

Negotiations on the UK's withdrawal from the EU

Monitoring Report

20 November 2020



The Senedd and

BREXIT

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1. Introduction

1.1. Summary of developments

The UK-EU future relationship negotiations continue this week in Brussels following the adoption of new arrangements on 21 October. The new arrangements involve daily negotiations, alternating between London and Brussels, with a common draft text in development. In addition, the Prime Minister and the EU Commission President, Ursula von der Leyen, have committed to maintaining close contact whilst negotiations continue. Whilst the EU Commission President has stated that 'large differences remain' (on the level playing field, fisheries and governance), the Prime Minister advised that the 'broad outlines [of an agreement] are pretty clear' and that a deal is 'there to be done.' UK and EU Chief Negotiators echo this sentiment in their latest statements. Reports suggest that EU leaders may use a scheduled meeting of the EU Council on 19 November, intended to discuss the coronavirus pandemic, to approve an agreement. However, this has not been acknowledged by the UK. Meanwhile, leaders at the European Parliament, whose consent is required to ratify an agreement, remain steadfast that they will not accept compromises on key issues.

At UK level, the House of Lords voted against the Government to remove Part 5 of the Internal Market Bill on the Protocol on Ireland and Northern Ireland. The UK Government tabled some amendments to the Bill for report stage. The Scottish Government's Constitution Secretary Michael Russell said that the Internal Market Bill was 'per force' the end of the common frameworks programme. Scrutiny of common frameworks continued. The National Audit Office and the Institute for Government reported on preparedness for the end of the transition period, raising particular concerns about the readiness of ports and borders and the implementation of the Ireland and Northern Ireland Protocol. Legislation for the end of the transition period continued to progress through Parliament, with a new Financial Services Bill introduced and the Agriculture and Immigration Bills becoming law. The UK-Japan agreement was laid in Parliament and the UK Government continued trade continuity negotiations. Ahead of the US election, the UK Government said that it had reached the advanced stages of negotiations for most chapters of a UK-US agreement. The President-elect of the US has said any agreement would be contingent on 'respect for the Good Friday Agreement'.

In Wales, Chairs of three Senedd Committees wrote to UK Parliamentary committees to raise concerns about the UK Internal Market Bill. The Minister for European Transition called on the UK Government to 'have the flexibility required

to reach a deal'. After taking on responsibility for international trade policy, the Minister welcomed the UK-Japan trade agreement and said there would be benefits but also risks to agreements with the United States, Australia and New Zealand. The Welsh Government published its End of Transition Plan, setting out five 'strategic priority areas' for the end of the transition period. The EAAL Committee surveyed business preparedness for the end of the transition period. The Welsh Government said it was continuing to call on the UK Government to provide details of the Shared Prosperity Fund.

2. UK-EU developments

2.1. New negotiating arrangements agreed

During a phone call on 21 October, both Chief Negotiators agreed that **negotiations would continue** alternating between London and Brussels, by phone or in person. They also agreed new '**organising principles**' for the negotiations from now on, which provide that:

- Intensified negotiations will take place daily (including weekends) across all **11 negotiating tables** concurrently.
- Negotiations will be based on each side's legal texts while a common approach is found, unless a more appropriate approach is identified.
- Lead negotiators in each area should proceed to a read-through of both legal texts to identify points of convergence, which can be presented in the most appropriate way (the use of tables or consolidated texts are provided as examples).
- A small joint secretariat is established to hold and manage a master consolidated text.
- This process should be accompanied by workstream discussions on political issues, including the most challenging areas (fisheries, the level playing field and governance, energy and goods/services provisions are listed).
- Chief Negotiators or Deputy Chief Negotiators should meet daily in a restricted format. This group should have regard to the overall progress of the negotiations, consider issues escalated from the workstreams from the negotiation tables, give direction to workstream leads, and deal with the most sensitive political issues in the talks.
- It is understood that nothing is agreed until a 'final overall agreement' is reached.

