

## The Windsor Framework

# A new way forward for the Protocol on Ireland/Northern Ireland

## **SUMMARY**

The Protocol on Ireland/Northern Ireland forms an integral part of the 2020 EU-UK Withdrawal Agreement. It was designed to avoid the need for a hard border on the island of Ireland, and safeguard the all-island economy and the Good Friday/Belfast Agreement. Furthermore, the Protocol sets out to protect the integrity of the EU single market. Since the very beginning, implementation of the Protocol has been marred by rising tensions and political challenges, straining wider EU-UK relations. While the UK tabled various domestic legislative proposals seeking to over-ride parts of the Protocol, the EU responded with series of infringement procedures.

The impasse appears to have been broken since Rishi Sunak became UK Prime Minister. The two parties entered into a fresh negotiation process, seeking to address the main problems. The new agreement, called the Windsor Framework, was announced in February 2023. It is designed to improve the trading rules for Northern Ireland, bring stability and clarity for businesses and people in the region, and open a new chapter in EU-UK relations. The framework is based on new data-sharing agreements, novel arrangements for customs, agri-food, medicines, VAT and excise, and State aid, and new ways to engage the stakeholders and communities of Northern Ireland on the issues particularly important to them. The agreement was endorsed by the UK House of Commons and then by the EU-UK Joint Committee in March 2023.

Despite the disapproval of some groups, the framework has been met with almost universal acclaim and appreciation. EU-UK relations could still deteriorate and new trade barriers emerge, however, if the latter deviates significantly from its current legislative model. While the framework constitutes an improvement in joint solution-finding and enhances mutual trust, it remains to be seen whether it really heralds the opening of a meaningful new chapter of closer relations with the UK.



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## Context

The <u>EU-UK Withdrawal Agreement</u> constituted the basis for the orderly withdrawal of the UK from the EU. It entered into force on 1 February 2020, following the formal end of UK membership of the European Union. The Protocol on Ireland/Northern Ireland ('the <u>Protocol</u>') is an integral part of the Withdrawal Agreement. It was designed to avoid the development of a hard border on the island of Ireland and safeguard the <u>all-island economy</u> and the <u>Good Friday/Belfast Agreement</u>. Furthermore, the Protocol sets out to protect the integrity of the EU single market.

After 30 years of conflict, known as the <u>Troubles</u>, the Good Friday/Belfast Agreement brought peace to Northern Ireland in 1998. Preserving peace after the UK's withdrawal from the EU was a major concern during the negotiation of the Withdrawal Agreement. When the peace agreement was reached, both Ireland and the UK were part of the EU, and the agreement's cross-border aspects were dependent on that arrangement. There would be no hard border on the island. The Good Friday/Belfast Agreement contains a specific commitment by the British and Irish governments to develop 'close cooperation between their countries as friendly neighbours and as partners in the European Union'. The UK's departure from the EU profoundly changed this context.

Under the provisions of the <u>Protocol</u>, the EU's <u>Union Customs Code</u> applies to Northern Ireland, meaning that all third country goods entering Northern Ireland, including those from Great Britain, need to be accompanied by an <u>entry summary declaration</u>. This complicates the process of trading food products, not least since UK standards will no longer necessarily align with the EU's sanitary and phytosanitary (SPS) rules. Rather than taking place at the land border on the island, customs inspections and document checks are carried out at Northern Ireland's ports (designated points of entry). These checks, including the relevant SPS controls, are carried out by the UK authorities, even if the goods are to remain in Northern Ireland.

While there is no hard border on the island of Ireland itself, trade between Northern Ireland and the rest of the United Kingdom is no longer as smooth as between Scotland, Wales and England for example. The provisions of the Protocol mean that Northern Ireland is subject to a limited set of EU rules relating to the EU single market for goods and the EU customs union, while the rest of the UK is not. This allows goods to circulate freely between Northern Ireland and Ireland and the rest of the EU, as they did while the UK was still a member of the EU, without customs checks, tariffs or new paperwork. To safeguard the integrity of the single market, the EU's rules on customs and regulation of agrifood products continue to apply to goods arriving in Northern Ireland.

