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Dear Clare,

I am very much looking forward to appearing before your Committee on 20 March, in order to assist with the second part of the Committee's enquiry into the implementation of the UK-EU Trade and Cooperation Agreement (TCA), focussing on trade in services.

As you know, the Scottish Government has been working intensively to bring about improvements to the functioning of the TCA, that will benefit the many trade and business sectors, and other sections of society in Scotland who have seen their interests damaged by this agreement, which we believe could, and should have been much better than it is.

The primary opportunity for us to influence the implementation of the TCA remains as through the Specialised Committees (SCs) the TCA has set up, which deal with different areas of trade, economic and other interests. I am pleased to attach a report on our activity in this area over the period from June to December 2024. This follows the verbal briefing my officials provided in January.

I have set out at the report the respective and overall outcomes of the SC for Scottish Government, and noted where progress was made. Since conclusion of the round of SCs, focus has moved to the UK's intended "reset" of their relationship with the EU, in the run-up to the UKG-EU summit of 19 May.

I hope Committee members will find the attached report helpful, and look forward to discussing it in detail on 20 March, as well as the outlook for progress on these issues in the coming period, and any other matters members wish to raise.

Yours sincerely,

ANGUS ROBERTSON

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INTERIM REPORT

TRADE AND COOPERATION AGREEMENT

SPECIALISED COMMITTEES 2024

INTERIM SUMMARY REPORT

Purpose

1. This paper summarises last autumn's Trade and Cooperation Agreement (TCA) Specialised Committee meetings, encompassing:
 - Background information;
 - Scottish Government (SG) priorities;
 - SG engagement in Specialised Committee preparations and formal meetings (where appropriate); and
 - Overview of outcomes.
2. Please note that the Scottish Government is unable to provide detailed commentary on Specialised Committee (SC) meetings for which a minute has not yet been published. There is no set timetable for SC minutes becoming publicly available.
3. SG is keen to ensure the Committee is updated on TCA discussions in a timely manner, and is therefore providing an Interim Report at this juncture. A final, formal report on 2024 SC activity will follow once the full set of meeting minutes is available.

Background

4. The core provisions of the TCA – i.e. tariff free market access – have effectively been in force since January 2021. However, as is common with FTAs – and is a particular feature of the TCA, given it was rapidly negotiated between the UK's departure from the EU on 31 January 2020 and the end of the transition period on 31 December 2020 – there are a number of implementation issues still to be resolved that require ongoing dialogue (and in some cases negotiation) between the Parties. Discussions are progressed at official level via 18 thematically-focused Specialised Committees (SC), which ultimately report to a Partnership Council chaired by a UK Government Minister and a European Union Commissioner.
5. 17 of the 18 SCs have met once in 2024; Fisheries has met twice. Two meetings took place in June (the 'spring round'), with the remaining 18 meetings convening between the end of September and early December (the 'autumn round'). A full list of SCs, with associated meeting dates and (where available) links to published minutes, is at Annex B.
6. Many of the SCs have a relatively broad remit. It is not therefore possible to determine categorically in advance which SCs will consider issues of devolved competence, particularly given the long term nature of the TCA and the likelihood that SC business will evolve over many years.

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7. The TCA will never replace the benefits lost because of Brexit. However, the February 2023 Windsor Framework agreement created new opportunities to improve TCA implementation, after almost two years of standstill during the Northern Ireland Protocol dispute. The Scottish Government (SG) has therefore delivered a step-change in our TCA work over the past two years, putting in place systems and structures that have enabled SG to engage in all 18 SCs, whilst focusing most resource on those that are clearly remitted to consider our priority issues and/or devolved matters more broadly (for example, Sanitary and Phytosanitary (SPS); Technical Barriers to Trade; Services, Investment and Digital Trade; and Level Playing Field).

Scottish Government priorities

8. It is the view of Scottish Ministers that the TCA represents a significant step backwards in our trading relationship with the EU, when compared with the benefits the UK enjoyed as a member state. The Office for Budget Responsibility expects the UK's GDP to be 4% lower in the long run because of Brexit. That equates to £3 billion in lost public revenues for Scotland, each and every year.
9. The Scottish Government firmly believes that the TCA could and should have gone further in protecting Scottish interests. It has welcomed the UK Labour Government's announcement of its intention to seek a "reset" of the UK's relationship with the EU, and has encouraged the UK Government to pursue this with as much ambition as possible. A UK-EU summit has been scheduled for 19 May, and the Scottish Government would like to see a dialogue process in the coming months to address some areas of the TCA where both sides may see mutual benefit in making progress. The UK Government has not yet specified what areas it would like to see addressed, and it remains to be seen what the scope of the process will be. The joint EU-UK statement in October 2024 gives some indication of the forward process: [Statement by the President of the European Commission and the Prime Minister of the United Kingdom on Enhancing Strategic Cooperation: 2 October 2024 - GOV.UK](#)
10. Since the TCA was implemented the SG has engaged with the UK Government in order to promote its priorities for improving the TCA and rebuilding closer UK-EU cooperation. We consider that we have achieved some successes – for example in regard to UK association to the Horizon Europe Programme (which was agreed at the Programmes SC in December 2023). We have also worked to seek the re-opening of the EU market to Scottish seed potatoes, though this has not been achieved to date.
11. On our priorities for the UK/EU "reset" we agree with the UKG about the aim of securing an SPS/veterinary agreement which we hope could remove many of the difficulties our food and drink sector has been experiencing. SG has also argued strongly for progress on enhanced youth mobility. This is something which many EU leaders also support, however the UK Government position on this is not yet clear.
12. In support of our priorities for the "resetting" of relations between the UK and the EU, we have been developing policy papers on a range of issues. Papers on an

