

12.02.21**Decision
of the Bundesrat**

Recommendation for a Council Decision authorising the opening of negotiations for a new partnership with the United Kingdom of Great Britain and Northern Ireland**COM(2020) 35 final**

In its 1,000th session on 12th February 2021, the Bundesrat adopted the following Opinion pursuant to §§ 3 and 5, Act on Cooperation between the Federation and the Federal States in European Union Affairs (EUZBLG):

1. The Bundesrat refers to its Opinions of 31st March 2017 (BR Official Document 235/17 (Decision)), 15th December 2017 (BR Official Document 373/17 (Decision)), 23rd March 2018 (BR Official Document 63/18 (Decision)) and 14th February 2020 (BR Official Document 58/20 (Decision)), in which it presented its views on the negotiations concerning withdrawal of the United Kingdom from the EU, the participation of the federal states in this process and the interests of the federal states.
2. The Bundesrat welcomes the Chief Negotiators' achievement in avoiding a “no-deal” Brexit and in agreeing upon a comprehensive Trade and Cooperation Agreement between the EU and the United Kingdom before the end of the transition period. After many years of Brexit-related uncertainty, there is thus now a legal framework conceived for the longer term that creates the requisite planning security for all those affected by Brexit – including citizens, businesses, academic institutions and public administrations. The Bundesrat is also pleased to note the

*) First Decision of the Bundesrat of 14th February 2020 (BR Official Document 58/20 (Decision))

United Kingdom's decision to continue participating in certain EU programmes, such as Horizon Europe.

3. The Bundesrat underlines that both partners have committed, on the basis of the core concerns of both the EU and the United Kingdom, to fair competition as well as to standards that afford a high level of social, environmental and climate protection, along with respect for the European Convention of Human Rights and for important data protection considerations. The Bundesrat welcomes the mutual commitment to uphold and further develop these standards and expects that these will also continue to develop in parallel in future and that a level playing field will be maintained.
4. In addition, the Bundesrat welcomes the agreement on a Protocol on Social Security Coordination, which is intended to ensure continued facilitation of everyday life in cross-border situations for EU citizens and British nationals.
5. The United Kingdom remains one of the most important trading partners for German businesses. Against this backdrop, the conclusion of a Trade and Cooperation Agreement between the EU and the United Kingdom is also to be commended from an economic perspective. The Bundesrat recognises that this is the first time that the EU will dispense entirely with customs duties and quotas in a trade agreement with a third country. That makes this an unprecedented agreement and lays strong foundations for future partnership-based relations.
6. Nevertheless, although agreement has been reached on these matters, it is undeniably the case that both the United Kingdom and the EU will lose out as a consequence of Brexit. The Bundesrat regrets the withdrawal of an important partner from the EU institutions and from the Single Market and the associated loss of European Union fundamental freedoms in relations with the United Kingdom.
7. The Bundesrat notes that future relations between the EU and the United Kingdom will be fundamentally different from those that have existed to date in the context of the United Kingdom's EU membership. Notwithstanding the relinquishment of customs duties and quotas, new non-tariff barriers will arise even in the trading sector as well as additional border and customs formalities, consti-

tuting a burden for businesses and control authorities. This is relevant for example for international supply chains if new provisions on the origin of goods must be taken into account or if there is no mutual recognition of product standards.

8. In this context, the Bundesrat notes that as there will be no freedom of movement, the right to live and work across borders will no longer be guaranteed as it has been to date but will entail overcoming bureaucratic hurdles and will give rise to additional costs despite the option of visa-free entry.
9. The Bundesrat notes with great regret that the United Kingdom has decided to end its participation in the ERASMUS+ programme. For decades, cultural exchanges thanks to participation in this programme have played a significant part in fostering mutual understanding and respect between societies across Europe. Although the current funding period continues until 2023, the importance for a future partnership of precisely this kind of exchange between younger generations, beyond 2023 as well, should not be overlooked. Germany should accord great importance to fostering a cosmopolitan mindset, foreign language learning and intercultural skills, particularly among school pupils, young people and students. Ongoing exchanges with the United Kingdom play a significant part in that.
10. The Bundesrat further regrets that the Trade and Cooperation Agreement does not contain any provisions on judicial cooperation in civil law matters and international civil procedural law. Safeguarding and enforcing rights in relations with the United Kingdom consequently becomes considerably more difficult.
11. The Bundesrat furthermore regrets that it has not been possible to conduct any negotiations between the EU and the United Kingdom on foreign and security policy. Close cooperation in a spirit of trust continues to be in the interest of all parties concerned in the light of current international challenges, in particular pertaining to globalisation, migration, climate change, the altered security situation, terrorism and emerging threats – such as pandemics.
12. The Bundesrat furthermore draws attention to the continuing lack of clarity on questions pertaining to future relations – despite the Agreement. These include for example future cooperation in the financial sector, provisions on posting of

workers, provision of services and internal security. In this context, the Bundestag commends the intention to establish systematised data exchange as a substitute for the Schengen Information System, which will no longer be available to the United Kingdom.

13. The Bundesrat underlines the need for adequate support to mitigate negative short-term impacts for enterprises in the fisheries sector, as well as for other economic sectors particularly affected by Brexit. The Bundesrat urges the Federal Government to call in deliberations at the EU level for robust conditions that allow for long-term planning. In this context, the Bundesrat also urges the Federal Government to ensure full participation of the German federal states in deliberations on the planned Brexit Adjustment Reserve (BR Official Document 39/21) and to take due account of the federal states' interests.
14. The Bundesrat points out that the changes associated with the Trade and Cooperation Agreement will have significant ramifications for the federal states as well as for other local and regional authorities within the EU and that in the light of their areas of responsibility these bodies have a particular role to play in further developing the partnership with the United Kingdom.
15. The Bundesrat notes that the Agreement, also in the light of the time pressure, is being treated as an "EU-only" agreement in political terms. It must not constitute a precedent for future free trade agreements concluded by the EU.
16. The Bundesrat commends the united front presented by the EU's 27 Member States throughout the entire negotiations and welcomes this demonstration of Europe's capacity to take joint action.
17. Looking back, the Bundesrat notes the good cooperation between the Federation and the federal states during the Brexit negotiations that was beneficial for both sides. The Bundesrat views this as confirmation that participation of Bundesrat representatives in the Council working groups as well as regular communication in the Federation-Federal States Working Group on Brexit were helpful and should be continued.
18. The Bundesrat and the federal states view the successful conclusion of the negotiations as a caesura and at the same time as an opportunity for a new beginning

in relations between the EU and the United Kingdom, and also in relations between Germany and the United Kingdom. The Bundesrat and the federal states hope that this relationship can be placed on a sound new foundation thanks to a forward-looking agenda.