, European Parliament consent and ratification according to member-state processes. As to the substance of that, there could be issues politically. Do you see that as more than an intellectual talking point?

David McAllister: First, it is always great to hear and read that Fabian Zuleeg, who is a German fellow citizen, is so well known and respected in Scotland. He has tremendous and outstanding knowledge of Scottish politics. I have met him a couple of times and it is always a pleasure to talk to him.

I read in today's press cuttings that a Commission spokesperson was asked a similar question—probably yesterday at the daily press conference—about whether an extension would have to be agreed by 1 July. I think that she gave a wise diplomatic answer, which was that it has been agreed in the withdrawal agreement that the withdrawal agreement joint committee may, before 1 July 2020, adopt a single decision to extend the transition period for up to one or two years, and that that decision would have to be taken jointly by both sides. That is the line to take at the moment.

Could that be possible after 1 July? That is a highly political question on which, in the end, the heads of Government and the British Prime Minister would have to agree. We saw, during the Brexit negotiations, that some dates were shifted. If there is a will, there will be a way.

At the moment, the situation is not as much about the will in Brussels or in the capitals of the member states as it is about a political process in the UK. However, having talked to UK negotiators and having followed so many public statements by the UK Government, I agree with Oliver Mundell that we simply have to take note of the UK position not to agree to an extension of the transition period. There is nothing else we can do if there is no change of mind in 10 Downing Street or, to make things even more complicated, in the House of Commons.

11:00

Annabelle Ewing: Okay. It is very much the case that we will have to wait and see. Sadly, the attention of the UK Government seems to be focused at the moment on a 10 Downing Street special adviser and the quality, or otherwise, of his eyesight.

Another important issue that has not yet been covered is judicial co-operation. It was an area in which, broadly speaking, the UK Government previously tended to work well, even though it was—[*Temporary loss of sound.*] What is the key stumbling block at the moment?

David McAllister: As I mentioned, there are four main stumbling blocks: governance, fisheries, the level playing field and internal security. With regard to law enforcement and judicial co-operation, the European Union has never previously offered such a close and broad security partnership with any third country outside the Schengen area.

Some British demands go well beyond the well-precedented approach that the UK declares it is taking. In particular, the UK seeks continued access to EU or Schengen databases. Such access is linked to the obligations that member states must comply with, and the demand goes

beyond what some of them have. By their nature, such areas also require strong safeguards in terms of protection of fundamental rights. We need the UK to provide guarantees on, for example, adequate data protection standards, such as were agreed only seven months ago in the political declaration.

The area is rather technical. There is an ongoing debate in Brussels about further British participation in the Schengen information system. The problem is that the UK is, unfortunately, a third country. We are both interested in having the closest possible co-operation, but if the UK wants access to the database it needs to follow the rules that apply to all other participating countries. That is where we stand. The problems are very technical. I still believe that, with good will on both sides, they can be solved.

I will add one point, as chair of the European Parliament Committee on Foreign Affairs. It is regrettable that the UK has until now shown no interest in negotiating any kind of co-operation on foreign affairs, external security and defence. They constituted a major part of our draft on future co-operation, but are not even part of one of the 11 negotiation tables that have been established. We are disappointed about that, but we still hope that there will be a British response later. The EU has hopes, subject to offers from the British side, when it comes to co-operation on foreign affairs, security and defence.

Stuart McMillan (Greenock and Inverclyde) (SNP): I want to take you back to Ross Greer's questions about Erasmus. I was involved in the Socrates programme and was supported by the European social fund. I studied in France, Germany and Sweden, so I fully understand and appreciate the importance of the Erasmus scheme.

On the question of a future relationship between the Scottish Government and Parliament and the European Union and its institutions, what suggestions do you have for Scotland on how it can engage more with Europe to ensure that the dialogue between them continues?

David McAllister: If I talk about Brexit and all its consequences to my constituents in north Germany, the question that most citizens ask is about future co-operation in Erasmus+. That is because many young Germans are keen to spend some of their time studying at the great universities in your country. We all consider the UK to be a crucial partner in the field of education, culture, youth and language learning. The continued participation of the UK in the Erasmus+ programme would be of clear value and beneficial to the EU27.

As I have underlined, the simple fact is that continued UK participation in Erasmus+ would mean that it must respect all relevant rules and conditions of participation as laid down in the programme regulation; neither can it have any decision-making power over it. Therefore, the UK's demand that it will consider participation in elements of Erasmus+ on a time-limited basis is unacceptable to the EU. What can we do? We can negotiate the participation only of sovereign countries in the programme. I would lobby for the UK to understand that participating in the programme is highly beneficial for it—more students from the EU27 go to English, Welsh, Scottish and Northern Irish universities than students in the UK go to universities in the EU27.