2.2. Chief Negotiators: latest statements

EU

Ahead of the negotiations in Brussels on 16 November, **EU Chief Negotiator, Michel Barnier**, tweeted that the EU remains 'determined, patient, respectful' and how the EU want future UK-EU cooperation to be 'open but fair in all areas.'

On 9 November, **Mr Barnier had tweeted** that there are '3 keys to unlock a deal':

No 1: Respect of EU autonomy and UK sovereignty, w[ith] effective governance and enforcement mechanisms between international partners;

No 2: Robust guarantees of free and fair trade & competition based on shared high standards, evolving coherently over time;

No 3: Stable and reciprocal access to markets and fishing opportunities in the interest of both parties.

He had **previously tweeted** that an agreement must also 'respect the interests and values of the EU and its 27 Member States.'

Mr Barnier updated the European Parliament and EU27 Member States on the negotiations on 4 November. Whilst no public statements were made, **Bloomberg summarised** Mr Barnier's comments to the group, which suggested that the UK is not willing to cooperate on the level playing field, the EU is not willing to negotiate annually over fisheries and that progress has been made in other areas, including police and judicial cooperation, which have been incorporated into legal texts.

UK

On 15 November, **UK Chief Negotiator, Lord David Frost, tweeted** that

The only [agreement] that's possible is one that is compatible with our sovereignty and takes back control of our laws, our trade, and our waters. That has been our consistent position from the start and I will not be changing it.

He also advised that there had been progress in the previous days and that 'common draft treaty texts' now existed but with 'significant elements' not yet agreed. On 4 November, he **had agreed with** Mr Barnier that whilst progress had been made, 'wide divergences remain on some core issues.'

2.3. Prime Minister - EU Commission President meetings

On 7 November, the Prime Minister and EU Commission President, Ursula von der Leyen, spoke again following a prior commitment to remain in regular contact. Following the meeting, the **Commission President tweeted** that:

Some progress has been made, but large differences remain especially on level playing field and fisheries. Our teams will continue working hard next week. We will remain in close contact in the next days.

The Prime Minister explained to reporters, **including Reuters**, on 8 November that he had advised the Commission President that an agreement is:

[T]here to be done, the broad outlines are pretty clear. We just need to get on and do it if we can. And I said that to Ursula Von der Leyen just yesterday. And she totally agrees with me.

The Commission President **previously explained** that she is in hourly contact with EU Chief Negotiator, Michel Barnier, and that whilst more progress on the 'most important' areas of the level playing field and fisheries is desirable, there are '11 other fields that have to be negotiated until the very end.'

The Prime Minister's **accompanying press release** confirmed that 'significant difference remain,' including on the level playing field and fisheries.

2.4. European Parliament: latest statements

On 4 November, the European Parliament's **UK Coordination Group issued a statement** following its latest debrief with EU Chief Negotiator, Michel Barnier. It read:

Today, we met Michel Barnier and noted with deep concern that the list of fundamental divergences remains long.

While the EU chief negotiator clearly stated that the EU wants to conclude an agreement, Parliament underlines that we will not give up our position on key issues in the area of level playing field, governance and fisheries. The EU needs to protect its long-term political interests.

This is not merely a procedural matter, but, above all, a democratic responsibility (...) We are well aware that the negotiations have reached a critical juncture. A completion of a deal clearly requires additional time. We will take our democratic responsibility seriously.

The Chair of the European Parliament's **International Trade Committee (INTA), Bernd Lange** also stated that:

Even if we are ready to negotiate for a deal until the end, it is also clear that, despite time pressure, we will not accept compromises on key issues or the ratification process. With the European Parliament there will be no waving through at the expense of democratic control.

It's a shame that the British side is only now negotiating seriously and constructively. How much unnecessary time was wasted by tactical games by Boris Johnson. This endgame is completely home-made and could have been avoided.

The European Parliament's consent is required to ratify a UK-EU agreement.

