**Monika Panayotova,** *President-in-Office of the Council***.** – Mr President, honourable Members, we are at a critical juncture in negotiations with the United Kingdom. We need to secure an orderly withdrawal and put in place all the conditions for a transition period based on the status quo. We also need to outline the framework for the future relationship between the European Union and the United Kingdom. It is particularly important for us that there is no backsliding on the commitments from the Joint Report, especially with regard to the three key withdrawal issues, namely citizens’ rights, financial settlement and Ireland.

The UK set itself the goal of getting the transition agreed in March, with the shared understanding that this is a part of the overall package that is to be finalised in October. During last week’s negotiations, some openings on the transition were made and there was also some movement on the area of withdrawal, but we need to treat these cautiously. We need real and sustained progress in order to meet our deadlines.

Looking beyond the transition period, we are determined to build with the United Kingdom a broad and close partnership. Our commitment to seek such a partnership is shared by the Parliament, as reflected in your resolutions. In fact, even the very first guidelines adopted by the European Council already indicated the desired scope and nature of this partnership.

It is also clear, at least from a negotiation perspective, that the understanding of the framework for the future relationship, which will be reflected in a political declaration accompanying the withdrawal agreement, cannot be more detailed than what we know of the UK position. In that respect, we have, in fairness, acknowledged that even though over the last fourteen months there has been a succession of speeches outlining the UK’s view on the future of our relations, we still need more concrete and more operational proposals.

At the same time, there are no indications that the United Kingdom’s red lines have changed since last year. All this explains why the draft guidelines due to be adopted by the European Council on 23 March are not more detailed. This will hopefully provide the political space for broader dynamics of the negotiations with the UK.

In a nutshell, and again in reflection of the constraints set out by the UK’s position and by our principles and legal order, the forthcoming guidelines foresee that at the core of the partnership will be the elements of a free trade agreement (FTA) focused on goods, but also including services. Trade facilitation elements, such as customs cooperation, addressing barriers to trade, etc., are also envisaged.

Two important sectors are also pointed out in the guidelines: fisheries and aviation, along with the basic principles that should govern cooperation on them. Then, taking into account the importance and the proximity of the UK, the guidelines foresee robust provisions on a level playing field. Securing fair competition between businesses on both sides of the channel is an important task, if we want a properly functioning and ambitious FTA. The same logic applies to governance: the closer our relationship, the stronger its governance should be.

As mentioned before, the future partnership with the UK is meant to be broad. Beyond the economic dimension, it should also reflect the commonality of interests and threats we share with the UK. This is why in the proposed guidelines you see provisions on police and judicial cooperation, as well as on security, defence and foreign policy. The guidelines make it clear that a key point in this context is also preserving the autonomy of decision-making of the European Union. In that sense, the partnership we have in mind largely covers the same four pillars of possible cooperation suggested by your resolution.

Let me conclude by recalling that, more than ever, our unity matters. This holds true for the unity of the 27 Member States, but also for unity among our institutions. In this respect, I am very much reassured by the broad convergence of the priorities set out in your resolution, and those flagged in the guidelines due to be adopted by the European Council.

Thank you very much for your attention.