

# ecdpm Great Insights





**Highlighting Brexit's** implications beyond Europe on: Africa, the Caribbean, trade, migration, development, aid, security and gender Time to close a deal is running out Linda McAvan. member of the **European Parliament**  Will UK leaders engage more with Africa?

Tom Cargill, executive director, **British Foreign** Policy group

Africa's relations with the UK: Negotiating a post-Brexit landscape Philani Mthembu, executive director, Institute for Global Dialogue

# Great Insights

ECDPM's Great Insights magazine offers a quick and accessible summary of cutting-edge analysis on international cooperation and Europe-Africa relations. It includes an independent overview of analysis and commentary from a wide variety of experts and high-level officials and provides updates on policy debates in Africa and Europe.

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Editorial and production assistance
Jacquie Dias and Annette Powell
Web editor Jacquie Dias
Language editor Michelle Luijben
Cover illustration Roel Craen
Concept Emmanuel De Groof
Art direction and design of
magazine template Yaseena Chiu-van 't Hoff

**Layout and production** Claudia Backes
ECDPM Head office

Magazine concept San Bilal and Claudia Backes

The Pelican House Onze Lieve Vrouweplein 21 6211 HE Maastricht The Netherlands Tel +31 (0)43 350 29 00 Fax +31 (0)43 350 29 02

ECDPM Brussels office Rue Archimède 5 1000 Brussels Belgium Tel +32 (0)2 237 43 10 Fax +32 (0)2 237 43 19

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### **Editorial**

Brexit leaves no field untouched. Often presented as a EU-UK story, **Brexit** is much more than that. Elements of its breeding ground are observed throughout the world, and its impact will be felt far beyond Europe.





What characterises this breeding ground? First is a rising scepticism towards multilateralism, as Tom Cargill and Nick Westcott emphasise. Second, is a burgeoning populism (and recourse to referenda to revisit policies). How nationalist approaches and challenges to multilateralism play out can be difficult to predict. Nonetheless, the resilience of multilateralism should not be underestimated, particularly regionally, including in Europe. On three recent dossiers – safeguarding the Iran nuclear deal, countering US posturing around trade wars, and negotiating Brexit – the EU seems relatively united. In relation to Brexit, the systematic way in which the Commission's Brexit Task Force is preparing for an 'orderly withdrawal', and in which the European Council stands behind Ireland, commands respect even from fervent Brexiteers. Negotiating Brexit is a difficult task for both sides, and a general fatigue risks slipping in. Yet, the stakes remain high, so a collective alertness remains *de mise* throughout the summer months.

Brexit will have **consequences – both positive and negative – for many actors**, in Europe and beyond. Particularly concerned are developing countries and non-state actors, such as international NGOs, traders from the Global South, refugees seeking a safe haven in a smaller EU or ambitious 'Global Britain', and policymakers and civil servants worldwide. Brexit means the departure from the EU of an influential security, aid, trade, and development player, and a range of actors will have to take steps to adapt to the emerging reality. Of course, the **EU and UK have no monopoly on global events**. Many more partners and actors will affect the destiny of Africa and the Caribbean, as Philani Mthembu, Philippe Darmuzey, and David Jessop write.

Also, it is not impossible that the actual withdrawal of the UK, foreseen for 29 March 2019, may be significantly delayed or not occur at all. This remark may surprise you. But the political environment, including in the UK, where a small majority government is working hard to reconcile diverging views and win a parliamentary vote in autumn, is so fragile that we cannot exclude Brexit becoming disorderly (rather than agreed), delayed, or even being dropped altogether. A request for extra time and even a 'Breconsider' are thus real possibilities. Despite the two years that have elapsed since the vote to leave, the variables around departure are still so undefined that all authors here have been forced into a degree of speculation. Anything else would be disingenuous or quickly overtaken by events.

