Proposal for a

COUNCIL DECISION

on the signing, on behalf of the European Union and of the European Atomic Energy Community, of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community

(Text with EEA relevance)
1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

On 29 March 2017, the United Kingdom notified the European Council pursuant to Article 50 of the Treaty on European Union of its intention to withdraw from the European Union and from the European Atomic Energy Community. In accordance with Article 50 of the Treaty on European Union, the Union shall negotiate with the withdrawing State an agreement setting out the arrangements for its withdrawal (the Withdrawal Agreement), taking account of the framework for its future relationship with the Union. The Withdrawal Agreement is to be concluded on behalf of the Union by the Council, after obtaining the consent of the European Parliament.

Following the notification, the European Council (Article 50) adopted negotiating guidelines on 29 April 2017. In the light of these guidelines, the Council authorised the Commission on 22 May 2017 to open the negotiations for an agreement with the United Kingdom setting out the arrangements for its withdrawal from the European Union and from the European Atomic Energy Community, and adopted the negotiating directives for these negotiations. On 15 December 2017, the European Council adopted guidelines supplementing the ones from 29 April 2017 and setting out the principles and conditions for any transitional arrangements, after which, the Council, on 29 January 2018, adopted supplementary negotiating directives.

The negotiations have been conducted in the light of the above European Council guidelines and in line with the negotiating directives of the Council, and with due regard to the resolutions of the European Parliament of 5 April 2017, 3 October 2017, 13 December 2017 and 14 March 2018.

The negotiations were completed and initialled at the level of the Chief Negotiators on 14 November 2018. This text underwent legal revision¹ and it is that text which is proposed for signature.

An agreement on a future relationship between the Union and the United Kingdom can only be concluded once the United Kingdom has become a third country. However, Article 50 of the Treaty on European Union requires that the framework for the future relationship with the Union be taken into account in the agreement setting out the arrangements for the withdrawal. An overall understanding with the United Kingdom on the framework for the future relationship was identified during negotiations under Article 50 in the Political Declaration setting out the framework for the future relationship between the European Union and the United Kingdom that has been approved by the European Council on 25 November 2018²

• Consistency with other Union policies

The Withdrawal Agreement fully respects the Treaties and preserves the integrity and the autonomy of the Union legal order as well as the integrity of the Single Market and the Customs Union. It promotes the values, objectives, and interests of the Union, and ensures the consistency, effectiveness and continuity of its policies and actions. In particular, Article 4 of the Withdrawal Agreement lays down methods and principles relating to the effect, the

¹ This legally reviewed text of the Withdrawal Agreement was made public on DD.MM.YYYY and can be found on the following link: https://ec.europa.eu/commission/publications/XXXX_en.
implementation and the application of the agreement that ensure the same legal effect of Union law provisions made applicable by the Withdrawal Agreement in the United Kingdom as within the Union and its Member States.

- **Fundamental rights**

According to Article 6 of the Treaty on European Union, the Union recognises the rights, freedoms and principles set out in the Charter of Fundamental Rights of the European Union, which has the same legal value as the Treaties. Moreover, fundamental rights, as guaranteed by the European Convention for the Protection of Human Rights and Fundamental Freedoms and as they result from the constitutional traditions common to the Member States, constitute general principles of the Union’s law.

These rights, freedoms and principles are fully preserved and protected in the Union after the withdrawal of the United Kingdom from the Union. Moreover, the Withdrawal Agreement ensures that whenever Union law provisions or concepts are referred to, they are interpreted and applied using the methods and general principles of interpretation applicable within the Union, including consistent interpretation with the Charter of Fundamental Rights. This is particularly relevant for the Part of the Agreement on citizens’ rights which relies extensively on Union law.

2. **LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY**

- **Legal basis**

The United Kingdom has notified its intention to withdraw from the European Union. As a consequence, Article 50 of the Treaty on European Union constitutes the legal basis for the signature and conclusion of a withdrawal agreement. It is recalled that in accordance with Article 106a of the Treaty establishing the European Atomic Energy Community, Article 50 of the Treaty on European Union applies also to the European Atomic Energy Community.

- **Proportionality**

The Withdrawal Agreement settles all disentanglement issues and sets out clearly the terms and conditions of the transition and its duration. In so doing, the Withdrawal Agreement is adequate and proportionate to the objective of ensuring an orderly withdrawal of the United Kingdom from the Union.

- **Choice of the instrument**

In accordance with Article 50(2) of the Treaty on European Union, the arrangements for the withdrawal have to be laid down in an agreement between the withdrawing state and the Union; the signature of such an agreement is to be decided by a Council decision.

3. **BUDGETARY IMPLICATIONS**

Since the Withdrawal Agreement ensures that the Union and the United Kingdom both respect the financial obligations resulting from the whole period of the UK membership in the Union, the only budgetary impact of the Withdrawal agreement for the Union results mainly from the establishment of the Joint Committee, composed of representatives of the Union and of the United Kingdom. The Joint Committee will among others supervise and facilitate the implementation and application of the Withdrawal agreement. The Joint Committee will meet at least once a year, at the request of either party. In addition, there could also be costs linked to the possible initiation of an arbitration procedure under the dispute settlement of the
Agreement. Should the transition period be extended, the United Kingdom will make a contribution for that new period to the Union budget that will be treated as General Revenues. The legislative financial statement attached to this proposal give additional details on its estimated financial impact for the Union's budget.

