

The first Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development under the UK-EU Trade and Cooperation Agreement

12 October 2021

Via videoconference

Joint Minutes

The first meeting of the Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development under the Agreement between the European Union and the United Kingdom (UK) for Trade and Cooperation Agreement took place on 12 October 2021 via videoconference.

The representatives from the European Union and the United Kingdom discussed the following points:

1. Introduction/opening session

EU and UK co-chairs opened the discussion, introduced their teams, and formally adopted the agenda for the meeting.

2. Discussion on issues related to subsidy control:

2a) Update on the United Kingdom's Subsidy Control Bill

The UK gave an update on the UK Subsidy Control Bill and further explanations on the issues raised by the EU. In particular, the discussion covered the following areas: the scope of the Bill, the categories of subsidies covered by the Bill, the role of various actors involved in the granting of subsidies, the role of the CMA and the Secretary of State, and the enforcement of the subsidy control regime. The EU and the UK agreed to a follow up meeting at the technical level once the Subsidy Control Bill has been adopted by the UK Parliament.

2b) EU's proposal for a Brexit Adjustment Reserve

The EU gave a presentation on the Brexit Adjustment Reserve. In particular, the EU explained the objectives of the fund and the rules that would apply to its use, including compliance with the subsidy commitments of the TCA. The UK asked questions about how the impact on UK-EU trade would be assessed, and what guidance would be made available to EU Member States on its use. The UK noted its continuing interest in the Brexit Adjustment Reserve and the EU agreed to update the UK on the use of the resources allocated.

2c) Update on the United Kingdom's renewable energy schemes

The UK and EU discussed the UK's Contracts for Difference scheme for renewable energy. In particular, the EU expressed concerns about the inclusion of a question on 'the percentage of UK content' in the supply chain plan. This is one of several questions with attached scoring that developers are asked to answer on their supply chain plans. The UK explained that, in the award of subsidies for renewable energy, its evaluation of the above-mentioned question in supply chain plans was not based on 'the percentage of UK content' but on a developer's explanation of their preferred procurement options. The UK stated that the percentage figure is only asked on a 'for information' basis with no impact on the score. The UK further explained that changes to the reported 'percentage of UK content' during the implementation of a project would have no impact on the assessment of the implementation of the supply chain plans and subsequent payments. The UK noted that this had been made very clear to applicants and agreed to send the EU its written guidance and Q&A for applicants, which would clarify the interpretation of the UK content question, as explained in the committee.

2d) EU proposed Regulation on Foreign Subsidies

The EU gave a presentation on the Foreign Subsidies Regulation including the objectives of the proposed regulation, its legislative progress, how it would be applied, its main redressive mechanisms and the interaction with EU international obligations, including the TCA. The EU noted that effective domestic subsidy control in a third country decreases the likelihood of distortive subsidies and thus the need to apply the regulation. The UK asked how parallel processes for assessing possible distortion under the TCA and under the regulation might be reconciled. The discussion also demonstrated the Parties' ambition to advance reforms of subsidy rules in the WTO. The EU and the UK agreed to a follow up meeting at the technical level to discuss the Foreign Subsidy Regulation once it has been adopted.

3. Discussion on issues related to labour and social standards, environment and climate and other instruments for trade and sustainable development:

3a) European Social Charter; Update on UK initiative for a Single Enforcement Body; Update on the EU's Occupational Health and Safety Strategy 2021

The EU recalled the previous discussion on the implementation of Art 18§2 of the European Social Charter (ESC) by the UK at the Partnership Council in June 2021, where the EU and the UK discussed the compatibility with the TCA of the UK's approach to visa fees for some work routes, and the EU encouraged the extension of a discount related to fees paid for certain visas to citizens of all EU Member States.

The UK confirmed that, in line with the principles behind the UK's single global immigration system, the UK had served a notice of its intention to denounce Art 18§2 of the ESC in July 2021 and legislated accordingly in September. The current discount would therefore be

removed from February 2022 leading to harmonised visa fees on work routes for citizens of all nationalities. In response to the question from the EU, the UK explained that the denunciation of Art 18§2 is compatible with the ESC and Art 399 (5) of the TCA. The EU took note of the UK's views and expressed disappointment that the UK did not extend the existing visa fee discount to citizens of the five EU Member States concerned, but intended to remove the discount for citizens of the other EU Member States.