Europe's position in the world, and global relations with Europe, will depend on how judiciously four questions are confronted: Can opportunities be capitalised upon? Can continuity be maintained in key areas? Can threats be mitigated? What are the negotiators' priorities? Timing will be essential, too, particularly on under-emphasised issues such as Africa, development, and international cooperation. A sense of urgency is what led us, in spite of all the speculation, to facilitate a collective reflection resulting in this special issue. With Simon Duke, we conclude that the **stakes are high**, and with Linda McAvan, that **time is running out**.

**Don't let the tight agenda be an incentive to read in a rush**. Because when time is pressing, long-term thinking is compromised, and the impact on affected actors worldwide neglected. This is precisely what we tried to avoid in going 'Beyond Brexit'. ECDPM will continue to follow this tentacular dossier from different perspectives, and we welcome feedback and engagement in further debate. Indeed this may not be the last Great Insights issue to feature this moving target.

**Guest editors** 

Emmanuel De Groof, policy officer and
Andrew Sherriff, head of programme European External Affairs, ECDPM

## Contents

- **Editorial**
- The Brexit Box

#### **Perspectives**

- Africa, Europe and Britain after Brexit Philippe Darmuzey, honorary director of the European Commission
- Will UK leaders engage more with Africa? Tom Cargill, executive director, British Foreign Policy group
- Breaking away? The developing world and the future of multilateralism Nicholas Westcott, director of the Royal African Society
- 14 Africa's relations with the UK: Negotiating a post-Brexit landscape Philani Mthembu, executive director at the Institute for Global Dialogue
- 16 Choice matrix: Future EU-UK collaboration on international cooperation Andrew Sherriff, head of programme, and Emmanuel De Groof, policy officer, European External Affairs programme, ECDPM

#### **Development**

Institute

- Time to close a deal is running out Linda McAvan, member of the European Parliament
- To the point: UK-EU coordination for the poor Tamsyn Barton, former chief executive of Bond, the UK network for organisations working on international development
- 24 The impact of Brexit on aid: Divorce or marriage of convenience? Iliana Olivié, senior analyst and Aitor Pérez, senior research fellow at the Elcano Royal



#### **EU** and **UK** Positions

- **European Commission slides related to Brexit choices** Presented by Chief Negotiator European Commission Michel Barnier
- 28 The Brexit negotiations: Who thinks what? A selective analysis of UK and EU positions Emmanuel De Groof, policy officer, European External Affairs programme, ECDPM

#### Trade

- Increased uncertainty for a changing Caribbean David Jessop, consultant for the Caribbean Council
- How 'to trade or not to trade' is the question for third countries after Brexit San Bilal, head of programme, and Sean Woolfrey, policy officer, Trade and Agricultural transformation programme, ECDPM
- 36 Developing countries agri-food trade after Brexit Alan Matthews, professor emeritus, Trinity College Dublin

#### Migration, gender and security

- Brexit could make UK migration control in the Mediterranean even harder Giacomo Orsini, post-doctoral researcher, Université catholique de Louvain
- Europe's gender action beyond Brexit Gill Allwood, professor at Nottingham Trent University
- High stakes, Brexit, security and defence Simon Duke, professor at the European Institute of Public Administration

# The Brexit Box

#### by Andrew Sherriff and Emmanuel De Groof



The 'Brexit box', on the cover of this special issue likened to Pandora's box of Greek mythology, represents a less fatalistic and hopefully more constructive outlook on the future. As yet, that future is masked by a smokescreen in the form of a question mark. In spite of the uncertainty, we can anticipate that Brexit may have positive, neutral and negative effects.

Some smoke elements represent potential beneficial effects. In the field of trade, Alan Matthews writes that Brexit may indirectly 'improve the position of developing countries competing with EU exporters on the UK market'. Nicholas Westcott observes that 'for Africa and other developing countries, Brexit is a golden opportunity to secure better access, greater protection, and more aid from Britain'. In a different field, gender, Gill Allwood seems to suggest that the departure of the UK (seen as a champion of gender mainstreaming in development cooperation) might paradoxically strengthen the EU's gender awareness. In diplomacy, Tom Cargill sees opportunities for UK engagement in Africa, but only if the UK invests in its own capacity.