4. OTHER ELEMENTS

• Implementation plans and monitoring, evaluation and reporting arrangements

Title 2 of Part Six of the Withdrawal Agreement establishes a Joint Committee that will continuously monitor the implementation, operation and impact of this agreement. The Joint Committee is comprised of representatives of the European Union and representatives of the United Kingdom who will meet at least once a year and will supervise and facilitate the implementation and application of the agreement and decide on the tasks of the specialised committees and supervise their work and make amendment to the Agreement where specifically provided for in the Agreement itself. The Joint Committee can only make its decisions and recommendations by agreement between the Union and the United Kingdom. It can in no way restrict the decision-making at Union level. The Union and the United Kingdom may, through the Joint Committee, decide to amend certain aspects of the Agreement, only in those cases where this is specifically provided therein. When the Parties approve such a decision, it has to be subject to their respective applicable internal requirements and procedures.

The following specialised committees will operate under the control of the Joint Committee i.e. one sub-committee for each of the main parts of the Withdrawal Agreement:

(a) the Committee on citizens' rights;
(b) the Committee on the other separation provisions;
(c) the Committee on issues related to the implementation of the Protocol on Ireland/Northern Ireland;
(d) the Committee on issues related to the implementation of the Protocol relating to the Sovereign Base Areas in Cyprus;
(e) the Committee on issues related to the implementation of the Protocol on Gibraltar; and
(f) the Committee on the financial provisions.

The proposal also foresees a role for the Joint Committee in dispute settlement, which is addressed in Title 3 of Part Six of the Withdrawal Agreement.

• Detailed explanation of the specific provisions of the proposal

The Commission's draft text proposal for the Withdrawal Agreement consists of 185 Articles structured in six Parts (further divided into Titles and Chapters), three Protocols and nine Annexes, as follows:

Part One (Common Provisions) contains the common provisions of the Withdrawal Agreement (“the Agreement”), including definitions, the territorial scope of the Withdrawal Agreement, the methods and principles relating to the effect, the implementation and the application of the Agreement.

Part Two (Citizens’ Rights) sets out the provisions aimed at safeguarding the status and rights derived from EU law of EU and UK citizens, and their families, affected by the United Kingdom's withdrawal. Part Two includes 4 titles: Title I (General provisions), Title II
(Rights and obligations), Title III (Coordination of Social Security systems), and Title IV (Other provisions).

**Part Three** (Separation Provisions) sets out the provisions for other issues relating to the disentanglement of the United Kingdom from the Union. Part Three includes 13 titles: Title I (Goods placed on the market), Title II (Ongoing customs procedures), Title III (Ongoing value added tax and excise duty matters), Title IV (Intellectual property), Title V (Ongoing police and judicial cooperation in criminal matters), Title VI (Ongoing judicial cooperation in civil and commercial matters), Title VII (Data and information processed or obtained before the date of entry into force, or on the basis of this Agreement), Title VIII (Ongoing public procurement and similar procedures), Title IX (Euratom related issues), Title X (Union judicial and administrative procedures), Title XI (Administrative cooperation procedures between Member States and the United Kingdom), Title XII (Privileges and immunities) and Title XIII (Other issues relating to the functioning of the institutions, bodies, offices and agencies of the Union).

**Part Four** (Transition) sets out a transition period during which the whole EU acquis will apply to the United Kingdom, with some exceptions. During transition, the United Kingdom will no longer be represented in the Union institutions, nor participate in the decision-shaping and decision-making process of the Union. Furthermore, Part Four establishes the transitional arrangements applicable to United Kingdom with regard to the international agreements concluded by the Union, or by Member States acting on its behalf, or by the Union and its Member States acting jointly. In accordance with Article 129, the United Kingdom will be bound by the obligations stemming from those agreements. Article 130 provides for a consultation mechanism for the fixing of fishing opportunities of the United Kingdom for the transition period. Article 131 will ensure that the full competence of all Union institutions will be preserved in relation to the United Kingdom, including the competence of the Court of Justice of the European Union. Article 132 provides for the possibility of adopting a single decision extending the transition period for up to 1 or 2 years.

**Part Five** (Financial provisions) lays down detailed rules on the financial settlement, including detailed rules on the components of the financial settlement as well as the rules for the calculation of the value of the financial settlement and payment modalities. Rules are also set for the arrangements for continued participation of the United Kingdom in the programmes of the current Multiannual Financial Framework (MFF) until their closure.

**Part Six** (Institutional and final provisions) sets out rules for the consistent interpretation and application of the Agreement and establishes a Joint Committee as well as a dispute settlement mechanism. This Part contains also a best endeavours obligation on Parties to try to reach agreement on their future relationship before the end of the transition period, as well as the provisions on the entry into force of the Agreement.

