



Statement by Michel Barnier

Brussels, 14 November 2018

Ladies and gentlemen,

This evening, we have just published, with the UK Government, the full draft agreement on the orderly withdrawal of the United Kingdom, as agreed by the negotiators on both sides.

We are also publishing an annotated outline of the Joint Political Declaration on the framework of our future relationship.

This is the result of intensive negotiations, which began 17 months ago, and I would like to thank both our teams for their commitment. On a personal level, I would also like to say how honoured and fortunate I have been to lead an outstanding team here.

This agreement marks a crucial step towards concluding these negotiations.

It is also the result of negotiations which were conducted in transparency from the outset, in accordance with our respective mandates.

This draft withdrawal agreement comprises 185 articles, 3 protocols and several annexes.

It is a precise and detailed document, as befits an international agreement in such exceptional circumstances, to provide legal certainty for all persons and in respect of all the issues where we have to manage the consequences of Brexit.

I would like to mention five areas in particular:

First, citizens' rights, which have always been our common priority, and certainly the priority of the European Parliament and the Member States.

- EU citizens established in the United Kingdom and UK citizens established in an EU Member State before the end of the transition period will be able to carry on living their lives as before in their country of residence.
- They will be able to carry on living in their country of residence, study there, work there, receive benefits there or have their families join them there, throughout their lifetime.

The second issue is the financial settlement:

- We have agreed that the financial commitments undertaken as 28 shall be honoured as 28.
- We wanted, together, to provide reassurance to the beneficiaries and regions, supported by the EU budget, both in the EU and in the UK.

My third point concerns the numerous other issues on which we had to agree and for which we have identified solutions to provide for this orderly withdrawal.

These include, for example:

- Matters relating to Euratom;
- The protection of existing intellectual property rights, such as the 3,000 geographical indications or all Community trademarks and designs or models;
- The use and protection of personal data exchanged before the end of the transition period.

A fourth key issue which we have resolved is governance of the Withdrawal Agreement:

- It was as important for us as it was for the UK to ensure the proper implementation of this agreement. The agreement's very credibility is at stake.
- As with any international agreement, the draft agreement establishes a framework with an initial stage for the political resolution of disputes and, where disagreement persists, the resolution of such conflicts by an arbitration panel.

- And of course, where disagreement involves a matter of interpretation of EU law, the European Court of Justice will continue to fulfil its role.

Fifthly, and finally, we have agreed on a transition period:

- The United Kingdom will leave the European Union and all its institutions on 29 March 2019, in accordance with its wishes.
- However, for a period of 21 months, from 30 March 2019 to 31 December 2020, we have agreed to keep matters as they are with regard to the internal market, the customs union and European policies, with their rights and obligations.
- This will allow citizens, administrations and businesses, in particular SMEs, to prepare and adapt - but only once - to this change before the future relationship is in place.
- We also include the possibility of extending this transition once, for a limited period, by joint agreement.

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Ladies and gentlemen,

Our agreement also includes three protocols:

On Gibraltar:

- This protocol provides for administrative cooperation on a number of issues: citizens' rights, taxation, tobacco, the environment, fisheries, but also police and customs cooperation.
- This protocol is part of a wider package of bilateral agreements between Spain and the UK on the subject of Gibraltar, and I would like to take this opportunity to thank both governments for their bilateral work.

The second protocol concerns Cyprus and the United Kingdom's sovereign bases there. This protocol assures the continuity of pre-existing arrangements between Cyprus and the United Kingdom, in particular so that the 11,000 Cypriot citizens established in the territories under UK sovereignty can continue living as they do today.

Ladies and gentlemen,

The third Protocol concerns Ireland and Northern Ireland.

We have now found a solution, together with the UK, to avoid a hard border on the island of Ireland.

First, we will use our best endeavours to solve this issue for the long term, through a future agreement.

If we are not ready by July 2020, we could jointly consider extending the transition to provide for more time.

Only if at the end of the transition, extended or not, we are still not there with a future agreement, would the backstop solution that we agreed today kick-in.