'Business as usual' or a mixed outcome is represented by other smoke plumes. In the field of security, Simon Duke explains that because the UK has 'exaggerated its contribution to CSDP operations', the loss for the EU caused by Brexit may be less than some assume, particularly in operations on the African continent. In the non-competitive field of aid – apart from the devaluation of the sterling – British contributions are likely to remain stable after the transition, liana Olivié and Aitor Pérez predict. The question is only how and via what channels money will be disbursed. There are manifold ways for the EU and the UK to continue their collaboration, as our choice matrix indicates (cf. page 16). Here the future will in part be a matter of policy preference.

The shadow of the question mark represents potential risks for the UK and the EU, and beyond. Threats loom all-round. The EU will feel not only a 'gap in the budget', but also the loss of the UK as a recognised diplomatic actor and development player, Linda McAvan writes. The UK will face logistical challenges in managing migration without the EU, as Giacomo Orsini details. Looking beyond a reductive short-term focus on the EU and the UK, Tamsyn Barton points out the need for 'parallel and complementary UK and EU programmes [to] reduce poverty', and both Nicholas Westcott and Philippe Darmuzey call for a longterm perspective to mitigate risks and successfully envisage how things could be after 'the dust settles'.

The smoke-ejecting Brexit box was opened by the referendum of 23 June 2016. It will close on 29 March 2019, by which time a withdrawal agreement must be reached to avoid a 'cliffedge' Brexit. The following day, the box will forcefully, perhaps indefinitely, be opened again. The time until March 2019 represents the current window of both opportunity and threat. Until then, thinkers and practitioners alike, from Europe and beyond, can discern and make use of constructive building blocks while they are still within grasp.

At the time of writing, the second phase of the negotiations, focused on future EU-UK relations, had started but rather timidly. Basic choices regarding the nature of the fundamental framework had yet to be agreed. This uncertainty affects many, as 'embassies of developing countries [are] keen to know whether they will be able to trade with the UK on the same terms', Linda McAvan writes. David Jessop looks at how Caribbean exporters of goods and services might deal with uncertainty. By taking a wait-andsee approach, Alan Matthews writes. Even if the UK acquires the right to renegotiate trade and other agreements until the end of the transition in 2020 (as the current draft withdrawal agreement foresees), third countries will expect clarity on the EU-UK relation before venturing into such negotiations, as San Bilal and Sean Woolfrey observe.

Europe's and the UK's position in the world, and global relations with Europe, will be influenced by whether, and how judiciously, the Brexit box is used to confront pending questions in the little time that remains. To this point, topics beyond the EU-UK story have been sadly absent from the top table of Brexit discussions.

The positions related to Africa, development, and international cooperation more widely have been held hostage to the dynamics of the wider negotiations. Yet, the UK (traditionally a strong global actor in these fields) has profiled itself on these issues early in the negotiations. Recently it put forward peace and security, humanitarian assistance, and migration as priority areas of future collaboration. Some of our authors point to the possibility of missed opportunities due to the lack of *mutual* prioritisation on these issues. To help frame the debate we briefly reference some of the official positions (cf. p. 28), also to compensate for the absence of high-level political contributions, which is unusual for Great Insights but might be explained by the uncertainty and under-prioritisation mentioned.



The UK's withdrawal from the EU, set for 29 March 2019, confronts the EU with its first separation since the launch of the European project in the 1950s. In today's global world, Brexit is certain to bring adjustment costs: for Britain, for the EU, and for the world economy. EU external relations will be particularly affected. Interaction between Europe and Africa will gradually have to be thought up anew.

