

Government Position Paper on Brexit Negotiations

With the formal process for the UK exiting the EU now underway, the Irish Government has published a detailed Position Paper for the forthcoming Brexit negotiations. Building on work done to date, this document **sets out the positions and priorities that will underpin Ireland's engagement in the Brexit process as it unfolds over the next two years. Thus, the focus of the Paper is primarily on the withdrawal negotiations.** The specifics of key negotiating points will crystallise in the period ahead and the Government says that it will work to ensure that Ireland's interests are protected as we negotiate as part of the EU 27.

The Position Paper highlights that **Brexit presents major political and economic challenges for Ireland.** The Government is clear in its belief that Brexit is a British policy that "is bad for Britain, for Europe and for Ireland". Given the challenges it presents for the island of Ireland, it says that it is vital that Ireland prepares thoroughly for its consequences, both at a national level and as part of the EU.

The Government notes that it became very clear early in its analysis that the **impacts of Brexit**

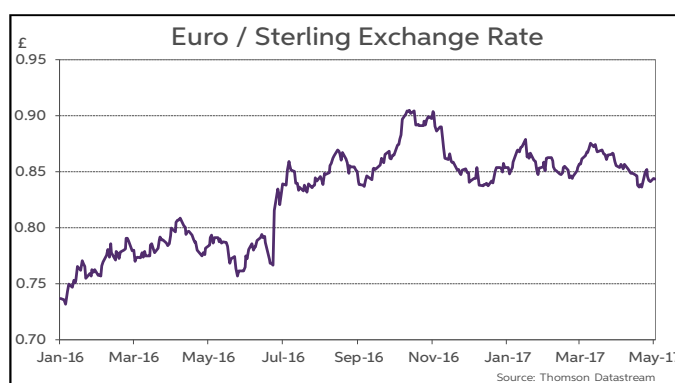
would be deep and extensive across the economy and society as a whole. We have already seen an impact on Irish businesses that trade with the UK from the weakening of sterling. Therefore, the **Government has prioritised analysis and engagement on sectoral issues** and how we can best manage the impact of Brexit on the people, the businesses and the communities of Ireland.

The Government's headline priorities in the negotiations are made clear in the Paper: minimising the impact on our trade and economy, protecting the peace process and the Good Friday Agreement, maintaining the Common Travel Area with the UK, and securing Ireland's future in a strong European Union. The Government says that Ireland will be negotiating from a position of strength as part of the EU Team of 27 Member States.

In recent months, **the Government has undertaken an extensive programme of dialogue with our EU partners** and EU institutions to ensure a full understanding and support for the significant challenges and unique position that Ireland faces in regard to Brexit and that Ireland's specific priorities are a central element of the EU's overall negotiating objectives. There has also been considerable contact with the UK Government on this front.

The Government notes that Irish concerns have been taken on board and given priority by both the UK and EU authorities. The UK Prime Minister's keynote speech at Lancaster House, the UK Government's White Paper on Brexit and the formal Article 50 notification letter all referenced the unique circumstances that pertain to Ireland in regard to Brexit. Meanwhile, the Guidelines on the Brexit negotiations adopted by the European Council on April 29th also include significant text on issues particular to Ireland and a recognition of "the unique circumstances of the island of Ireland". Indeed, only today, Michel Barnier, the EU's Chief Negotiator on Brexit said that he would "pay particular attention to Ireland" in the first phase of the negotiations.

The Position Paper acknowledges, though, that the **bulk of issues around trade and sectoral impacts will not be addressed in the Article 50 withdrawal agreement.** Instead, they **will be dealt with in a subsequent EU-UK trade agreement, and also in the context of any transitional arrangements** to bridge the gap between an exit deal and future EU-UK agreement. **The Government warns about very serious implications for Ireland if there is a "disorderly exit"**, where the Article 50 negotiations conclude with no agreement and the trading relationship between the EU and UK falls back on WTO rules involving tariffs, custom controls and non-tariff barriers to trade.



The Government's Priorities in the Negotiations

As already indicated, the focus of the Government Paper is very much on Ireland's positions and key priorities in the upcoming Article 50 Brexit negotiations between the EU and UK. Some of the key positions and priorities set out in the Paper include:

- **Avoid a hard border on the island of Ireland.** There will need to be a political and not just a technical solution to this issue that requires flexibility and creativity on the part of both the UK and the EU.
- **Respect for the Provisions of the Good Friday Agreement** through the withdrawal process and thereafter, in particular in the event of any constitutional change in the future "which would result in Northern Ireland being in the EU as part of a United Ireland".
- **Protection of the unique status of Irish citizens in Northern Ireland** so that they can continue to enjoy their rights as EU citizens across the EU post Brexit, notwithstanding the UK's departure from the EU.
- Securing agreement from the EU that the long-standing **Common Travel Area arrangements with the UK will be maintained.**
- Achieve early agreement between the EU and UK on the **reciprocal protection of citizens rights residing in each others territories.** Ireland will be particularly alert to any developments that might possibly affect Irish citizens living in the UK.
- Ireland wants an **orderly withdrawal of the UK from the EU** so that the Article 50 negotiations **avoid a cliff-edge outcome** where no deal is agreed and there is a fall back on WTO rules.
- In order to provide certainty and continuity for people and businesses, a **transitional arrangement**, bridging the gap between a withdrawal agreement and a future EU-UK relationship agreement, **will be necessary** and should be provided for.

While Article 50 is concerned with agreeing on the orderly withdrawal of a Member State from the EU, it also states that the agreement should take account of the framework for the future relationship between the EU and the withdrawing state in question. **Once sufficient progress is made in the negotiations for concluding the withdrawal agreement with the UK, it is hoped that parallel discussions begin before too long on the scope and shape of the EU's future relationship with the UK.** While discussions can begin on these issues during the withdrawal process, a formal agreement could only be concluded and ratified once the UK has left the EU. The position of the Irish Government on these talks is that:

- **An EU-UK Free Trade Agreement (FTA) should be comprehensive and ambitious and as wide as possible in its scope.** The Government will be firm in arguing that such an agreement must protect the key sectors of the Irish economy given the unique circumstances on the island of Ireland and the importance of our economic relationship with the UK.
- A strong and well-functioning EU Single Market is essential to economic growth and job creation and to Ireland's continued economic development. Therefore, **a FTA with the UK should ensure that the integrity of the Single Market is protected.**
- An FTA should also **promote regulatory conformity, ensure ways to manage potential regulatory divergence**, and impose the disciplines needed in order to ensure a level playing field.
- An FTA should also **include a robust dispute resolution mechanism and associated enforcement process** to ensure that agreed rules and undertakings are honoured.

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