The protocol on Ireland/Northern Ireland and its 10 Annexes include the provisions necessary for the so-called “backstop” solution for avoiding a hard border between Ireland and Northern Ireland. This will apply unless and until it is superseded, in whole or in part, by any subsequent agreement. The Protocol creates a single EU-UK customs territory. This will avoid the need for tariffs, quotas or checks on rules of origin between the Union and the United Kingdom. It also foresees a set of measures to ensure that there is a level playing field between the Union and the United Kingdom. Furthermore, the Protocol ensures that the Union's Customs Code (UCC), setting out, inter alia, the provisions for releasing products into free circulation within the EU, will continue to apply to Northern Ireland. This will ensure that Northern Irish businesses will not face restrictions when placing products on the EU’s Single Market. The Protocol also foresees that the United Kingdom in respect of Northern
Ireland will remain aligned to a limited set of rules that are related to the EU’s Single Market and indispensable for avoiding a hard border: legislation on goods, sanitary and phytosanitary rules ("SPS rules"), rules on agricultural production, VAT and excise, and state aid rules. There are also provisions maintaining the Single Electricity Market on the island of Ireland. Pursuant to the Protocol, the Common Travel Area between Ireland and the United Kingdom and its associated rights and privileges will continue to apply in conformity with Union law, in particular on free movement of EU citizens. North-South cooperation will also continue as set out in the Protocol, including in the areas of environment, health, agriculture, transport, education and tourism, as well as in the areas of energy, telecommunications, broadcasting, inland fisheries, justice and security, higher education and sport.

The Withdrawal Agreement also includes a **protocol relating to the Sovereign Base Areas of the United Kingdom in Cyprus** (the protocol on the SBAs). Since the relations between the Union and the Sovereign Base Areas in Cyprus are to be defined against the background of the Republic of Cyprus’ membership of the Union, the protocol on the SBAs should establish appropriate mechanisms to achieve, after the withdrawal of the United Kingdom from the Union, the objectives of the arrangements set out in Protocol 3 to the Act of Accession of the Republic of Cyprus to the Union. As outlined in the Joint Statement of 19 June 2018, both the Union and the United Kingdom committed to establishing appropriate arrangements for the Sovereign Base Areas, "in particular with the aim to protect the interests of Cypriots who live and work in the SBAs following the United Kingdom's withdrawal from the Union, in full respect of the rights and obligations under the Treaty of Establishment." The Union and the United Kingdom have agreed on the terms of a Protocol which will give effect to this and which is annexed to the Withdrawal Agreement. The aim of the Protocol is to ensure that Union law, in the areas stipulated in Protocol 3 to Cyprus's Act of Accession, will continue to apply in the Sovereign Base Areas, with no disruption or loss of rights especially for the approximately 11,000 Cypriot civilians living and working in the areas of the SBAs. This applies to a number of policy areas such as taxation, goods, agriculture, fisheries and veterinary and phytosanitary rules. The Protocol confers responsibility on the Republic of Cyprus for the implementation and enforcement of Union law in relation to most of the areas covered, with the exception of security and military affairs.

Finally, the Withdrawal Agreement includes a **protocol on Gibraltar** addressing the specific issues that the withdrawal of the United Kingdom from the Union creates in relation to Gibraltar. The European Council guidelines of 29 April 2017 set out that "no agreement between the Union and the United Kingdom may apply to the territory of Gibraltar without the agreement between the Kingdom of Spain and the United Kingdom." This has been recalled in the Council supplementary negotiating directives of 29 January 2018 and in the European Council guidelines of 14 March 2018. In the statements to the minutes of the European Council meeting of 25 November 2018, the following declaration of the European Council and of the Commission has been included: "After the United Kingdom leaves the Union, Gibraltar will not be included in the territorial scope of the agreements to be concluded between the Union and the United Kingdom. However, this does not preclude the possibility to have separate agreements between the Union and the United Kingdom in respect of Gibraltar. Without prejudice to the competences of the Union and in full respect of the territorial integrity of its Member States as guaranteed by Article 4(2) of the Treaty on European Union, those separate agreements will require a prior agreement of the Kingdom of Spain". Moreover, at the same occasion, the European Council and the Commission have issued an interpretative declaration relating to the Article 184 of the Withdrawal Agreement and territorial scope of future agreements.
Bilateral negotiations between Spain and the United Kingdom have now concluded. A Protocol referring to these bilateral arrangements is annexed to the Withdrawal Agreement. The Protocol forms a package with bilateral memoranda of understanding between Spain and the United Kingdom in respect of Gibraltar. This concerns bilateral cooperation on citizens' rights, tobacco and other products, environment, police and customs matters, as well as a bilateral agreement in relation to taxation and the protection of financial interests. On citizens' rights, the Protocol establishes the basis for administrative cooperation between the competent authorities for the implementation of the Withdrawal in relation to people living in the Gibraltar area, and in particular frontier workers. On air transport law, it establishes the possibility, in case of an agreement between Spain and United Kingdom on the use of the Gibraltar airport, to make applicable to Gibraltar during the transition the Union legislation previously not applicable there. On fiscal matters and protection of financial interests, the Protocol establishes the basis for administrative cooperation between the competent authorities for achieving full transparency in tax matters, fighting against fraud, smuggling, and money laundering. The United Kingdom also commits that international standards in this area are complied with in Gibraltar. In relation to tobacco, the United Kingdom commits to ratify certain conventions in respect of Gibraltar and to put in place before 30 June 2020 a system of traceability and security measures on cigarettes. In respect of alcohol and petrol, the United Kingdom commits to ensure that a tax system which aims at preventing fraud is in force in Gibraltar. On environment protection and fishing and cooperation in police and customs matters, the Protocol establishes the basis for administrative cooperation between the competent authorities. A specialised committee is also established for overseeing the application of this Protocol.