2.5. 2020: remaining key dates

In addition to the ongoing negotiations, voting on a UK-EU agreement or agreements could take place on the following scheduled dates:

19 November: EU Council meeting (to discuss the coronavirus pandemic)

23-26 November: European Parliament session (an additional EU Council meeting would be needed before the Parliament can vote, if the EU Council does not approve of an agreement during its meeting on 19 November)

10-11 December: EU Council meeting

14-17 December: European Parliament session

31 December: End of transition period (11pm GMT)

Previously, EU institutions have shown willingness to hold additional meetings for Brexit-related votes. No additional meetings have been announced at the time of writing, however, sources in the European Parliament have suggested an additional session could be scheduled for 28 December, **according to the Guardian.**

Furthermore, the legislatures involved in the ratification process of UK and EU agreements ordinarily have their recess over the Christmas period. There are currently no **EU Council meetings** scheduled beyond 17 December and no European Parliamentary activity beyond 23 December. Christmas recess is not yet confirmed for the UK Parliament. Christmas recess in the devolved legislatures is as follows: Senedd (21 December – 10 January 2021), Scottish Parliament (24 December – 8 January 2021) and Northern Ireland Assembly (18 December – TBC).

Depending on the contents of an agreement(s), domestic ratification in each EU27 Member State may also be required.

2.6. Withdrawal Agreement implementation

The first meeting of the **Specialised Committee on the Other Separation Provisions** took place on 30 October. The UK hosted the virtual meeting, during which UK and EU officials discussed the implementation of Part Three of the Withdrawal Agreement on Separation Provisions. Most of Part Three will apply at the end of the transition period. According to the joint statement issued after the meeting, Part Three ensures 'an orderly winding-down of existing arrangements.'

Part Three covers a wide range of areas where UK-EU separation and UK-Member State separation is required, including the placement and circulation of goods placed on the market before the end of the transition period, ongoing customs procedures, VAT/excise duty matters, intellectual property, police and judicial cooperation in criminal, civil and commercial matters, data and information processing, ongoing public procurement, administrative cooperation procedures and others.

The latest meetings of the UK-EU Joint Committee and Specialised Committees are summarised in the **previous edition of this report**, published on 22 October.

New infringement procedures launched against the UK

The EU launched **four new infringement proceedings** against the UK in October, in the following areas:

- 1.** Bilateral Investment Treaties (BITs): for the UK's failure to remove UK-Member State BITs from its legal order, the EU Commission issued a Reasoned Opinion (the next step is a referral to the Court of Justice (CJEU)). The UK has been given two months to respond.
- 2.** Citizens' rights: for the UK's failure to ensure comprehensive sickness insurance for EU citizens, the EU Commission has issued an additional formal notice.
- 3.** Plant health: for the UK's failure to comply with plant pest rules, the EU Commission has issued a formal notice.
- 4.** Taxation: for the UK's failure to comply with EU VAT trade rules for financial instruments, the EU Commission has issued a formal notice.

More information on the EU's infringement proceedings, which apply to the UK during the transition period by virtue of the Withdrawal Agreement, can be found on the **EU Commission's webpages**.

3. Developments at UK level

3.1. UK Internal Market Bill

The **UK Internal Market Bill** completed Committee stage in the House of Lords on 9 November. On the final day of Committee stage, the House of Lords voted against the Government to remove Part 5 on the Ireland and Northern Ireland Protocol from the Bill: by 433-165 to remove clauses 42 and 43 and by 407-148 to remove clauses 44 to 47.

Report stage is scheduled for 18 to 25 November. The **House of Lords voted against the Government** on 18 November to recognise the common frameworks programme in the Bill. The **Government tabled some amendments to the Bill** ahead of report stage in the name of Lord Callanan. These include adding requirements for the UK Government to consult and report on its exercise of powers in the Bill.

On 16 November, the **UK Government published a set of policy statements** to 'explain the intention behind the provisions of the UK Internal Market Bill, as it progresses through Parliament'.

3.2. Common frameworks

The UK Government laid the provisional common framework for **nutrition-related labelling, composition and standards** as a Command Paper on 9 October. The framework was provided to the Senedd for scrutiny at the same time.