This backstop solution has evolved considerably from the original EU proposal of February this year.

Over the last few weeks, we have worked with the UK on the basis of their proposal.

In the backstop scenario, we agreed to create a EU-UK single customs territory. Northern Ireland will therefore remain in this same customs territory as the rest of the UK.

In addition:

- Northern Ireland would remain aligned to those rules of the Single Market that are essential for avoiding a hard border. This concerns agricultural goods as well as all products.
- The UK would apply the EU's Customs Code in Northern Ireland. This would allow Northern Irish businesses to bring goods into the Single Market without restrictions, which is essential to avoid a hard border.

The text of the Protocol also makes clear that the Northern Irish economy retains unfettered market

access to the rest of the UK.

At the UK's request, Northern Ireland will apply all the rules of the single market for electricity.

This is in the interest of the economy of Northern Ireland and Ireland.

Ladies and gentlemen,

This single EU-UK customs territory would mean that UK goods get tariff and quota free access to the EU27 market.

For competition to be open and fair in such a single customs territory, we have agreed provisions on state aid, competition, taxation, social and environmental standards.

This will guarantee that both EU and UK manufacturing will compete on a level playing field.

An essential condition for this single customs territory to cover fisheries and aquaculture products will be to agree between the Union and the UK on access to waters and fishing opportunities.

Overall, this backstop shows that we have been able to find common ground and meet our common objectives:

- To protect the Good Friday Agreement in all its dimensions, North-South cooperation and the all-island economy;
- To preserve the integrity of the EU's Single Market – and Ireland's place in it;
- To respect the UK's territorial integrity and constitutional order;
- To protect the Common Travel Area between Ireland and the UK.

Finally, let me repeat that this backstop is not meant to be used. Our objective remains to reach a new agreement between the EU and the UK before the end of the transition.

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Ladies and gentlemen,

This brings me to my last point, which concerns the framework for such a future relationship.

We will prepare ourselves and be ready to start these negotiations on 30 March 2019, the day after the UK's withdrawal.

Today, through this draft Joint Political Declaration, we are outlining the ambitious partnership we want.

- A free trade area based on deeper regulatory and customs cooperation and a level playing field.
- Our aim is that all goods should be free from customs duties and quotas, building on our proposals in the Withdrawal Agreement for a single customs territory. In line with my mandate from the European Council, this will, of course, be conditional on a new fisheries agreement.
- Sectoral cooperation, which is important and expected, for example on transport or energy.
- Cooperation on internal security, police and judicial cooperation.
- And, of course, on foreign policy, external security and defence.

Obviously, this is currently no more than an annotated plan.

Tomorrow we will start work with the 27 Member States and, of course, the European Parliament.

The aim is to produce a finalised statement with the UK representatives for presentation to the European Council.

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Ladies and gentlemen,

We are at an important moment in the extraordinary negotiations initiated at the UK's request.

Much remains to be done. I know that the road towards an orderly withdrawal and building an ambitious and lasting partnership with the UK will be long and could be difficult.

- There is work to be done here, at the Commission, under the authority of President Jean-Claude Juncker and with the College of Commissioners and all Commission departments, whom I would like to thank personally.
- Across the road, with President Donald Tusk, his teams, the Austrian presidency, all the successive presidencies and the 27 governments that have consistently shown their trust in me.
- And of course with the European Parliament, its President Antonio Tajani, its coordinator Guy Verhofstadt and all the members of the *Brexit Steering Group*, who have vigilantly trusted me.

With my team and on behalf of the European institutions, I have from the very outset worked methodically, objectively and with great respect for the UK and I will continue to do so.

These negotiations have never been and will never be a game. I have always said that we are negotiating with the UK, not against the UK. Respecting its sovereign decision to leave the European Union.

This evening we are taking a major step towards the orderly withdrawal that is the basis for the trust we need to negotiate a new partnership.

The UK will remain our friend, our partner and our ally.

This evening Theresa May announced that we have taken a decisive step forward.

Tonight, in my capacity as EU negotiator, I consider that we have made decisive progress.

Thank you for your attention.

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