While application and implementation of the Protocol is the sole responsibility of UK authorities acting in respect of Northern Ireland, EU institutions and bodies must be able to monitor it. Article 12(2) of the Protocol contains provisions for a 'Union presence' during any implementation activities by the UK authorities.<sup>2</sup> In its institutional governance framework, the Withdrawal Agreement established the <u>Specialised Committee</u> on the Protocol on Ireland/Northern Ireland, which has a mandate to facilitate the implementation and application of the Protocol. The Committee can also submit recommendations on the functioning of the

### Customs duties in Northern Ireland

EU customs duties apply to all goods entering Northern Ireland from any other part of the United Kingdom or any other third country, unless those goods are deemed 'not at risk' of moving on to the EU single market. The Protocol is based on a presumption that all goods entering Northern Ireland from a third country, whether from any other part of the United Kingdom or from other third countries, are at risk of moving on to the EU. They can therefore only exceptionally be considered 'not at risk' of moving on to the Union, when: (i) these goods are not subject to commercial processing in Northern Ireland, and (ii) they fulfil additional conditions for being considered 'not at risk', as stipulated in the Joint Committee Decision on 'goods not at risk'.

When these conditions are fulfilled, the 'goods not at risk' coming from other parts of the UK are not subject to customs duties. However, goods considered 'not at risk' coming from any other third country are still subject to the UK's customs duties.

Protocol to the <u>Joint Committee</u> for the Withdrawal Agreement (the Joint Committee), responsible for supervising the implementation of the Withdrawal Agreement as a whole. The Specialised Committee is co-chaired by the EU and the UK and has a supporting role regarding the Joint Committee, the latter being a decision-making body under the Withdrawal Agreement. The Protocol also established the <u>Joint Consultative Working Group on the implementation of the Protocol</u> (JCWG), which works as a 'forum for the exchange of information and mutual consultation'. The JCWG allows both parties to exchange 'in a timely manner' information about 'planned, ongoing and final relevant implementation measures' in relation to the EU acts covered by the Protocol.

## Difficulties with implementation

Given the challenging political environment and the complex arrangements of the Protocol, it is perhaps not surprising that its implementation led to <u>tensions</u> between the EU and the UK from the outset. The requirement for border controls between Northern Ireland and the rest of the UK has proved highly problematic and led to the proposal of various mitigating <u>laws</u> in Westminster.

On 9 September 2020, the UK government tabled the Internal Market Bill (IMB) to establish the principles governing the UK's internal market for goods and services. The bill as proposed would have contravened the Protocol both explicitly and potentially. For instance, it gave UK ministers powers to decide unilaterally on the practicalities of trade with Northern Ireland, if key decisions were not reached with the EU. These powers included the possibility to 'dis-apply or modify' rules on export declarations for goods moving from Northern Ireland to Great Britain, including for any 'exit procedure applicable by virtue of the Protocol'. This effectively meant that the UK could unilaterally suspend parts of the Withdrawal Agreement. The Commission swiftly launched infringement procedures against the UK for breaching its obligations under the agreement. A compromise was reached on 8 December 2020 in the Joint Committee, and on 17 December 2020, the parties agreed on a set of solutions. These included clearer criteria on when goods

#### Article 16

Under this provision, the application of the Protocol may be unilaterally suspended by either the EU or the UK if it is leading to serious 'economic, societal or environmental difficulties that are liable to persist'. The UK has floated the idea of triggering Article 16 a few <u>times</u>, and the EU proposed doing so – admitting that 'mistakes were made' - in the context of securing COVID vaccines in February 2021. The triggering of Article 16 is thought of as a highly risky 'nuclear option' that could escalate to retaliatory measures such as tariff imposition and eventually lead to an all-out trade war.

brought to Northern Ireland are <u>atrisk</u> of being moved into the EU, and a decision on the exemption of agricultural and fish subsidies from State aid rules. Following this agreement on the outstanding issues, the UK government agreed to remove the controversial clauses and the law was adopted as the <u>United Kingdom Internal Market Act 2020</u>.