#### By Philippe Darmuzey

#### A new global and European set-up

In the decade ahead, Europe and Africa will need to come up with new partnership strategies that are manageable for a smaller EU and seize the opportunities arising from the Brexit vacuum. Addressing the huge challenge posed by demographic and migration trends will be a major task for the EU in the aftermath of Brexit. Demography, development, climate change, security, and geopolitics will continue to shape migration within and from Africa. The new world order and African demographics beyond 2025 compel the EU to reconsider the relevance of its partnership arrangements with Africa. Currently these are formalised mainly in the ACP-EU Cotonou Partnership Agreement, the Joint Africa-EU Strategy (JAES), and the European Neighbourhood Policy partnership with Northern Africa. The risks and opportunities brought by Brexit will depend on the conditions of the UK's withdrawal and its future relationship with the EU. The current

ambiguity of London's political strategy and the very real possibility of delays or crises affecting the negotiations suggest that both sides will need a long period of adjustment. Businesses and international partners are unlikely to know the new post-Brexit pattern of UK economic relations before 2025. This bodes poorly for Britain, Europe, EU-Africa relations, and world prospects.

#### Britain: An inward-looking country or a new global actor?

The campaign leading up to the referendum of June 2016 revealed that parts of British society have become more inward looking and hostile towards immigrants and the EU. On the external scene, this year's Commonwealth Summit, held in London in April, took place against a backdrop of scepticism. Few found it credible that the Commonwealth forum could offer an adequate framework for the UK's proposed new role as a global hub outside the EU, with London as the 'Singapore on the Thames'. The British ambition to

become a new global economic actor, moreover, is hard to reconcile with the calls of 'Brexiteers' to disconnect the UK from its links to the world's largest trade bloc. Understandably, many world actors have had difficulty perceiving the subtleties differentiating a status as 'à la carte EU member' and, as May has variously described it, "a deep and special" or "ambitious" partnership. Economic indicators, meanwhile, signal the untenability of the British government's position. The latest economic forecast, March 2018, estimated UK economic growth at just 1.5%, the lowest level among all EU member states.

# The European challenge: Disintegration versus reconstruction, fragility versus resilience

Future EU external action towards Africa will depend on Europe's capacity to overcome its own political fragility and the centrifugal forces affecting its North-South and East-West axes of members. In a brilliant conclusion to his book, After Europe, Ivan Krastev describes the reversal of fortunes that occurred in 2016-2017, when most observers were predicting the end of the European project: "[T]he various crises the EU is going through have contributed, much more than any of the (so-called) cohesion policies implemented by Brussels, to strengthening the feeling that Europeans are all stakeholders in the same political community." By optimising cross-fertilisation in regional integration processes, Europe and Africa can together benefit from the lessons Brexit teaches about resilience.

#### The agenda for change in EU-Africa relations

Brexit will unleash new challenges and bring opportunities for change in several key areas of Europe-Africa relations, in particular:

- The shaping and reshaping of EU policies in domains where Britain used to play a leading role, constructive or obstructive; such as development, trade, migration, defence, security, and global issues.
- The EU's 2021-2027 budget, for which modernisation and reforms might be more smoothly pursued after Brexit. The aim is to "make [the budget] fit for the challenges of the 21st century". This could mean a shift from agriculture and regional development to Europe's new challenges, such as migration, defence, security, and climate change. The current European consensus on the need to support youth mobility is a priority that could be transposable to future Europe-Africa cooperation strategies.
- The re-negotiation of the EU-ACP partnership framework.
   August 2018 will signal the start of negotiations towards a
   post-Cotonou ACP-EU partnership beyond 2020. Europe needs
   to recognise Africa as the overarching political priority within
   the ACP group. Yet, no real link has yet been made between
   the renewal of the Cotonou Agreement and the Africa-EU
   partnership formalised in the JAES. Signed in 2007, the JAES
   was to set the stage for a new political relationship between
   the two continents. However, its results have been mixed.

For the EU, Brexit offers an opportunity to put an end to two major shortcomings in Africa-EU relations. The first is the fragmentation

of African participation, as Cotonou is limited to sub-Saharan Africa (only 48 of the 54 AU member states). The second is the overall lack of ambition in the JAES, despite its innovative principle to connect Europe to the whole of Africa. With scattered resources and no legally binding provisions to accompany political declarations, the JAES has failed to evolve further than a complex multi-institutional framework between the EU, the African Union, and its regional economic communities.