It is fascinating to meet a Scot who studied in three different EU countries, including Germany. I am keen to know which university you went to. I hope that you enjoyed it and that the Germans treated you decently.

Stuart McMillan: They certainly did. I studied at the Fachhochschule in Dortmund.

David McAllister: My wife is from Dortmund.

Stuart McMillan: It was a wonderful opportunity and a great experience. It also helps that Borussia Dortmund won the Bundesliga that year.

David McAllister: Tonight is the big match between Bayern Munich and Borussia Dortmund. I have read in our newspapers that German football is now of more interest to the UK, because we have started our experiment of continuing our football season despite the coronavirus pandemic.

Stuart McMillan: I am aware of that. I am also aware that I will probably get into trouble with the convener if I continue talking about football.

You mentioned Covid-19. I know how challenging the situation is for my constituents. My constituency in the west of Scotland faces many challenges, as is the case in many areas across Europe. The decision to leave the European Union has been taken, but the opportunity for an extension because of the pandemic is open to all sides. I genuinely believe that, when the UK, sadly, leaves the European Union, an extension gives us a wonderful opportunity to protect our constituents as best we can in the context of the potential economic depression and social challenges that have been mentioned and with regard to the level playing field that you spoke about regarding food, employment and the environment.

If there were one key message that you would send to both sides in this debate, what would it be?

David McAllister: The key message would be this: prepare thoroughly for the next round of

negotiations at the beginning of June so that we can see tangible progress and secure a breakthrough that will then lead to a high-level conference at the end of June that can pave the way to finalising negotiations in the second half of the year. We should aim for tangible progress. We should not extend the period when we send letters; we should talk to each other.

You mentioned the coronavirus pandemic. This morning, the German health secretary sent me an article that he published in an American or British news outlet. It finishes by saying:

“Like most crises, this one offers opportunities. In many areas, it has brought out the best in us: a new sense of community, a greater willingness to help others, and renewed flexibility and creativity.”

Perhaps we also need to be even more flexible and creative in negotiating our future relationships in these incredibly tough times of the pandemic.

By the way, every night on the German television news, there are reports about the situation in the UK, and there is a great deal of sympathy and solidarity in Germany with our friends in the UK. The UK Government knows that. Leaving the EU is one thing, but you have friends and partners in Europe, and we will always be ready to give you any kind of support in fighting the devastating consequences of the pandemic.

Gordon Lindhurst (Lothian) (Con): Thank you for agreeing to speak to the committee today, Mr McAllister. Like Stuart McMillan, I studied at a German university, and I and my fellow students from many European countries were very well treated and enjoyed the experience very much. It was a worthwhile thing to do.

I want to build on Stuart McMillan’s questions and ask about relationships beyond December 2020, after the UK has left the European Union.

Last June, I was on a delegation from the Scottish Parliament, led by the Presiding Officer, to Lower Saxony; the convener has been on a trip with the aim of establishing and encouraging mutual relationships with Germany; and other members of the committee have visited various European countries. What would you say about how we can develop mutual trading and cultural relationships between Scotland—as well as the whole of the UK—and European nations after we get beyond the situation that we are discussing today?

11:15

David McAllister: It is great to hear that you were a member of the delegation to Lower Saxony, which is my home region. I still live with my family there, and I had the honour of being the equivalent of the First Minister in Niedersachsen

from 2010 to 2013. It is a great idea to have closer co-operation between Niedersachsen and Scotland—I should have had the idea 10 years ago when the then First Minister, Alex Salmond, came on an official visit to Niedersachsen. Scotland is so attractive for continental Europeans, especially when it comes to your excellent universities and education system, the high-tech companies and the small and medium-sized businesses that focus on high-tech areas, as well as tourism and your exports. You could reach out and organise bilateral relations with other regions in Europe.

I know that, in the ministry of science, research and universities in Niedersachsen, the minister has agreed close co-operation between universities in Niedersachsen—in Göttingen, Hanover and Brunswick—and Scottish universities. I definitely encourage you to continue to knit networks across Europe. I also very much welcome the new activities in the Scottish Government, and especially the Scottish Parliament, that aim to have closer co-operation with other regions in Europe. I would say that you should not go only for the most obvious countries, such as Germany, France, Spain and Italy. There is incredible potential in eastern and south-eastern Europe, which still has to be fulfilled. All that I can really say is that you should be active.