This did not however resolve all the problematic issues. Solutions found in the Joint Committee included grace periods in some sectors, where standards remained aligned. During these periods, the EU and UK agreed temporarily to simplify some procedures and suspend the full application of EU law to Northern Ireland, which required checks and controls on items such as chilled meats, agri-foods and medicines. In March 2021, the UK government stated its intention to delay unilaterally the full application of the Protocol concerning the movement of goods and pet travel from Great Britain to Northern Ireland. This was followed by the launch of another infringement procedure by the EU. In June 2021, the UK government announced its intention to extend the grace periods for fresh meats. It also gave its own assessment of the areas of concern in which progress in discussions was lacking and where some 'progress in the limited areas' had been achieved.<sup>3</sup>

Responding to these difficulties, in June 2021 the Commission <u>proposed solutions</u> including facilitated movement of guide dogs, the movement of livestock from Great Britain to Northern Ireland, and a waiving of the requirement for UK drivers to show motor insurance green cards. It also

announced an upcoming legislative initiative to ensure uninterrupted supply of medicines to Northern Ireland.

Nevertheless, in July 2021 the UK government published a command paper in which it asked for differentiated treatment of goods based on whether they are destined for Northern Ireland, and seeking to modify the Protocol. It proposed indefinite extensions of grace periods and asked for the removal of the jurisdiction of the European Court of Justice (ECJ) over the Protocol.<sup>4</sup> While the Commission reiterated that it would not renegotiate the Protocol, it showed willingness to enter into dialogue on matters relating to the practicalities around its application. In September 2021, the Commission announced that to allow room for talks it would not move to the next phase of the infringement procedures. On 13 October 2021, the EU presented proposals for bespoke <u>arrangements</u> for Northern Ireland in the form of four <u>non-papers</u>. It suggested simplifying customs checks by widening the definition of goods 'not at risk' and facilitating SPS checks for retail goods, which would eventually reduce SPS checks by 80 % and customs checks by at least half, creating an 'express lane' for the movement of goods from Great Britain to Northern Ireland. It also proposed enhanced engagement with Northern Ireland stakeholders, and steps to ensure an uninterrupted supply of medicines to the region. In the context of ongoing difficulties, the Commission adopted a proposal in March 2022 for a regulation to allow the EU to take retaliatory measures if the UK was breaching the terms of the Withdrawal Agreement or of the EU-UK Trade and Cooperation Agreement (this regulation has been in force since April 2023). This was followed in April 2022 by new EU laws allowing the unfettered supply of medicines to Northern Ireland.

In May 2022, the <u>elections to the Northern Ireland Legislative Assembly</u> did not lead to the forming of an executive, as the Democratic Unionist Party (DUP) <u>blocked</u> the appointment of the Assembly's speaker until its grievances with the Protocol had been addressed. The DUP, which is the second largest party in terms of <u>seats</u>, seeks to <u>remove all checks and custom formalities</u> for trade between the rest of the UK and Northern Ireland, which would constitute a profound change to the Protocol. Under Northern Ireland's current <u>power-sharing arrangements</u>, election of the speaker must be supported by both the unionist and nationalist communities. <sup>5</sup> Things turned souryet again in June 2022, when the UK introduced the <u>Northern Ireland Protocol Bill</u>. If enacted, the bill would mean that certain provisions of the Protocol, such as those on customs and movement of goods, State aid and application of EU law would no longer <u>'have effect in the UK'</u>. In response, the Commission <u>launched new infringement procedures</u> and relaunched the previous procedures against the UK, which had been paused in 2021.