The post-Brexit EU-Africa partnership should encompass the African continent as a whole, rather than just the sub-Saharan segment of the ACP puzzle. Migration, a root cause of Brexit, is both a challenge and a priority and will connect Europe and Africa for the foreseeable future. The time is ripe to lift the political ambition of Europe-Africa relations up to the level of an effective strategic alliance, built on this priority as well as other areas of concern.

#### Key areas of future Africa-Europe-UK interaction

In the current state of play of the negotiations, it is hard to predict what the future will bring for EU external action in Africa. The main areas of interest are, however, clear.

Development: The UK is the world's second-largest bilateral foreign aid donor, after the United States. It provided ODA to more than a hundred developing countries in 2017. A recession in the UK would weaken its ability to fulfil its aid and development commitments. There are some presumptions that the UK's development policy will remain aligned with EU interests and policies after Brexit, as the goals of EU aid reflect British interests: prioritising global poverty reduction, combating climate change, and addressing state fragility (see also the articles by Tamsyn Barton and Linda McAvan in this issue).

Trade: The UK's primary post-Brexit focus will be on strengthening and expanding trade relations. The prospect of a no-deal crisis in autumn 2018 is sobering. In economic terms, the African countries most reliant on trade with the UK - Nigeria, South Africa, Egypt, and Kenya – would suffer most if the UK falls into a recession. Brexit does not diminish the case for a continued close association with Africa, as established by the Cotonou Agreement and regional economic partnership agreements (EPAs) (see Kennes, 2018). In the short term, Africa and its regional economic communities may be unable to renegotiate their economic and trade arrangements with Britain or to review their positions in the EPAs with the EU. But Brexit could open some policy space for a more ambitious framework that would gradually cover all Africa-EU relations, allowing increased trade and development coherence between sub-Saharan Africa and Northern Africa (on trade generally, see the articles by Alan Matthews and San Bilal & Sean Woolfrey in this issue).

Security and defence: Withdrawal of the UK from the EU Common Security and Defence Policy has implications for the EU's security activities in Africa. It will affect EU financial contributions to the African Peace and Security Architecture, and thus donors' ability to maintain support levels. On the other hand, the EU seems likely to speed up its integration process on defence and security,

based on the Permanent Structured Cooperation (PESCO) initiative which, only a few months ago, was not considered credible. Britain impeded ever-closer union in this area. Post-Brexit unexpected opportunities may thus arise. In June 2018, the European defence ministers discussed a proposal to open PESCO to countries outside the EU, such as the United States, Norway, and the UK. This offers new prospects for EU external action, especially in the framework of Europe-Africa peace and security relations (on security cooperation after Brexit, see the article by Simon Duke in this issue).

Migration: A number of political and technical obstacles to immigration from Africa could arise following the UK's withdrawal from, potentially, all four circulation freedoms provided by the single European market. The recent 'Windrush generation' scandal drew attention to the fragility of British immigration policy and public service management dating back to Theresa May's days as home secretary. Lack of clarity on the present or future residence status of immigrants originating in African Commonwealth states entails serious risks (on migration after Brexit, see the article by Giacomo Orsini in this issue).

Regional integration: Brexit challenges the European integration project and even the EU's credibility in promoting regional integration. However, it also presents learning opportunities for regional integration in Africa. The UK, too, is unlikely to abandon regional integration as a priority in Africa. Furthermore, it seems likely to continue supporting the link between trade and development pursued in the EPAs.

Global issues: The UK has been proactive on global issues, like climate change and the Sustainable Development Goals (SDGs). It will certainly want to retain this influence through close links with the EU. Indeed, Brexit threatens the UK's reputation as a global agenda setter. Without the ability to project power through the EU, Britain's influence in other international forums will diminish.

Overall, while the new British government will focus on securing short-term economic benefits, African countries will increasingly turn towards other funding and trading partners, such as China, Brazil, and India. The remaining EU countries will need to counter Britain's exit by increased engagement in trade, development, and security policies in Africa. The draft MFF confirms an EU ambition to stay the course of strengthening its relations with Africa.