Also, you should have a Scottish voice in Brussels or Berlin. The Scottish Government is active in Brussels and has a lot of interesting events. Scotland house reaches out regularly to members of the European Parliament who have links to Scotland or who are interested in it. You do not have MEPs at the moment, but there are MEPs in the Parliament, including David McAllister, who are interested in supporting you wherever we can. We really miss the Scottish voices in Brussels. That applies to all six Scottish MEPs who we had to say farewell to on 31 January, across party lines. I will never forget that, when the First Minister visited Brussels, she invited all six and a half Scottish MEPs for tea—I was the additional half MEP. Unfortunately, the representative of the UK Independence Party did not appear, although that meant that I was able to sit at the table, and I do not think that anyone really missed him.

I am sorry for being political this one time, but we miss all our colleagues from the Conservatives, Labour, the Scottish National Party, the Lib Dems and the Greens. However, we do not miss the representatives of that other political group, and we will never forgive.

Gordon Lindhurst: That is an effusive comment from a half MEP who, from what you say, became a full MEP due to the absence of another MEP.

I think that people in Scotland want to hear that there is an interest in and commitment to positive, constructive and mutually beneficial relationships in trade, culture and education that go beyond December of this year.

You are being political, and two can play at that game. I think that the more than a million Scots who voted to leave the European Union have heard an awful lot of negativity from the EU and from people who did not want to accept the decision of the British people to leave the European Union. It is important that we start to look beyond this point and consider how we can build constructive and mutually beneficial relationships beyond 2020.

David McAllister: You are absolutely right. I apologise for my sarcastic remark—it is a kind of German humour. I think that you understood what I meant.

My party leader and Chancellor is Angela Merkel, whom I am always safe in quoting. The Chancellor made a Government declaration in the German Bundestag a few hours—or a few days—after the results of the Brexit referendum were made public, and I remember that, after of course underlining that she deeply regretted the decision and was very sad and so on, she said:

“Es gibt keinen Grund, garstig zu sein.”

Perhaps you understand the German phrase. Translated into English it means, more or less, “There’s no reason to be nasty.”

That is a line that we have taken in the member states, in the Commission and in the European Parliament, despite so many of us being so upset—believe it or not, I saw many colleagues in Brussels cry on 31 January because we were so sad to see your great country leave our family of nations.

We also always make clear: “It’s done; they’re gone. Who knows whether they might come back some day? It won’t be soon, that’s for sure, so let’s try to work on the closest possible relationship that the European Union can have with a third country that is not only voluntarily leaving the EU but wants to leave the single market and the customs union.”

The closest possible partnership is what we are trying to achieve. You can criticise the European Commission and Michel Barnier for many things, but you cannot criticise Michel Barnier and his team for their offer of a wide-ranging and ambitious proposal for agreement. From our side, there really is a lot of good will.

The one thing that the UK needs to understand is that the integrity of the single market needs to be protected at all times. There cannot be shortcomings here.

We are still NATO allies, we are neighbours and we remain friends.

The Convener: Thank you. You are certainly a good friend of this committee.

Kenneth Gibson (Cunninghame North) (SNP): Good morning, Mr McAllister. We met when I was the convener of a previous Finance Committee of the Parliament and you were the Minister-President of Lower Saxony.

In response to the deputy convener, you talked about avoiding a cliff edge when the transition period ends. Given the wave of Covid-19 and the economic dislocation that that has caused, I think that for most members of the public the key question is this: has the EU undertaken an assessment of the economic impact on jobs, investment and growth in the EU—and, indeed, in the UK—of the transition period ending on 31 December without a deal?

David McAllister: I have with me my Brexit part 2 file, with all the documents. There has been an assessment of the economic consequences of both cases—a withdrawal agreement and no withdrawal agreement—but I am afraid that it would take me a few minutes to find that. If it is okay with you, could you send an email to my home page at www.mcallister.de? That email can then be forwarded to my email address and I will send you that information in writing.

Kenneth Gibson: Yes. That would be good. Ultimately, people want to know what that would mean for them and for their communities.

I will move on to my second question. I do not know whether you have seen Professor Christopher Grey’s written evidence to the committee. He said in that evidence:

“The statements and reports following the third, most recent, round of negotiations which concluded on 15th May 2020 suggest that the two sides are, if anything, diverging rather than converging. There are a huge number of uncertainties, so prediction is difficult, but my current judgment is that it is more likely than not that the UK will leave without a trade agreement in the sense of a fully-fledged”

free trade agreement. Do you believe that the UK actually wants a deal?

David McAllister: I cannot answer that question. I am not a member of the UK Government and I am not the UK Government’s spokesperson.

Kenneth Gibson: What is your instinct as a politician? Go on—put it out there. Do not be too diplomatic.