## **Economic impact**

The verdict on the economic impact of the Protocol on Northern Ireland is still out. The Northern Ireland Statistics and Research Agency's official comments on the evolution of economy are as follows: 'The COVID-19 pandemic had a major impact on the economy during 2020, due to (i) lockdown measures being introduced to mitigate its spread and (ii) prolonged periods of business closures. This should be borne in mind when considering the change in trade estimates between 2020 and 2021. In addition, the Northern Ireland Protocol was implemented in January 2021. These are two major economic events and it is not possible to unpick the impact of either independently on these trade figures. When the figures are viewed in the broader picture of trends observed over the past number of years, the 2021 figures broadly align with what might reasonably have been expected were it not for the impact of the pandemic in 2020.'

Table 1 – Northern Ireland total trade 2019 to 2021 (£ billion) and year-on-year changes (%)

	2019	2020	2021	Total change
UK (sales and purchases)	24.3 (-8 %)	24.7 (+2 %)	25.2 (+2 %)	+ 4 %
Ireland	7.3 (+6 %)	6.7 (-9 %)	8.3 (+23 %)	+14 %
Rest of the EU	5 (-9 %)	4.2 (-16 %)	5.1 (+21 %)	+2 %
Rest of the world	7 (-4 %)	6.3 (-10 %)	6.5 (+3 %)	-7 %

Data source: Author's calculations based on the Northern Ireland Economic Trade Statistics.

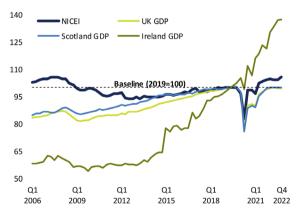
By far the biggest commercial partner for Northern Ireland remains the rest of the United Kingdom, followed by Ireland, the rest of the world and the rest of the EU. In 2021, the first year of application of the Protocol, the value of Northern Ireland sales to Britain increased by 13.1 %. Similarly, exports to Ireland soared by 23 %, and to the rest of the EU by 21 %. Purchases from the rest of the UK increased by 7.6 %, while imports from Ireland soared by 22.5 %, and from the rest of the EU by 18.2 %. Northern Ireland sales to Great Britain skyrocketed by 32 % in 2022 from the previous year. There are voices saying that these figures offer evidence that there are no new significant barriers to trade. Indeed, the Commission has underlined the unique place of Northern Ireland in Europe, having access to both the EU single market and being a part of the UK's internal market.

According to the quarterly opinion poll provided by Queen's University Belfast, the Northern Irish population views the economic consequences of the Protocol as more positive and its political implications as more negative. One out of every two citizens surveyed thinks the Protocol is having a positive impact on the Northern Ireland economy, and 62% think it offers unique opportunities that could benefit Northern Ireland. However, 65% believe it is having a negative impact on political

stability in Northern Ireland and 43 % believe it is having a negative effect on the Good Friday/Belfast Agreement. Notably, more than half of <u>businesses surveyed</u> in Northern Ireland believe that the Protocol is supporting their growth, while 29 % disagree with that statement.

When it comes to economic growth, many <u>observers</u> argue that the Protocol is beneficial to Northern Ireland's economy, which has in fact outperformed the UK average (see Figure 1). The <u>National Institute of Economic and Social Research</u> maintains that: 'Northern Irish output, as measured by GVA, has slightly outperformed the UK average; this is partly an outcome of the Northern Irish Protocol and its special status in the Brexit arrangements, including better trade and investment conditions as part of the EU's single market and customs union'.

Figure 1 – Northern Ireland is faring better than the UK as a whole, but less well than Ireland\*



\* Gross domestic product in Northern Ireland (NI) represented by the NI Composite Economic Index (NICEI). Source: NI Statistics and Research Agency.

Some <u>academics</u> contest these views and argue that while specific sectors, such as food processing, have benefited from the trade diversion effect of the Protocol (increased trade with Ireland and the EU), others, such as electrical engineering, which depend on <u>inputs from Great Britain</u>, have suffered decline. Overall, <u>economic modelling</u> suggests that the UK's withdrawal from the EU has had a negative impact on the economy in Northern Ireland and, regardless of the form that UK-EU trading arrangements ultimately take, there will be no increase in Northern Ireland's total output after leaving the EU.