UK initiative for a Single Enforcement Body

The UK presented the new initiative for a Single Enforcement Body (SEB). The UK explained how the SEB was intended to improve coordination and effectiveness of existing bodies and will expand enforcement into new areas. The presentation was followed by an exchange where the EU noted some commonality with its own approach to supporting compliance with Occupational Health and Safety legislation. The UK informed the EU that the exact timing for implementing the proposal will depend on the parliamentary timetable. Both parties agreed on the importance of effective enforcement of workers' rights. The EU noted its interest in these developments.

EU Occupational Safety and Health (OSH) Strategic Framework (SF) 2021-2027

The EU presented the new Strategic Framework on safety and health at work 2021-2027, adopted in June 2021. The new Strategic Framework sets out the key priorities and actions to improve workers' health and safety over the coming years in the context of a post-pandemic world, marked by the green and the digital transitions, economic and demographic challenges and the changing notion of a traditional workplace environment.

The presentation was followed by a discussion where both sides referred to their records of ensuring the occupational health and safety of their citizens. The UK asked for further details on the implementation of the EU's Strategic Framework, including the study planned by the EU on the impact of the pandemic and whether the EU was focusing on particular sectors in implementing the actions of the framework.

3b) Update on the United Kingdom's climate agenda; EU's presentation on Fit for 55 package

The Union and the UK presented and discussed their respective climate policy: for the UK, its climate agenda; for the Union, the Fit for 55 package. In particular, both Parties underlined their commitment and ambition related to fighting climate change and the value in exchanging knowledge, expertise and best practice. In this context the EU outlined its proposals related to EU ETS, climate-related funds, effort sharing regulation, regulation on the inclusion of greenhouse gas emissions from land use, land use change and forestry (LULUCF), CO2 standards for cars and vans, alternative fuels infrastructure, climate targets and other areas. The UK outlined its approach to its COP26 Presidency, and highlighted the Prime Minister's 10 point plan and updated on the UK's Emissions Trading Scheme and

strategies such as the Energy White Paper, Hydrogen Strategy and the forthcoming Net Zero Strategy.

3c) Update on the Environment Bill; EU update on implementation of the 8th Environmental Action Plan

The UK updated the EU on its environmental protections and governance related to the Environmental Bill. The EU noted the UK's explanation of its intention to strengthen environmental protection, including the steps being taken to set up the Office for Environmental Protection and the new proposed targets. While these subjects were not discussed, the EU noted its interest in other regulatory developments in the UK, in particular on genomics, the habitats regulation and the Planning Bill. After that the EU presented its ambition related to the 8th Environmental Action Plan (EAP) in the context of the EU Green Deal including its main pillars: circular economy, biodiversity and the zero pollution action plan. The UK thanked the EU for the presentation and queried how the 8th EAP would be monitored and how this would interact with the Circular Economy Action Plan and the European Green Deal.

Attachments

1. Final agenda
2. List of participants

Attachment 1 – Final agenda

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Final Agenda

Via videoconference, date 12 October 2021

	Topic
1.	Introduction /opening session
2.	Discussion on issues related to subsidy control: 2a) Update on the United Kingdom’s Subsidy Control Bill 2b) EU’s proposal for a Brexit Adjustment Reserve
	2c) Update on the United Kingdom’s renewable energy schemes 2d) EU proposed Regulation on Foreign Subsidies
3.	Discussion on issues related to labour and social standards, environment and climate and other instruments for trade and sustainable development: 3a) European Social Charter; Update on UK initiative for a Single Enforcement Body; Update on the EU’s Occupational Health and Safety Strategy 2021
	3b) Update on the United Kingdom’s climate agenda; EU’s presentation on Fit for 55 package
	3c) Update on the Environment Bill; EU update on implementation of the 8th Environmental Action Plan

Attachment 2 - Participants of the First Meeting of the Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development

UK Delegation

- UK Co-chair of the Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development
- UK Government officials from Cabinet Office, BEIS, DEFRA, HMT
- UK Mission to the European Union official
- Scottish Government official
- Northern Ireland Executive official
- Welsh Government official

EU Delegation

- EU Co-Chairs of the Trade Specialised Committee on Level Playing Field for Open and Fair Competition and Sustainable Development
- European Commission Officials
- Delegation of the European Union to the UK Officials
- Representatives of EU Member States