The Agreement also includes the following annexes:

- Annex I on Social Security coordination
- Annex II on the provisions of Union law referred to in Article 41(4);
- Annex III on Time limits for the situations or customs procedures referred to in Article 49 (1)
- Annex IV on the list of networks, information systems and databases referred in Articles 50, 53, 99 and 100;
- Annex V on EURATOM;
- Annex VI on the list of administrative cooperation procedures referred to in Article 98;
- Annex VII on the List of acts/provisions referred to in Article 128(6)
- Annex VIII on the rules of procedure of the Joint Committee and specialised committees
- Annex IX on rules of procedure for dispute settlement;

The Agreement shall enter into force on 30 March 2019.
Proposal for a

COUNCIL DECISION

on the signing, on behalf of the European Union and of the European Atomic Energy Community, of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community

(Text with EEA relevance)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 50 thereof,

Having regard to the Treaty establishing the European Atomic Energy Community, and in particular Article 106a,

Having regard to the proposal from the European Commission,

Whereas:

(1) On 29 March 2017, the United Kingdom notified the European Council of its intention to withdraw from the European Union and the European Atomic Energy Community (“Euratom”) in accordance with Article 50 of the Treaty on European Union, which applies to Euratom by virtue of Article 106a of the Treaty establishing the European Atomic Energy Community.

(2) On 22 May 2017, the Council authorised the Commission to open negotiations with the United Kingdom for an agreement setting out the arrangements for its withdrawal, taking account of the framework for its future relationship with the Union.

(3) The negotiations have been conducted in light of the guidelines of 29 April and 15 December 2017 and of 23 March 2018 provided by the European Council with the overall objective of ensuring an orderly withdrawal of the United Kingdom from the Union and Euratom.

(4) On 25 November 2018, the European Council endorsed the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community ("Agreement").

(5) The negotiations being concluded, the Agreement should be signed on behalf of the Union, subject to the fulfilment of the procedures required for its conclusion at a later date.

(6) In accordance with Article 106a of the Treaty establishing the European Atomic Energy Community, Article 50 TEU applies to the European Atomic Energy Community.

(7) The Agreement foresees a transition period during which – notwithstanding all consequences of the United Kingdom's withdrawal from the Union as regards the United Kingdom's participation in the institutions, bodies, offices and agencies of the
Union – Union law, including international agreements, will be applicable to and in the United Kingdom. The Commission should therefore notify, on behalf of the Union and of Euratom, the other parties to these agreements that, during the transition period, the United Kingdom is treated as a Member State for the purposes of those agreements.

(8) Paragraph 2 of Article 185 of the Agreement foresees that, when making the written notification of the completion of the necessary internal procedures the Union, in respect of any Member State which has raised reasons related to fundamental principles of national law of that Member State, may declare that, during the transition period, in addition to the grounds for non-execution of a European arrest warrant referred to in Framework Decision 2002/584/JHA, the executing judicial authorities of that Member State may refuse to surrender its nationals to the United Kingdom pursuant to a European Arrest Warrant. It is therefore appropriate to set a time-limit for Member States wishing to avail themselves of this possibility to inform the Commission and the General Secretariat of the Council thereof.

(9) As provided for in Article 50(4) of the Treaty on European Union, the United Kingdom has not taken part in the discussions of the Council concerning this decision nor in its adoption,

HAS ADOPTED THIS DECISION:

**Article 1**

The signing, on behalf of the Union and the European Atomic Energy Community, of the Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community ("Agreement") is hereby authorised, subject to its conclusion.

The text of the Agreement is attached to this Decision.

**Article 2**

The President of the European Council and the President of the Commission are hereby authorised to sign the Agreement on behalf of the Union and the European Atomic Energy Community.

**Article 3**

Immediately after the signature of the Agreement, the Commission shall notify the other parties to the international agreements as referred to in Article 2(a)(iv) of the Agreement, that, subject to the entry into force of the Agreement, during the transition period, the United Kingdom is treated as a Member State for the purposes of those international agreements.

**Article 4**

Those Member States that wish to avail themselves of the possibility foreseen in paragraph 2 of Article 185 of the Agreement shall inform the Commission and the General Secretariat of the Council thereof before 15 February 2019.
Article 5
This Decision shall enter into force on the day of its adoption.
Done at Brussels,

For the Council
The President
LEGISLATIVE FINANCIAL STATEMENT

1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

1.2. Policy area(s) concerned

1.3. The proposal/initiative relates to

1.4. Objective(s)

1.4.1. General objective(s)

1.4.2. Specific objective(s)

1.4.3. Expected result(s) and impact

1.4.4. Indicators of performance

1.5. Grounds for the proposal/initiative

1.5.1. Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative

1.5.2. Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone.