## Windsor Framework overview

Tensions in EU-UK relations have undermined wider cooperation in areas such as defence and scientific research, crucial in times of war (although <u>cooperation</u> through NATO and the G7 has been fruitful). Relations between the EU and the UK, tense under the premierships of Boris Johnson and Liz Truss, have <u>improved</u> markedly since Rishi Sunak took the helm in the UK in October 2022. Following months of <u>negotiations</u>, on 27 February 2023, Sunak and Ursula von der Leyen, President of the European Commission, <u>unveiled</u> a long-awaited political agreement, referred to as the <u>Windsor Framework</u>. On 22 March, the <u>House of Commons</u> endorsed the framework by 515 votes to 29. It is now under scrutiny in the <u>House of Lords</u>. The EU-UK <u>Joint Committee</u> formally adopted the Windsor Framework on 24 March.

This 'agreement in principle' addresses the <u>issues</u> affecting trade between Northern Ireland and the rest of the UK by facilitating the movement of goods. It also seeks to improve democratic accountability in EU decisions (and laws) that apply to Northern Ireland. On the EU side, the framework consists of: (i) the joint Windsor Political Declaration; (ii) three co-decision legislative files on: tariff rate quotas (referred to the European Parliament's Committee on International Trade), medicinal products (referred to the Committee on the Environment, Public Health and Food Safety, ENVI) and sanitary and phytosanitary (SPS) measures (also referred to the ENVI committee); (iii) two draft Council decisions concerning joint bodies overseeing the implementation of the Protocol and Withdrawal Agreement, namely on the position to be taken on behalf of the EU in the Joint Consultative Working Group, and on the position to be taken on behalf of the EU in the Joint Committee; (iv) a Commission implementing regulation on high-risk plants; (v) two position papers, on agri-food plants and pet animals and on simplifications in the area of customs; and (vi) a Commission statement on enhanced engagement with Northern Ireland stakeholders. The amended Protocol remains part of the Withdrawal Agreement, which (under Article 164) can be amended until the end of 2024 to correct errors and address deficiencies or unforeseen situations. According to the Commission: 'This Windsor Framework will help turn a page in EU-UK relations and reinforce our partnership in the face of shared geostrategic challenges. Both sides are ready to fully exploit the potential of the Trade and Cooperation Agreement – the cornerstone of our future bilateral relations'.

The framework is based on new data-sharing agreements; new arrangements for customs, agri-food, medicines, VAT and excise, and State aid; and specific new ways of engaging the stakeholders and communities of Northern Ireland on the issues particularly relevant to them.

Under a new system, an increased number of 'trusted traders' will be able to use 'green lanes' to export goods from Great Britain that are destined solely for Northern Ireland, with reduced checks and paperwork. Customs declarations will have only 21 data elements instead of the more than 80 data elements required for a standard customs declaration. Goods destined for the EU, or at risk of entering the EU, will be subject to full customs and SPS controls (red lanes) to protect the integrity of the EU single market.

To qualify as a **trusted trader**, entities would have to register with the UK authorities, and meet all relevant conditions. They would need to provide a detailed list of the goods they usually transport. Once authorised, the trusted traders would benefit from simplified customs procedures, in return they would need to ensure that the goods were for final sale or use by end-consumers in Northern Ireland only. They would have to be of good financial standing and prove that they have a good understanding of their obligations under the scheme and that they are able to identify correctly the goods they are transporting to Northern Ireland. The scheme would be open to companies based in both Great Britain and Northern Ireland.<sup>6</sup>

Trusted traders would be able to move consumer goods and goods for non-commercial processing. In the latter case, either of the following two conditions would have to be met: the processor would have to have a low turnover – below an agreed threshold, or would have to belong to specific

sectors, such as sale of retail food to consumers, construction, health care, not-for-profit, and use of animal feed. The trusted trader scheme could be suspended for a number of reasons, by the EU or the UK. For example, the EU could suspend it if the UK failed to grant it access to the designated UK computer customs systems and databases.