The **Minister for European Transition confirmed** in evidence to the Committee on 5 November that the governments intend all frameworks to come into operation in provisional form from January 2021.

The **Minister for European Transition and the Scottish Government's Constitution Secretary Michael Russell MSP gave evidence** to the House of Lords Common Frameworks Scrutiny Committee on 10 November. Asked whether the Internal Market Bill was 'the end of common frameworks', Michael Russell said:

Per force, it is. It is a great shame, because of the amount of work that has been done. [...] it is like a very large tree that will grow up and nothing will grow in its shade.

The Minister for European Transition said:

To all intents and purposes it removes any incentive for the UK Government to continue engaging with the common frameworks. There would be a practical set of consequences if the Bill were to be passed in the form in which it was introduced.

3.3. Intergovernmental relations

The **Chancellor of the Duchy of Lancaster made a statement** on intergovernmental relations on 10 November, announcing the creation of an intergovernmental relations page on GOV.UK and the publication of quarterly and annual reports. He said that this 'mirrored the approach' of the Welsh and Scottish Governments to reporting on intergovernmental relations. He also said that the intergovernmental relations review was continuing and that 'the UK Government remains committed to finalising a product at pace.'

The Welsh Government published its first **annual report on intergovernmental relations** for the Senedd on 26 October, covering the period from April 2019 to March 2020.

3.4. Preparedness

The **National Audit Office reported** on UK's preparedness for the end of the transition period on 6 November, focusing on the readiness of ports and borders for the introduction of checks in January and July 2021. **The Institute for Government also reported** on Government preparedness more broadly on 3 November. Both identified the readiness of ports and borders and of the Northern Ireland Protocol as key challenges.

Ports and borders

The National Audit Office found that it was 'very unlikely' that all traders, industry and third parties (including passengers) would be ready for the end of the transition period in January. It found that departments had a reasonable degree of confidence in being able to deliver 'minimum operating capability' by 1 January, but also identified a number of key areas that would be 'challenging to deliver' for government:

- enabling traders to move goods under transit through the Goods Vehicle Movement Service and making sure traders and port operators could use it;
- setting up the seven inland sites needed to facilitate transit movements, in addition to port sites;
- enabling ports and third parties to integrate their systems with new or changed

government systems;

- mitigating the impact of traders and third parties not being ready for EU checks and reducing disruption, particularly at the short-straits crossings;
- making sure the customs intermediary market is able to meet demand for support from traders;
- preparing civil contingency plans to minimise disruption to the supply of critical goods and medicines, especially in the context of the coronavirus pandemic.

The National Audit Office said that there was 'uncertainty' about infrastructure and resources needed for the UK's implementation of full border checks by July 2021. It said that HMRC would need to make 'significant further changes' to its customs systems to handle an increase in customs declarations.

Ireland and Northern Ireland Protocol

The National Audit Office reported that implementing the Protocol by 1 January 2021 was 'a significant challenge'. It said that HMRC believed it could deliver 'most of the elements required' but that bringing the elements together would be 'very high risk'. The Northern Ireland Executive's Department of Agriculture, Environment and Rural Affairs (DAERA) is responsible for putting in place systems for sanitary and phytosanitary checks between Great Britain and Northern Ireland. DAERA has said that due to uncertainty and the tight timeframe it will not be able to complete preparations by 1 January and is 'exploring contingency options'.

The National Audit Office also observed that there was 'ongoing uncertainty about the requirements for the movement of goods under the Protocol'. It said that it would be 'challenging' for the UK Government to establish the Trader Support Service in time.

On 9 November, **RTÉ reported** that the First Minister and deputy First Minister of Northern Ireland had written to European Commission Vice President Maroš Šefčovič, co-chair of the UK-EU Joint Committee, to raise the 'real threat to the continuity of the supply of existing food and other products to our market' due to SPS checks at Northern Ireland ports after the end of the transition period.