1.5.3. Lessons learned from similar experiences in the past

1.5.4. Compatibility with the Multiannual Financial Framework and possible synergies with other appropriate instruments

1.5.5. Assessment of the different available financing options, including scope for redeployment

1.6. Duration and financial impact of the proposal/initiative

1.7. Management mode(s) planned
2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

2.2. Management and control system(s)

2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)

2.3. Measures to prevent fraud and irregularities

3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

3.2. Estimated financial impact of the proposal on appropriations

3.2.1. Summary of estimated impact on operational appropriations

3.2.2. Estimated output funded with operational appropriations

3.2.3. Summary of estimated impact on administrative appropriations

3.2.4. Compatibility with the current multiannual financial framework

3.2.5. Third-party contributions

3.3. Estimated impact on revenue
1. FRAMEWORK OF THE PROPOSAL/INITIATIVE

1.1. Title of the proposal/initiative

Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community

1.2. Policy area(s) concerned

25 – Commission's policy coordination and legal advice

1.3. The proposal/initiative relates to:

☑ a new action
☐ a new action following a pilot project/preparatory action
☐ the extension of an existing action
☐ a merger or redirection of one or more actions towards another/a new action

1.4. Objective(s)

1.4.1. General objective(s)

The agreement is based on the Article 50(2) of the TEU. In accordance with the guidelines of the European Council (Article 50) of 29 April 2017, the withdrawal agreement aims at

• providing clarity and legal certainty with respect to situations created by the United Kingdom's withdrawal from the Union for citizens but also for businesses, stakeholders and international partners,
• protecting citizens who have built their lives on the basis of rights flowing from the United Kingdom's membership to the Union;
• settling the disentanglement of the United Kingdom from the Union and from all the rights and obligations the United Kingdom derives from commitments undertaken as Member State,
• defining time-limited transitional arrangements which are in the interest of the Union,
• ensuring that the Union and the United Kingdom both respect the financial obligations resulting from the whole period of the UK membership in the Union
• providing for effective management, implementation and enforcement of the agreement, including through institutional structures and an effective dispute settlement mechanism preserving the role of the Court of Justice of the European Union as the ultimate arbiter on matters of Union law,
• continuing to support the goal of peace and reconciliation enshrined in the Good Friday Agreement in all its parts, and to support and protect the achievements, benefits and commitments of the Peace Process in the island of Ireland

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3 As referred to in Article 58(2)(a) or (b) of the Financial Regulation.
• protecting the interests of Cypriots who live and work in the Sovereign Base Areas and ensuring no disruption and loss of rights after the United Kingdom's withdrawal,
• providing for close cooperation between Spain and the United Kingdom in respect of Gibraltar on the implementation of the Withdrawal Agreement, and in particular the citizens' rights part, and in a number of other policy areas.

1.4.2. Specific objective(s)

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<th>Specific objective(s)</th>
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<td>N/a</td>
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1.4.3. Expected result(s) and impact

Specify the effects which the proposal/initiative should have on the beneficiaries/groups targeted.

The Withdrawal agreement between the Union and the UK will bring reassurance to European citizens, business and international partners that there will be no disorderly and uncontrolled withdrawal of the United Kingdom from the Union.

The only budgetary impact of the Withdrawal agreement results from establishment of the Joint Committee, composed of representatives of the Union and of the United Kingdom. The Joint Committee will supervise and facilitate the implementation and application of the Withdrawal agreement, decide on the tasks of the specialised committees and supervise their work and make amendment to the Agreement where specifically provided for in the Agreement itself. The Agreement also foresees a role for the Joint Committee in dispute settlement, which is addressed in Title 3 of Part Six of the Withdrawal Agreement.

The Joint Committee will meet at least once a year, at the request of either party. The following specialised committees will operate under the control of the Joint Committee, i.e. one sub-committee for each of the main parts of the Withdrawal Agreement:

(a) the Committee on citizens' rights;
(b) the Committee on the other separation provisions;
(c) the Committee on issues related to the implementation of the Protocol on Ireland/Northern Ireland;
(d) the Committee on issues related to the implementation of the Protocol relating to the Sovereign Base Areas in Cyprus;
(e) the Committee on issues related to the implementation of the Protocol on Gibraltar; and
(f) the Committee on the financial provisions.

1.4.4. Indicators of performance

Specify the indicators for monitoring progress and achievements.

| N/a |
1.5. **Grounds for the proposal/initiative**

1.5.1. *Requirement(s) to be met in the short or long term including a detailed timeline for roll-out of the implementation of the initiative*

Ensure the orderly withdrawal of the UK from the Union.

1.5.2. *Added value of Union involvement (it may result from different factors, e.g. coordination gains, legal certainty, greater effectiveness or complementarities). For the purposes of this point 'added value of Union involvement' is the value resulting from Union intervention which is additional to the value that would have been otherwise created by Member States alone.*

An orderly withdrawal of the United Kingdom from the Union is in the interest of both the Union and the United Kingdom, in particular by providing legal certainty to citizens and companies on both sides of the Chanel. The Withdrawal agreement is necessary to mitigate any negative effects on the European economy and the Union budget, protect the rights of the European citizens living and working in the United Kingdom, as well as safeguard the goal of peace and reconciliation in the island of Ireland, as enshrined in the Good Friday Agreement.
1.5.3. Lessons learned from similar experiences in the past

N/a

1.5.4. Compatibility with the Multiannual Financial Framework and possible synergies with other appropriate instruments

N/a

1.5.5. Assessment of the different available financing options, including scope for redeployment

N/a

1.6. Duration and financial impact of the proposal/initiative

☐ limited duration
  – ☐ in effect from [DD/MM]YYYY to [DD/MM]YYYY
  – ☐ Financial impact from YYYY to YYYY for commitment appropriations and from YYYY to YYYY for payment appropriations.