**Parcel sending** has also been significantly simplified. Trusted traders would benefit from simpler rules when sending or receiving goods in business-to-business (B2B) parcels. In addition, fast parcel operators (such as DHL or UPS), and other economic operators sending parcels (e.g. Amazon and Royal Mail) would be registered as **authorised carriers**. This scheme would allow them to send business-to-consumer (B2C) parcels by direct transport from Great Britain to Northern Ireland under simplified customs procedures. Consumer-to-consumer (C2C) parcels would benefit from a waiver of essentially all customs requirements.

The framework also contains provisions simplifying the entry into Northern Ireland (from Great Britain) of certain **agri-food retail goods** destined for final consumption in Northern Ireland. To distinguish them, they would be labelled 'Not for EU'. The

Figure 2 – Windsor Framework means easier trade for goods destined for Northern Ireland



Source: Author.

traders would use a general single certificate for mixed loads of agri-food goods, and identity checks would progressively be reduced significantly: down to 5% once all safeguards are in place. Physical inspections and checks would be carried out selectively on a risk basis and using an intelligence-led approach. UK public health standards would apply for goods moved for end-consumption in Northern Ireland. The framework would allow chilled meats, such as sausages, to be moved to Northern Ireland and would remove the certificates for organic foods and wine. Agricultural goods originating elsewhere in the world could also be moved to Northern Ireland though Great Britain when UK conditions are identical to EU ones, as is the case for example for New Zealand lamb. Businesses that are part of a scheme would need one general certificate per lorry for mixed loads. A simplified scheme would also apply to plant products and agricultural machinery. EU animal and plant health rules still apply. The UK would commit to deploy permanent SPS inspection facilities by 2025. These simplified agri-food arrangements could also be fully or partially suspended by either of the two parties.

To **safeguard the integrity of the EU single market**, the EU would have real-time access to UK customs systems and databases to perform risk assessments. If risks were detected, EU authorities could ask UK customs officials to stop and carry out controls of the goods. According to the Commission, the 'trusted trader' and 'authorised carrier' <u>schemes</u> will be subject to robust authorisation and monitoring, and there will be enhanced market surveillance and enforcement. UK authorities will monitor the schemes in line with arrangements agreed with the EU. The schemes could be suspended if the UK failed to provide the EU with access to relevant IT customs systems and databases or if it failed to follow through on its commitments.

**Novel medicines** would be placed on the Northern Ireland market in accordance with UK rules and UK authorisation procedures only. To distinguish those meant for the region from medicines destined for EU market they would carry a 'UK only' label.

**Pet travel** would also be made easier. Pets travelling between Great Britain and Northern Ireland would need a pet travel document and a declaration by the owner that the pet would not be going on further to the EU. Pets from Northern Ireland, moving to Great Britain and then back, would need to be identifiable by a microchip.

Under the agreement, the UK would be able to set UK **VAT rates** in Northern Ireland below EU minimum rates, for immovable goods supplied and installed in property. These goods, such as heat pumps and wind turbines, pose no risk of entering the EU single market. Both parties also committed to working towards establishing a wider list of goods not at risk of entering the EU that would not be subject to EU VAT rules. Furthermore, the UK would be exempt from applying the special EU VAT scheme for small enterprises in Northern Ireland. It would be able apply its own exemption scheme as long as EU rules on the annual turnover threshold are upheld. Larger enterprises would be excluded from such schemes.

On **excise**, the UK would be able to tax all alcoholic beverages according to alcoholic strength, and set reduced duty rates for alcoholic beverages for immediate consumption in venues in Northern Ireland – as long as these rates were not below EU minimum duty rates. The parties agreed to establish an enhanced coordination mechanism for regular discussion and review of Protocolrelated VAT and excise issues.

On **State aid**, <u>Article 10(1)</u> of the Protocol states that EU <u>State aid rules</u> are to be applied in cases where aid provided to companies could 'affect trade' in goods and electricity between Northern Ireland and the EU. The Windsor Framework contains a joint declaration on circumstances in which this material effect could occur, bringing more clarity to State aid rules in the region.