#### **Revamping Europe-Africa relations**

A 2018 report by the Addis Ababa Institute for Peace and Security Studies aptly states, "The EU motto, 'United in Diversity', applies today more so than ever... In the midst of uncertainty in Europe, Africa should, more than ever, view its diversity as an opportunity for greater regional integration."

Four directions of action and research could render post-Brexit EU external action more focused on the new challenges facing Africa and Europe. First, European and African integration processes need to be reactivated through increasingly effective communication

and participation of citizens on both sides of the Mediterranean. Greater youth mobility could contribute to this goal.

Second, drastic reconsideration needs to be given to the negotiations on the follow-up arrangements for the ACP-EU partnership. The partnership needs to be adapted to new realities in terms of costs and efficiency; institutional complexity should be reduced; and a major simplification and unification launched of financial instruments including the European Development Fund (EDF). Furthermore, post-2020 ACP-EU political dialogue and development cooperation instruments need to be effectively regionalised, with the addition of Northern Africa to make the new partnership geostrategically inclusive.

Third, in a world of multiple alliances, the global challenges faced by Europe and Africa provide new impetus for their continent-to-continent relations. The JAES should be upgraded to a legally-binding alliance for mutual assistance on peace, defence, and security; on migration and mobility; and on sustainable development. The EU and AU, and their strategic allies, including Britain, should engage collectively on the key challenges of the 21st century.

Last, but not least, strategic thinking is needed on UK-EU relations beyond 2030. Once the dust of Brexit settles, and Britain and Europe have completed their couples therapy, a new EU-UK relationship in the form of an association agreement can be considered (as suggested by European parliamentarian Guy Verhofstadt). Hence, without prejudice to the UK's sovereignty, the acquis of European integration and external action, including Britain's contributions, would not be lost.

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#### About the author

Philippe Darmuzey is honorary director of the European Commission. He researches, teaches, and writes on Europe-Africa relations, the security-development nexus, and development

cooperation, partnering with institutions such as the University of Bordeaux IV-Montesquieu, various European and American analytical and research institutes and networks (ECDPM, EARN, CERIS, CERDRADI, DENVER U/Africa Today), and media networks (VOX Africa).

Twitter: @PhDarmuzey





UK foreign and defence interest in Africa has grown, but is challenged by capacity constraints and political inertia heightened by Brexit. Yet, there is a UK generational and strategic renewal under way in relation to foreign policy issues including Africa, especially around soft power. But it is far from clear if this will emerge post-Brexit and lead to a resurgence of influence for the UK in Africa.

#### **By Tom Cargill**

From a UK diplomatic and defence perspective, Africa has risen on the UK agenda in recent years, albeit from a very low base. For decades Africa was generally seen as either an irrelevant basket case or development project. There is now growing recognition that in a world of renewed multipolar competition, the support of African

states is valuable to the UK. Moreover, there is an emerging generation of leadership inside the UK's Foreign and Commonwealth Office (FCO) that has significant Africa experience.

Just as there was once a probably overblown perception that 'Arabists' dominated decision-making and thought in the FCO, there is now an 'Africanist' contingent. This by

definition brings a greater awareness of the opportunities and threats that this complex and diverging continent represents for the UK. Africa controls almost a third of UN General Assembly votes, and soon it will provide 40% of the world's population.

UK security and defence policy similarly reflects a growing appreciation of

the expanding traditional and nontraditional threats to the UK rooted in one part of Africa or another, whether in relation to migration, climate change, public health, terrorism, or transnational crime. This is demonstrated in UK government policy. The 2015 Strategic Defence and Security Review and the 2018 National Security Capability Review both highlighted those threats, along with some opportunities offered by African states.

Post-Brexit, barring a widespread economic or political crisis in the UK or large parts of Africa, this trend of a steady moderation in UK foreign and defence perspectives is likely to continue. There will be an ongoing differentiation of policy towards those countries and regions moving towards or through middle income status, in contrast to regions or countries deemed as 'failing', or simply poor.