3.5. UK legislation

Agriculture Bill

The **Agriculture Bill** was granted Royal Assent on 11 November. In response to amendments made by the House of Lords, the UK Government amended the Bill

to require that before the Secretary of State lays a free trade agreement including measures applicable to trade in agricultural products in Parliament, it must lay a report on whether and how the agreement is consistent with levels of UK statutory protection in relation to human, animal or plant life or health; animal welfare; and the environment. This does not apply to the UK-EU future relationship or to rollover agreements.

Trade Bill

The **Trade Bill** completed Committee stage in the House of Lords on 15 October. The date for report stage is yet to be scheduled. During the passage of the Agriculture Bill, the UK Government committed to establish the Trade and Agriculture Commission on a statutory basis. It said that it would do this by amending the Trade Bill.

Fisheries Bill

Following third reading in the House of Commons, the **Bill is now in ping pong** in the House of Lords.

Environment Bill

Committee stage continues in the House of Commons, scheduled for 2 November to 1 December.

Other Bills

The **Immigration Bill** was granted Royal Assent on 11 November. In response to amendments made by the House of Lords, the Government amended the Bill to require the Secretary of State to review the ways in which 'protection claimants [people seeking asylum] who are in a member state are able to enter the United Kingdom lawfully'. The UK Government published a **statement of changes to the Immigration Rules** for after the end of the transition period on 22 October.

The Private International Law (Implementation of Agreements) Bill was passed by the House of Commons. It begins **ping pong in the House of Lords** on 19 November.

The House of Lords continues its consideration of the **Medicines and Medical Devices Bill** at Committee stage.

The UK Government introduced the **Financial Services Bill** on 21 October. The UK

Government has said that the Bill represents the 'first step in shaping a regulatory framework for the UK's financial services sector outside of the EU'. The Bill is now being considered at Committee stage. The Committee is due to report by 3 December.

3.6. International trade negotiations

UK-Japan Agreement

On 23 October, the UK-Japan Comprehensive Economic Partnership Agreement (CEPA) was signed. The text of the agreement was laid in Parliament on the same day, initiating the ratification process under the Constitutional Reform and Governance Act (CRaG). The **House of Commons International Trade Committee has taken evidence** on the agreement.

UK-US negotiations

The **President-elect of the United States, Joe Biden, has said** that any future trade agreement with the UK would be contingent on 'respect for the Good Friday Agreement and preventing the return of a hard border.'

In a statement ahead of the election on 2 November, the **International Trade Secretary Liz Truss** said that UK and US negotiators had reached the 'advanced stages of talks' for almost all chapter areas and that a 'significant proportion of legal text' had been agreed. She said that the sides had agreed to continue talks at official level after the election and that 'both sides are confident that we are on track for a comprehensive agreement which would provide a significant and mutual benefit to our economies.'

Continuity Negotiations and Coordination Programme (formerly referred to as the Trade Agreement Continuity Programme)

As of 11 November 2020, the UK Government have signed 22 international trade agreements as part of the Continuity Negotiations and Coordination (CNC) programme. According to the Norwegian Government, a further temporary, limited agreement on trade in goods with Norway has also been signed. However, this is not yet reflected in the **UK Government's list** of the progress made in rolling over its non-EU trade agreements.

Under the Constitutional Reform and Governance (CRaG) Act, most international agreements must be laid before the UK Parliament for 21 sitting days before they

can be ratified. However, there are exceptions to this 21 day rule contained in the CRaG Act which UK Ministers could seek to rely on. Due to the limited number of sitting days now remaining, there is a possibility that agreements that have not yet been ratified will not enter into force at the end of the transition period. However, parties to trade agreements can agree to provisionally apply their provisions, in part or in full, pending ratification at a later date.