The Commission and the UK government have also found an agreement for the movement from Great Britain to Northern Ireland of the most sensitive categories of steel that are subject to **tariff rate quotas** (TRQs). Northern Ireland companies will now be able to access British steel using the EU's TRQs, to avoid having to paythe 25 % tariff on steel imports into the EU.

The Protocol provides the Northern Ireland Assembly with the possibility periodically to confirm its <u>consent</u> to the trading arrangements contained in its Articles 5 to 10.7 The Windsor Framework introduces a new emergency mechanism, referred to as the **Stormont Brake** (named after the <u>estate</u> where the Assembly building is located). It will allow 30 Members of the Assembly (out of 90), representing at least two parties, to notify the UK government of their objection to the amendment or replacement of certain EU laws. These mainly relate to rules on <u>goods</u>. The Members would need to demonstrate that new EU law differed 'significantly' in its contentor scope from the original, and would have a 'significant impact specific to everyday life' of communities, which is 'liable to persist' This would, in the most exceptional circumstances, and as a last resort, allow to the UK to stop the application of such laws. In the event of disagreement with the UK government, the EU would retain the right to take remedial action.

The Commission is to identify specific Protocol-relevant measures where **stakeholder engagement** needs to be stepped up, and will include a dedicated Northern Ireland section in relevant impact assessments of new laws within the scope of the Protocol. The assessment will contain an overview of stakeholders' input and how that input has been taken into account.

Finally, the UK will drop the planned Northern Ireland Protocol Bill, and the Commission will no longer proceed with its ongoing <u>legal action</u> against the UK.

## Reactions and stakeholder views

A poll carried out for the <u>Belfast Telegraph</u> suggests that two thirds of people in Northern Ireland back the Windsor Framework. Another survey for the <u>Irish News</u> found that only 16.9% of people in the region oppose it. In an opinion poll organised by <u>Queen's University Belfast</u>, almost two thirds (65%) agree that 'the Framework reflects a genuine effort on the part of the UK Government and the European Commission to address the concerns raised by people and businesses in Northern

Ireland about the Protocol'. That survey notes that with the Windsor Framework, 'there has been a small but significant shift towards a more favourable view of the Protocol'. Almost 70% of those questioned in the Queen's University survey saw potential economic benefits created by the framework, and 61% would like the Assembly to vote in favour of continued application of the Protocol in 2024.

The political parties in Northern Ireland have also broadly welcomed the deal, with the exception of the DUP, which does not support it owing to 'key areas of concern', such as the 'imposition of EU law by the Protocol'. While some Westminster Members of Parliament also oppose it, the Windsor Framework has met with almost universal acclaim from experts and observers. US President Joe Biden has praised the agreement as 'an essential step to ensuring that the hard-earned peace and progress of the Belfast/Good Friday Agreement is preserved and strengthened'. He made supporting the framework one of the top priorities of his April 2023 visit to Northern Ireland to mark the peace deal's 25th anniversary.

Professor <u>Steve Peers</u> notes that while the Windsor Framework does not alter the fundamental legal framework of the Protocol, it addresses its implementation by simplifying the movement of goods and scaling back the application of EU tax law in the UK. An assessment by <u>UK in a Changing Europe</u> calls it a 'very significant achievement', implementing tailored controls that are risk-based and proportionate and striking the right balance between meaningful simplification of trade and robust safeguards to the single market, even if it is <u>too early to judge</u> its impact and practical operation.

The <u>Centre for Strategic & International Studies</u> called the agreement 'not so much a legal revolution as a great leap in terms of trust and cooperation – the proof that trust can work miracles'. The <u>Peterson Institute for International Economics</u> noted that the framework significantly reduces the risk of EU relations with the UK collapsing, which would have a destabilising effect on the whole region and would be undesirable, not least in the context of Russia's war on Ukraine.