☑ unlimited duration
  – Implementation with a start-up period from YYYY to YYYY,
  – followed by full-scale operation.

1.7. Management mode(s) planned

☑ Direct management by the Commission
  – ☑ by its departments, including by its staff in the Union delegations;
  – ☐ by the executive agencies

☐ Shared management with the Member States

☐ Indirect management by entrusting budget implementation tasks to:
  – ☐ third countries or the bodies they have designated;
  – ☐ international organisations and their agencies (to be specified);
  – ☐ the EIB and the European Investment Fund;
  – ☐ bodies referred to in Articles 70 and 71 of the Financial Regulation;
  – ☐ public law bodies;
  – ☐ bodies governed by private law with a public service mission to the extent that they provide adequate financial guarantees;
  – ☐ bodies governed by the private law of a Member State that are entrusted with the implementation of a public-private partnership and that provide adequate financial guarantees;
  – ☐ persons entrusted with the implementation of specific actions in the CFSP pursuant to Title V of the TEU, and identified in the relevant basic act.

  If more than one management mode is indicated, please provide details in the ‘Comments’ section.

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Details of management modes and references to the Financial Regulation may be found on the BudgWeb site:
2. MANAGEMENT MEASURES

2.1. Monitoring and reporting rules

*Specify frequency and conditions.*

The Joint Committee will issue an annual report on the functioning of the Agreement.

2.2. Management and control system(s)

2.2.1. Justification of the management mode(s), the funding implementation mechanism(s), the payment modalities and the control strategy proposed

N/a

2.2.2. Information concerning the risks identified and the internal control system(s) set up to mitigate them

N/a

2.2.3. Estimation and justification of the cost-effectiveness of the controls (ratio of "control costs ÷ value of the related funds managed"), and assessment of the expected levels of risk of error (at payment & at closure)

N/a

2.3. Measures to prevent fraud and irregularities

*Specify existing or envisaged prevention and protection measures, e.g. from the Anti-Fraud Strategy.*
3. ESTIMATED FINANCIAL IMPACT OF THE PROPOSAL/INITIATIVE

3.1. Heading(s) of the multiannual financial framework and expenditure budget line(s) affected

- Existing budget lines

*In order of multiannual financial framework headings and budget lines.*

<table>
<thead>
<tr>
<th>Heading of multiannual financial framework</th>
<th>Budget line</th>
<th>Type of expenditure</th>
<th>Contribution</th>
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<tbody>
<tr>
<td>Number 5</td>
<td>[Heading Administration]</td>
<td>Diff./Non-diff. 5</td>
<td>from EFTA countries 6 from candidate countries 7 from third countries</td>
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<tr>
<td></td>
<td>XX 01 01 01 Expenditure related to officials and temporary staff working with the Institution.</td>
<td>Non-diff.</td>
<td>NO</td>
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<td></td>
<td>XX 01 02 11 01 Mission and representation expenses</td>
<td>Non-diff.</td>
<td>NO</td>
</tr>
</tbody>
</table>

- New budget lines requested

*In order of multiannual financial framework headings and budget lines.*

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<tr>
<th>Heading of multiannual financial framework</th>
<th>Budget line</th>
<th>Type of expenditure</th>
<th>Contribution</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number […][Heading………………………………………]</td>
<td>[…][XX.YY.YY.YY]</td>
<td>YES/NO</td>
<td>YES/NO</td>
</tr>
</tbody>
</table>

---

5 Diff. = Differentiated appropriations / Non-diff. = Non-differentiated appropriations.
6 EFTA: European Free Trade Association.
7 Candidate countries and, where applicable, potential candidates from the Western Balkans.
### 3.2. Estimated financial impact of the proposal on appropriations

#### 3.2.1. Summary of estimated impact on operational appropriations

- ☐ The proposal/initiative does not require the use of operational appropriations
- ☐ The proposal/initiative requires the use of operational appropriations, as explained below:

#### EUR million (to three decimal places)

<table>
<thead>
<tr>
<th>Heading of multiannual financial framework</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Year</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>N+1</td>
<td>N+2</td>
<td>N+3</td>
</tr>
</tbody>
</table>

- Enter as many years as necessary to show the duration of the impact (see point 1.6)

<table>
<thead>
<tr>
<th>TOTAL</th>
</tr>
</thead>
</table>

**• Operational appropriations**

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Year</th>
<th>Commitments (1a)</th>
<th>Payments (2a)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Year</th>
<th>Commitments (1b)</th>
<th>Payments (2b)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>N</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Appropriations of an administrative nature financed from the envelope of specific programmes**

<table>
<thead>
<tr>
<th>Budget line</th>
<th>Year</th>
<th>Commitments (3)</th>
<th>Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**TOTAL appropriations for DG <…….>**

<table>
<thead>
<tr>
<th>Year</th>
<th>Commitments</th>
<th>Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>N+1</td>
<td>=1a+1b+3</td>
<td>=2a+2b+3</td>
</tr>
</tbody>
</table>

8 Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.