4. Developments in Wales

4.1. UK Internal Market Bill

On 13 November, the **Chairs of the Senedd's EAAL, LJC and Finance Committees** wrote to UK parliamentary committees to raise concerns about the UK Internal Market Bill. This followed an **evidence session with the Counsel General and Minister European Transition** on 2 November. In the letter, the Chairs said that the limit that the Bill would create for legislation made in exercise of devolved competence would 'greatly impact the Senedd's ability to make coherent and accessible laws that meet the needs and aspirations of Welsh citizens'. They said:

We're calling on members of both Houses of Parliament at Westminster to press the UK Government to address the significant deficiencies as they relate to devolution.

The Senedd, Scottish Parliament and Northern Ireland Assembly cannot be ignored in this process. If the devolved governments and legislatures are ignored then this could be profoundly damaging to the UK as a whole.

The **EAAL Committee also took evidence** from the Cabinet Office Minister of State Lord True on 12 November.

4.2. EU negotiations

The Welsh Government published its **End of Transition Plan** on 11 November. This sets out that the Welsh Government continues to seek to influence the UK's negotiations with the EU. It notes in particular that the Welsh Government has 'continued to press' the UK Government to negotiate for Wales to have access to EU programmes such as Erasmus+ and Horizon Europe after the end of the transition period.

In evidence to the Committee on 5 November, the **Minister for European Transition said:**

It is the UK Government's responsibility to look after the economic interests of the UK, so we call on them to have the flexibility required to reach a deal. We shouldn't pretend that the kind of deal available at this point is the kind of deal we would regard as adequate, and it certainly isn't the kind of deal we would regard as necessary to protect Wales's interests, but it's incumbent on the UK Government now to seek a deal.

The Joint Ministerial Committee (European Negotiations) met on 29 October. In a

statement after the meeting, the **Minister said** that the meeting had received an update on progress in negotiations. He said:

This gave me the opportunity to press the UK Government on engaging with us to discuss potential trade-offs in the final stages of the negotiations. I also pressed on specific matters including technical barriers to trade and rules of origin, the Mutual Recognition of Professional Qualifications and services, particularly services linked to goods. I again stressed how essential it was that the UK Government, as well as the EU, showed sufficient flexibility to clinch an agreement.

The **Minister also made a statement on 20 October** confirming that he had written to the UK Government before the October European Council meeting calling for the UK Government to prioritise reaching a deal and minimising barriers to trade.

4.3. International trade negotiations

The **Minister for European Transition updated Members** on developments in international negotiations on 3 November, after assuming responsibility for the Welsh Government's international trade policy. The Minister welcomed the signing of the UK-Japan agreement. He said that there would be benefits but also risks to a trade agreement with the US, as well as with Australia and New Zealand. He said that he continued to call on the UK Government to sign a concordat on Welsh Government involvement in trade negotiations.

UK-Japan agreement

The Committee wrote to the Minister on 27 October with series of questions asking for his response to the publication and content of the agreement and its impact on Wales. The Minister responded on 17 November. The Welsh Government intends to publish an analysis of the economic impact of the agreement for Wales.

Advisory groups

The former Minister for International Relations and the Welsh Language wrote to the UK Government on 23 September to seek more representation from Wales on the UK Government's trade advisory groups. In evidence to the Committee on 5 November, the **Minister for European Transition said** that the UK Government had confirmed there would be 'a broader range of stakeholders' in the strategic trade advisory group.

The former Minister for International Relations also sought assurance that the

Trade and Agriculture Commission would only make recommendations for England and in reserved areas to the UK Government. The Minister for European Transition told the Committee that the Welsh Government had not received such assurance but would continue to seek it.

The Welsh Government's Trade Policy Advisory Group 'advises the Welsh Government on trade policy matters'. Minutes for the first meeting were **published on 11 November**.

4.4. Preparedness

End of Transition Plan

The Welsh Government **End of Transition Plan** was published on 11 November. The plan identifies five strategic priority areas for the end of the transition period, outlining risks, actions required, the latest situation, and Welsh and UK Government responsibilities. Their priority areas are:

1. Supply of critical goods

The plan states that the Welsh Government continues to engage with the UK Government, public bodies and industry on matters relating to the continued supply of critical goods such as foods and medicines. For medical supplies, the UK and devolved governments are working to 'determine the precise nature of the UK continuity of supply contingency arrangements'.