The <u>Centre for European Reform</u> warned that, while the framework may improve prospects for closer relations, there are growing concerns about the <u>Retained EU Law Bill</u>, currently before the UK Parliament. This bill may become a significant irritant if it leads to the dismantling of social and environmental protections and undermines the <u>level playing-field</u>. The Windsor Framework does not solve the conundrum of <u>alignment versus divergence</u>, the former meaning more market access, the latter meaning less. The <u>Institute for Government</u> adds that the deal went further than many were expecting and now putting it into practice remain a key challenge for both sides.

Dr <u>Esmond Birnie</u> from Ulster University maintains that the framework should ease the movement of many goods between Northern Ireland and Great Britain. However, it will not eliminate all the trade frictions and its success depends on how well the green lane system works in practice. He sees continuing dynamic alignment of Northern Ireland with EU law and the oversight role of the ECJ as factors limiting the range of policy options that can be deployed in the region.

The <u>Tony Blair Institute for Global Change</u> commended both sides for the pragmatism that led to the final compromise, but highlighted that the more the UK diverges from the EU, the higher the risk will be of future trade barriers being enacted. The <u>Wilfried Martens Centre for European Studies</u> sees the framework as the first step in normalisation of UK relations with the EU: 'This is the start of a process that will likely last over a decade, require at least one more change of government in London, but ultimately will bring Britain closer to Brussels on key issues related to security and defence, climate change and global trade'.

## European Parliament position

In its <u>recommendations</u> of 13 June 2020 on the negotiations for a new partnership with the United Kingdom of Great Britain and Northern Ireland, Parliament stressed that strict implementation of the Protocol is a precondition for the successful conclusion of the future agreement. The Protocol is crucial for businesses, in particular the agri-food sector, as well as for protecting the all-island economy and the Good Friday/Belfast agreement. Parliament's <u>resolution</u> of 18 January 2023 on 'the implementation of the common foreign and security policy – annual report 2022' urges the UK to ensure full implementation of the Protocol and pursue practical, flexible and durable common solutions within the Protocol's legal framework.

The co-chairs of the European Parliament's <u>UK Contact Group</u> – David McAllister (Foreign Affairs Committee Chair, EPP), Bernd Lange (International Trade Committee Chair, S&D) and Nathalie Loiseau (Chair of Parliament's delegation to the <u>EU-UK Parliamentary Partnership Assembly</u>, Renew) – <u>welcomed</u> the Windsor Framework, while promising detailed parliamentary scrutiny and monitoring of its implementation.

### MAIN REFERENCES

European Commission, Questions and Answers: political agreement in principle on the Windsor Framework, 2023.

Queens University Belfast, Post-Brexit Governance Northern Ireland, 2023.

### **ENDNOTES**

- <sup>1</sup> <u>Great Britain</u> refers to England, Scotland and Wales. These territories together with Northern Ireland form the United Kingdom (UK).
- <sup>2</sup> In addition, <u>Joint Committee Decision 6/2020</u> sets out practical working arrangements that ensure an effective exercise of the 'Union presence' as set out in <u>Article 12</u> of the Protocol.
- For more detail on the difficulties with Protocol implementation please refer to the <a href="EPRS briefing">EPRS briefing</a> by Issam Hallak.
- Under the Protocol, the ECJ and the Commission have oversight of the application of EU law in Northern Ireland and have powers to ensure compliance with EU laws. In the event of a dispute, the EU could take the UK to the ECJ to obtain a verdict on compliance with EU law.
- At the first meeting after elections, Assembly Members designate themselves as 'nationalist' (those who seek the unification of Northern Ireland and Ireland), 'unionist' (those who want Northern Ireland to stay in the UK), or 'other'. Certain decisions of the Assembly, such as the election of the speaker and approval of the budget require cross-community support from both unionists and nationalists.
- <sup>6</sup> Currently only firms based in Northern Ireland are eligible.
- <sup>7</sup> This is known as the <u>consent mechanism</u>. The first consent vote is due to take place in December 2024. If consent is not given the Protocol will cease to apply after 2 years and the Joint Committee will make recommendations to the EU and UK on alternatives to avoid the hard border and protect the Good Friday/Belfast Agreement.

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