9 According to the official budget nomenclature.

10 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former ‘BA’ lines), indirect research, direct research.
<table>
<thead>
<tr>
<th>Description</th>
<th>Commitments</th>
<th>Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• TOTAL operational appropriations</td>
<td>(4)</td>
<td></td>
</tr>
<tr>
<td>• TOTAL appropriations of an administrative nature financed from the envelope for specific programmes</td>
<td>(6)</td>
<td></td>
</tr>
<tr>
<td>TOTAL appropriations under HEADING &lt;....&gt; of the multiannual financial framework</td>
<td>=4+ 6</td>
<td>=5+ 6</td>
</tr>
</tbody>
</table>

If more than one operational heading is affected by the proposal / initiative, repeat the section above:

<table>
<thead>
<tr>
<th>Description</th>
<th>Commitments</th>
<th>Payments</th>
</tr>
</thead>
<tbody>
<tr>
<td>• TOTAL operational appropriations (all operational headings)</td>
<td>(4)</td>
<td></td>
</tr>
<tr>
<td>TOTAL appropriations of an administrative nature financed from the envelope for specific programmes (all operational headings)</td>
<td>(6)</td>
<td></td>
</tr>
<tr>
<td>TOTAL appropriations under HEADINGS 1 to 4 of the multiannual financial framework (Reference amount)</td>
<td>=4+ 6</td>
<td>=5+ 6</td>
</tr>
</tbody>
</table>
## Heading of multiannual financial framework

| 5 | ‘Administrative expenditure’ |

This section should be filled in using the ‘budget data of an administrative nature’ to be firstly introduced in the Annex to the Legislative Financial Statement (Annex V to the internal rules), which is uploaded to DECIDE for interservice consultation purposes.

<table>
<thead>
<tr>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Enter as many years as necessary to show the duration of the impact (see point 1.6)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>N+1</td>
<td>N+2</td>
<td>N+3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### DG: SG (and potentially SJ, …)

<table>
<thead>
<tr>
<th></th>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Enter as many years as necessary to show the duration of the impact (see point 1.6)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Human resources</td>
<td>286 000</td>
<td>286 000</td>
<td>286 000</td>
<td>286 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Other administrative expenditure</td>
<td>2 000</td>
<td>2 000</td>
<td>2 000</td>
<td>2 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL DG</strong></td>
<td>Appropriations</td>
<td>288 000</td>
<td>288 000</td>
<td>288 000</td>
<td>288 000</td>
<td></td>
</tr>
</tbody>
</table>

### TOTAL appropriations under HEADING 5 of the multiannual financial framework

(Total commitments = Total payments)

<table>
<thead>
<tr>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Enter as many years as necessary to show the duration of the impact (see point 1.6)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>N</td>
<td>N+1</td>
<td>N+2</td>
<td>N+3</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Enter as many years as necessary to show the duration of the impact (see point 1.6)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>N+1</td>
<td>N+2</td>
<td>N+3</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

### TOTAL appropriations under HEADINGS 1 to 5 of the multiannual financial framework

<table>
<thead>
<tr>
<th></th>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Year</th>
<th>Enter as many years as necessary to show the duration of the impact (see point 1.6)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Commitments</td>
<td>288 000</td>
<td>288 000</td>
<td>288 000</td>
<td>288 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payments</td>
<td>288 000</td>
<td>288 000</td>
<td>288 000</td>
<td>288 000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

11 Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.
### 3.2.2. Estimated output funded with operational appropriations

Commitment appropriations in EUR million (to three decimal places)

<table>
<thead>
<tr>
<th>Indicate objectives and outputs</th>
<th>Year N</th>
<th>Year N+1</th>
<th>Year N+2</th>
<th>Year N+3</th>
<th>Enter as many years as necessary to show the duration of the impact (see point 1.6)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>OUTPUTS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Type</td>
<td>Averag</td>
<td>Cost</td>
<td>Cost</td>
<td>Cost</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specifc Objective No 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Output</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Output</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Output</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal for specific objective No 1</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Specifc Objective No 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Output</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Subtotal for specific objective No 2</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TOTALS</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

---

12 Outputs are products and services to be supplied (e.g.: number of student exchanges financed, number of km of roads built, etc.).

13 As described in point 1.4.2. ‘Specific objective(s)…’
### 3.2.3. Summary of estimated impact on administrative appropriations

- ☐ The proposal/initiative does not require the use of appropriations of an administrative nature
- ☑ The proposal/initiative requires the use of appropriations of an administrative nature, as explained below:

EUR million (to three decimal places)

<table>
<thead>
<tr>
<th></th>
<th>Year N</th>
<th>Year N+1</th>
<th>Year N+2</th>
<th>Year N+3</th>
<th>Enter as many years as necessary to show the duration of the impact (see point 1.6)</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>HEADING 5</strong> of the multiannual financial framework</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human resources</td>
<td>286 000</td>
<td>286 000</td>
<td>286 000</td>
<td>286 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other administrative expenditure</td>
<td>2 000</td>
<td>2 000</td>
<td>2 000</td>
<td>2 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal HEADING 5</strong> of the multiannual financial framework</td>
<td>288 000</td>
<td>288 000</td>
<td>288 000</td>
<td>288 000</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Outside HEADING 5</strong> of the multiannual financial framework</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human resources</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other expenditure of an administrative nature</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal outside HEADING 5</strong> of the multiannual financial framework</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td>288 000</td>
<td>288 000</td>
<td>288 000</td>
<td>288 000</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

The appropriations required for human resources and other expenditure of an administrative nature will be met by appropriations from the DG that are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

---

14 Year N is the year in which implementation of the proposal/initiative starts. Please replace “N” by the expected first year of implementation (for instance: 2021). The same for the following years.