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SPS agreement and energy and climate cooperation have already been published, and papers on programmes, including Erasmus +, mobility and on addressing barriers to trade are in preparation.

13. SG priorities, where they interact with the this years' Specialised Committees, are listed and reported on in the outcome table below.

SG engagement in SC preparations and formal meetings

14. The Scottish Government is not a Party to the TCA, meaning we engage with the SC process via UKG's delegations. Each SC is assigned to a lead Whitehall department, and is Co-Chaired (with an EU representative) by the relevant senior official. A Europe team within the Cabinet Office plays a central Whitehall coordinating role. Within SG, policy Directorates engage with individual SCs as is relevant to their interests, coordinated by the EU Secretariat (EUS) and with input throughout from the Brussels-based EU Directorate (EUD).
15. Officials from across SG have put sustained and significant effort into building effective and functional SG-UKG relationships on TCA-related issues. Engagement with UKG this year has, on the whole, been constructive. There remains some variance across Whitehall, but generally lead departments have shared agendas in advance, offered pre-meets with Devolved Governments (DGs), and enabled two DG representatives to observe SC meetings. The Cabinet Office Europe team has played an effective role coordinating that activity.
16. We have found UKG officials generally willing to discuss issues of concern to SG, and to either include those on SC agendas, or – where they have chosen not to do so – to explain their reasoning. We have also secured senior level meetings with some UKG Co-Chairs in advance of SC meetings, which have provided valuable insights into UKG's likely asks and expectations.
17. We have also worked to ensure that the rhythm of Inter-Ministerial Group on UK-EU Relations meetings continues. This forum provides a very necessary opportunity for the Cabinet Secretary CEAC to press the UK Minister for Europe in the Cabinet Office to seek progress on the key Scottish concerns. The most recent meeting of the IMG took place on 3 December 2024. Current expectation is that there will be further meeting of the group ahead of the EU-UK summit on 19 May.
18. We have also continued substantive external stakeholder engagement this year, which has further deepened our understanding of the impact TCA implementation is having on Scottish civil society. We have been working primarily with the Scottish Advisory Forum on Europe (SAFE), whose membership is around 100. The Cabinet Secretary addressed its meeting in April 2024, where the EU Ambassador to the UK, Pedro Serrano, also attended. SG has also made a small financial contribution to SAFE's ongoing work.
19. SAFE has been using its Memorandum of Understanding with the European Economic and Social Committee (EESC), to expand its cooperation with

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significant EU interlocutors, including via a visit to Brussels in November 2024, and was also involved in a meeting of the UK outreach group of the Committee of the Regions, which was hosted by COSLA in Edinburgh, also in November.

20. SG also continues to support Irene Oldfather in her role as Vice Chair of the UK Domestic Advisory Group (DAG). She has successfully established a Nations and Regions DAG subgroup, which is helping ensure that devolved interests are properly represented in the DAG's work.
21. Finally, SG officials remain committed to providing briefing support to the Convenor and Deputy Convenor of the CEEAC Committee prior to their attendance Parliamentary Partnership Assembly (PPA) meetings. There were no PPA meetings in 2024, in part due to election cycles in both the EU and UK, but briefing has been prepared for the upcoming meeting on 17-18 March in Brussels. We trust those briefings remain useful and have helped enable the Convenor and Deputy Convenor to play an active role in PPA discussions on issues of particular interest to Scotland, such as agrifood trade, citizens' rights and mobility. We also supported the visit of CEEAC Members to Brussels in autumn 2024 to discuss the Committee's inquiry work and report on the TCA.

Overview of outcomes

22. The Scottish Government went into this round of Specialised Committees with a clear set of objectives, which we communicated clearly to the UK Government in the run-up to the round of SC meetings – some of which were in turn raised by the UK Government with the EU in SC meetings themselves.
23. As usual, this year's SCs provided opportunities for both the UK Government and the EU to discuss a range of TCA implementation issues, to agree to further technical discussions in some areas (for example, on energy), and in some instances to air concerns. Some specific implementation developments during 2024 included:
 - the first round of meetings of the new EU-UK sectoral working groups on medicines, organic products, and motor vehicles, under the Technical Barriers to Trade SC;
 - conclusion of negotiations on a new EU-UK Competition Cooperation Agreement; and
 - preparations for the first meeting of EU and UK environmental regulators (including SEPA participation for Scotland) in early 2025, under Article 395 of the TCA.
24. However, limited substantive progress was made on UKG's priorities, and the specific SG priorities set out below also remain a work in progress. The lack of progress on a number of key policy priorities is clearly disappointing, though it reflects – at least in part – the limits of the SC process as currently implemented. The assumption that most SCs only meet annually, and the very formalised approach taken to those meetings, has generally resulted in only incremental progress. Nonetheless, SG has been able to engage consistently and effectively in the SC cycle, and will continue to do this.