2. Business readiness and support

The End of Transition Plan points to the Business Wales EU transition portal and Preparing Wales website as sources of information and guidance for businesses, and the Economic Resilience Fund and Development Bank for Wales as sources of financial support. The plan also notes that if the UK exits the transition period without a negotiated trade-deal with the EU, it is possible that a 'Crisis Intervention Scheme' would be required to help mitigate the impact on the red meat and fisheries sector. It further states that such a scheme 'could potentially be of a substantial scale and would require cross-UK collaboration and additional UK Government financial support to be provided to the Welsh Government to deliver'.

The plan says that the Welsh Government is coordinating business preparedness in Wales for if no data adequacy agreement with the EU is reached. The UK and devolved governments have developed a contingency plan for the sheep sector, but the 'operational design is yet to be completed'. The Welsh Government is

asking the UK Government for support schemes for the red meat and fisheries sectors and may introduce schemes unilaterally.

3. Public services and communities

The Welsh Government will also continue to provide services to support the UK Government's EU settled status scheme. It will continue to work with the UK Government on contingency planning for transport disruption.

4. Operational activities

The plan states that the Welsh Government will prepare mitigations for traffic disruption arising from new border checks from 1 January. It will work with the UK Government to link road transport management plans to border arrangements. The Welsh Government will need to oversee the construction of two inland sites by July 2021. HMRC will lead on the delivery of the site in Holyhead and Welsh Government will lead on the South West Wales site. The Welsh Government is also seeking 'clarity on operational requirements under the Northern Ireland Protocol' for the estimated 30% of Holyhead traffic going to or from Northern Ireland.

The plan also states that the Welsh Government is managing over 70 preparedness projects in the environment, energy and rural affairs portfolio and is engaging with the UK Government on possible options for a UK or Wales replacement for Erasmus+.

5. Welsh Government resourcing and responsibilities

The final section outlines the Welsh Government's work to engage with the UK Government on the financial implications of the end of the transition period, regional funding and negotiations. It also outlines that the Welsh Government is seeking to determine all new additional functions it will take on after the end of the transition period and to ensure necessary legislation is in place.

Committee business preparedness survey

The EAAL Committee carried out a survey on business preparedness in Wales from August to October. The survey found that nearly 76% of respondents had not accessed any information by the Welsh Government to help them to prepare for the end of the year. Nearly 53% were not aware of the information that was available. 57% of respondents disagreed that information provided by the Welsh Government was helpful and 90% said it needed to be improved.

The Committee asked the Minister for European Transition about the results of the survey on 5 November. In response, **the Minister said:**

If you're asking for resources that describe to you what the scenarios are on 1 January next year, which is what most people would define as being helpful, well, of course, we're not in a position to do that.

The Minister for European Transition replied to the Committee's letter setting out the results of the survey on 12 November. He said that the Welsh Government had identified the same concerns and that the End of Transition Plan outlined how they would be mitigated.

4.5. Legislation

The Legislation, Justice and Constitution Committee has continued to consider Welsh Government secondary legislation for the end of the transition period. The Committee has also considered Welsh Government **written statements under Standing Order 30C** for UK legislation in areas of devolved competence under the European Union (Withdrawal) Act 2018.

The Welsh Government said in its **End of Transition Plan** that it expected to need to make around 20 more statutory instruments in time for the end of the transition period.

4.6. Funding

In its **End of Transition Plan**, the Welsh Government called on the UK Government to clarify the design and allocation of the Shared Prosperity Fund. It also called on the UK Government to provide replacement funding for all EU programmes in Wales and funding for the end of the transition period.

The **UK Government has confirmed** that details of the Shared Prosperity Fund will be announced following the spending review. The spending review is set for 25 November. The **UK Government has said** it intends to use the financial assistance powers in the UK Internal Market Bill to implement the fund.