15 Technical and/or administrative assistance and expenditure in support of the implementation of EU programmes and/or actions (former ‘BA’ lines), indirect research, direct research.
3.2.3.1. Estimated requirements of human resources

- ☐ The proposal/initiative does not require the use of human resources.
- ☐ The proposal/initiative requires the use of human resources, as explained below:

*Estimate to be expressed in full time equivalent units*

<table>
<thead>
<tr>
<th>Year N</th>
<th>Year N+1</th>
<th>Year N+2</th>
<th>Year N+3</th>
<th>Enter as many years as necessary to show the duration of the impact (see point 1.6)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

- **Establishment plan posts (officials and temporary staff)**

| XX 01 01 01 (Headquarters and Commission’s Representation Offices) | 2 | 2 | 2 | 2 |
| XX 01 01 02 (Delegations) | | | | |
| XX 01 05 01/11/21 (Indirect research) | | | | |
| 10 01 05 01/11 (Direct research) | | | | |

- **External staff (in Full Time Equivalent unit: FTE)**\(^{16}\)

| XX 01 02 01 (AC, END, INT from the ‘global envelope’) | | | | |
| XX 01 02 02 (AC, AL, END, INT and JPD in the delegations) | | | | |
| XX 01 04 yy \(^{17}\) | - at Headquarters | | | |
| | - in Delegations | | | |
| XX 01 05 02/12/22 (AC, END, INT - Indirect research) | | | | |
| 10 01 05 02/12 (AC, END, INT - Direct research) | | | | |
| Other budget lines (specify) | | | | |
| **TOTAL** | 2 | 2 | 2 | 2 |

\(^{16}\) AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JPD= Junior Professionals in Delegations.

\(^{17}\) Sub-ceiling for external staff covered by operational appropriations (former ‘BA’ lines).

**XX** is the policy area or budget title concerned.

The human resources required will be met by staff from the DG who are already assigned to management of the action and/or have been redeployed within the DG, together if necessary with any additional allocation which may be granted to the managing DG under the annual allocation procedure and in the light of budgetary constraints.

**Description of tasks to be carried out:**

<table>
<thead>
<tr>
<th>Officials and temporary staff</th>
<th>Preparation, participation and follow up of the meetings of the Joint Committee. Preparation and adoption of an annual report on the functioning of the Agreement.</th>
</tr>
</thead>
<tbody>
<tr>
<td>External staff</td>
<td></td>
</tr>
</tbody>
</table>

---

\(^{16}\) AC= Contract Staff; AL = Local Staff; END= Seconded National Expert; INT = agency staff; JPD= Junior Professionals in Delegations.

\(^{17}\) Sub-ceiling for external staff covered by operational appropriations (former ‘BA’ lines).
3.2.4. Compatibility with the current multiannual financial framework

The proposal/initiative:

– ☑ can be fully financed through redeployment within the relevant heading of the Multiannual Financial Framework (MFF).

The proposal only implies administrative expenditure which will be identified by redeployment during the exercise of allocation of resources.

– ☐ requires use of the unallocated margin under the relevant heading of the MFF and/or use of the special instruments as defined in the MFF Regulation.

Explain what is required, specifying the headings and budget lines concerned, the corresponding amounts, and the instruments proposed to be used.

– ☐ requires a revision of the MFF.

Explain what is required, specifying the headings and budget lines concerned and the corresponding amounts.

3.2.5. Third-party contributions

The proposal/initiative:

– ☑ does not provide for co-financing by third parties

– ☐ provides for the co-financing by third parties estimated below:

Appropriations in EUR million (to three decimal places)

<table>
<thead>
<tr>
<th>Enter as many years as necessary to show the duration of the impact (see point 1.6)</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Specify the co-financing body</td>
<td></td>
</tr>
<tr>
<td>TOTAL appropriations co-financed</td>
<td></td>
</tr>
</tbody>
</table>

Year N is the year in which implementation of the proposal/initiative starts. Please replace "N" by the expected first year of implementation (for instance: 2021). The same for the following years.
3.3. **Estimated impact on revenue**

- **☑️** The proposal/initiative has no financial impact on revenue.
- **☐** The proposal/initiative has the following financial impact:
  - ☐ on own resources
  - ☐ on other revenue
  - ☐ please indicate, if the revenue is assigned to expenditure lines

EUR million (to three decimal places)

| Budget revenue line: | Appropriations available for the current financial year | Impact of the proposal/initiative
c | Year N | Year N+1 | Year N+2 | Year N+3 | Enter as many years as necessary to show the duration of the impact (see point 1.6) |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Article …………</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

For assigned revenue, specify the budget expenditure line(s) affected.

Other remarks (e.g. method/formula used for calculating the impact on revenue or any other information).

---

19 As regards traditional own resources (customs duties, sugar levies), the amounts indicated must be net amounts, i.e. gross amounts after deduction of 20% for collection costs.