David McAllister: One thing is clear after the disappointing second and third rounds: the European Union has now stepped up all preparations for both possible outcomes—the UK

leaving the single market and the customs union without an agreement and the UK leaving on the basis of a partnership agreement, which we would still prefer. We are stepping up preparations for both.

If the UK decides that it is not interested in negotiating an agreement on the conditions that we have suggested, it will be fairest for both sides if we are informed in a timely way, so that both sides can prepare emergency legislation to avoid a cliff edge. Did you not talk in your country about “a managed no-deal Brexit”? I remember that term. There would then be a managed exit of the single market or the customs union.

To be honest, that would be by far only the second-best option. There are no good options anyhow in this game—they are all terrible options—but, of all the options, I still believe that it would be best for us to focus on priorities in the second half of the year as we try to get as much as possible done. Perhaps we can then agree to negotiate further details after 1 January. However, we definitely need an agreement on the basics, which include our demand for an overarching governance framework. We have not discussed that yet this morning. We do not believe that the British approach of having many specific agreements with many detailed governance structures is the right one. We want one agreement that covers as many issues as possible, and especially an overarching governance framework.

I have had a conversation with Hilary Benn, the chair of the House of Commons Committee on the Future Relationship with the European Union, on co-operation on the parliamentary side. In the European Parliament—this is also part of the European Union draft—we are in favour of the establishment of an EU-UK parliamentary assembly after the UK leaves the single market and the customs union, so that we can keep parliamentarians on both sides involved. Those of you who know the European Parliament will know that we have many such parliamentary assembly delegations that involve other countries in the western Balkans and eastern Europe, to name but a few.

Kenneth Gibson: Although you were born in Germany and educated in Berlin, you still have a wee hint of a Scottish accent.

David McAllister: I went to a British military school in Berlin for the first few years. Apart from that, I spoke English at home with my father, who came from Glasgow.

Kenneth Gibson: It is getting stronger by the second.

11:30

David McAllister: I think that happens if you talk to people from Scotland. It is a bit like going to Germany and speaking to Bavarians. After a while, you start getting the accent. It is such a beautiful accent—it is incredible. Scottish English is popular among Germans. I do not think that you Scots know how popular you are. Nobody can have anything against the Scots. I hope that many German tourists will once again spend a lot of their money in your great country this summer, despite all that is happening.

The Convener: On that point, we are very pleased to see that there is a European Parliament friendship group on Scotland. How do you see our committee being able to assist that friendship group in maintaining our relationship with the European Parliament?

David McAllister: Friendship groups have been established, but they are informal groupings of MEPs. There is a group of friends of the UK, and there is a group of friends of Scotland. I do not usually join friendship groups, but I made an exception and I am a member of the friends of Scotland group.

We need guidance and support from Scotland about how to keep that going. The members of the Scotland friendship group in the European Parliament are mainly colleagues who have family in Scotland or who have studied in Scotland. Many colleagues from across party lines have studied in Scotland.

Regarding official co-operation, the EU draft text on the agreement of the new partnership with the UK suggests that a parliamentary partnership assembly should be established:

“It shall be a forum for Members of the European Parliament and of the Parliament of the United Kingdom to meet and exchange views. It shall meet at intervals which it shall itself determine.”

It

“shall consist of Members of the European Parliament, on the one hand, and of Members of the Parliament of the United Kingdom, on the other.”

We are not going into detail about whether that also means the House of Lords. It

“shall be chaired in turn by a representative of the European Parliament and a representative of the Parliament of the United Kingdom respectively ... The Parliamentary Partnership Assembly shall be informed of the decisions and recommendations of the Partnership Council.”

What we want is to build another link or bridge between the UK and European Parliaments. The European Parliament does not have official parliamentary relations with non-sovereign regions and counties, as you know.

The Convener: The European Parliament continues to have an office in Edinburgh and co-operates very constructively with the Scottish Parliament. It would be good to see a way for the Scottish Parliament and for this committee to engage with the European Parliament, whatever happens in the future.

David McAllister: Honourable convener, you and your colleagues will always be welcome in Brussels. If I have counted the numbers correctly, you might all fit in my office and I would be happy to serve you a cup of Belgian coffee and some chocolate. My door is always open to all Scottish politicians, whichever party they come from—with one exception.

The Convener: Thank you. That is a very tempting offer. It might even be worth putting up with quarantine to accept that invitation. We hope that we will be able to take it up in the future. Thank you for your evidence today.

The committee will continue its scrutiny of the future relationship negotiations next week, when we will take evidence from Philip Rycroft, who is the former permanent secretary at the UK Government's Department for Exiting the European Union. The date and time of that meeting will be confirmed as soon as possible.

I thank David McAllister again. That concludes the public part of the meeting.

11:34

Meeting continued in private until 11:53.

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