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25. Following the conclusion of the 2024 SCs, our focus now moves to engagement already underway for UKG's intended "reset" of its relationship with the EU, in the run-up to the UKG-EU summit of 19 May 2025. This may also have implications for both sides' approach to the TCA Partnership Council meeting, also anticipated in spring 2025, and the next 'round' of SC meetings in 2025.

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ANNEX A

SCOTTISH GOVERNMENT TCA 2024 SPECIALISED COMMITTEE OBJECTIVES

SG priority areas	Objectives for 2024 Specialised Committees	SC minutes (as per Annex B)
Energy and climate	UK-EU energy and climate cooperation, including: • cooperation on hydrogen; • cooperation on renewable energy capacity and interconnectivity; • electricity trading; • security of supply; • consideration of linking the UK and EU ETS	7, 10, 13
SPS measures	Secure an in-principle agreement that could reopen EU markets to Scotland's seed potato exporters. Work towards possibility to trade LBMs again	9
Barriers to trade	Ensure Technical Barriers to Trade (TBT) Working Groups (WGs) are established as quickly as possible, with appropriate SG representation In addition, work to remove and avoid post-Brexit barriers to trade, including seeking: to pursue a Mutual Recognition Agreement (MRA) on Conformity Assessment; to address issues around inconsistent application of customs procedures; to address issues around diagonal cumulation; renewal of the EU's data protection adequacy decision.	6, 8, 10, 11, 12
Mobility	MRPQ and mobility of professionals: seek better Mutual Recognition of Professional Qualifications for key sectors; and mobility improvements for service providers more generally, and specifically enhanced creative artists' mobility	11, 20
EU Programmes	Maximise opportunities arising for Scotland from UK association to the Horizon Europe research programme, and create increased capacity Other EU Programmes: seek full association with other EU programmes, particularly Erasmus+ and Creative Europe	19
Fisheries	Close inclusion in ongoing fisheries negotiations, to protect Scottish interests and the marine environment	2, 3
Law Enforcement	Closer co-operation on justice and home affairs	18

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ANNEX B

SPECIALISED COMMITTEE MEETING DATES AND MINUTES

No.	Specialised Committee	2024 meeting date(s)	Published minute
1	Social Security	5 June	https://assets.publishing.service.gov.uk/media/6694fc3ea3c2a28abb50cf3a/specialised-committee-social-security-coordination-minutes-05-06-2024.pdf
2	Fisheries	22-23 May	https://assets.publishing.service.gov.uk/media/6707eeb930536cb927482fe9/ei ghth-scf-minutes-23-May-2024.pdf
3	Fisheries	24 September	Minutes not yet available
4	Administrative Cooperation in VAT and Recovery of Taxes	30 September	Minutes not yet available
5	Public Procurement	3 October	Minutes not yet available
6	Technical Barriers to Trade	7 October	https://assets.publishing.service.gov.uk/media/67a0b98b1f9e7f7dcc7b3fc5/7-october-2024-trade-specialised-committee-on-technical-barriers-to-trade-meeting-minutes.pdf
7	Level Playing Field for Open and Fair Competition and Sustainable Development	9 October	Minutes not yet available
8	Customs Cooperation and Rules of Origin	17 October	Minutes not yet available
9	Sanitary and Phytosanitary Measures	21 October	Minutes not yet available
10	Goods	23 October	Minutes not yet available
11	Services, Investment and Digital Trade	24 October	https://assets.publishing.service.gov.uk/media/678e358c02801a21aa7acf5c/trade-specialised-committee-on-services-investment-and-digital-trade-meeting-24-october-2024-minutes.pdf
12	Regulatory Cooperation	4 November	Minutes not yet available

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13	Energy	7 November	https://assets.publishing.service.gov.uk/media/676016161857548bccbcfa46/uk-eu-specialised-committee-on-energy-7-november-2024-meeting-minutes.pdf
14	Intellectual Property	13 November	https://assets.publishing.service.gov.uk/media/6780c0c56f01ae28ab5c059a/The-Fourth-Trade-Specialised-Committee-on-Intellectual-Property-under-the-EU-UK-Trade-and-Cooperation-Agreement-Minutes.docx
15	Air Transport	14 November	Minutes not yet available
16	Road Transport	14 November	Minutes not yet available
17	Aviation Safety	21 November	Minutes not yet available
18	Law Enforcement and Judicial Cooperation	5 December	https://www.gov.uk/government/publications/specialised-committee-on-law-enforcement-and-criminal-justice-minutes
19	Union Programmes	11 December	Minutes not yet available
20	Trade Partnership Committee	12 December	Minutes not yet available