Within this, three linked factors are likely to drive the nature of UK diplomacy in Africa: the UK's wider international position and direction, its capacity and appetite in Africa, and the alternative soft power relationships emerging for African states.

#### The UK's wider international position

The UK's wider international position sits at the very heart of the challenges currently facing the country. While much is beyond the scope of this article, underneath the rather sclerotic top level politics in the UK, a fundamental shift is under way in wider government, both generationally and in worldview, that may tend towards a deeper engagement with African issues. This is due in part to a period of 20 years or so when new and less reductive perspectives on Africa issues were making their way into

mainstream policy debate in the UK. But it is also a function of a growing awareness of the fundamental cultural, demographic, technological, and other shifts under way globally, and an appetite for the UK post-Brexit to be more proactive in optimising these shifts for the benefit of the UK. In some respects, foreign and defence bureaucrats and younger politicians seem more aware of these shifts than the mainstream media or thought leaders.

In the UK, a fundamental shift is under way in wider government, both generationally and in worldview, that may tend towards a deeper engagement with African issues.

Yet it is the current political impasse which is ironically creating space for more imaginative and focused longer term thinking. Whether it will emerge in policy post-Brexit is unclear and dependent on many factors, but if there is significant generational leadership change it will likely favour a strong foreign and defence focus on those parts of Africa, such as the Sahel, which pose the greatest challenges, as well as on regions, such as East Africa, that are at the heart of renewed multilateral competition.

#### Capacity and appetite in Africa

Despite recent Brexit-related increases in funding, including the reopening of small UK diplomatic posts in Lesotho and Swaziland, the UK Foreign Office has suffered long-term decline, not just in network size, but also in language

skills and its London-based analytical, administrative, and policy functions. In recent years, its Africa footprint and staffing has moderately improved in relation to other regional networks, but it remains stretched to cover its largest geographic region in a substantive way.

Smaller posts, in particular, are highly dependent on the quality of the diplomats running them, which brings inevitable variability in performance. The trend towards appointing younger diplomats to ambassadorial positions has particular challenges in African states where age and authority are closely intertwined.

Defence is similarly resourcechallenged in the UK, with the experience of Iraq and Afghanistan still hanging heavily over considerations of potential expeditionary deployments of the type probably required were the UK to wish to project power unilaterally in most of Africa. On the flip side, there is growing awareness of the value of defence engagement, as set out in the UK's 2017 Defence Engagement Strategy. This has led to the increased deployment of small numbers of military personnel to support regional and local peace, security, and stabilisation efforts.

This culminated in the UK's contribution of significant numbers of military personnel in support of UN peacekeeping in Somalia and Sudan, a decision that reversed decades of UK avoidance of direct contributions of forces to UN missions. Again, resources allowing such actions will likely be expanded post-Brexit. However in relation to both diplomacy and defence, the loss of the multilateral burden-sharing opportunities offered by EU membership will place far greater onus on the UK to commit

its own resources to compensate. At present it is far from clear whether there is the appetite to do so. The alternative is accelerating diminution of UK influence post-Brexit, when influence will be greatly required.

# Soft power relationships with African states

The third driver is the likely alternatives for Africa and the soft power that often mediates these. Alternatives are expanding as rival and emerging powers court African states, which themselves have ever fewer emotional reasons for aligning with the UK on any particular issue. The UK's recent loss of key votes at the UN, among others, on the contested Chagos Islands, and the loss of its seat on the UN International Court of Justice – for the first time in over 70 years – were real wake-up calls for a country that had assumed it commanded more support internationally. African states played key roles in deciding both these matters.

Post-Brexit the challenge will grow, as EU member states deepen and advance their own collective interests, sometimes at odds with the UK position. Much of the groundwork for diplomatic engagement in Africa, as elsewhere, is provided by that steady drumbeat of social, cultural, and sporting interactions emanating from a range of formal and informal networks.

Perhaps most important of these are links of family and personal familiarity. Historically the UK has benefitted significantly in large parts of Africa, particularly Commonwealth countries, from providing educational, business, and leisure opportunities for future decision-makers to spend time in the UK. At 58, more world leaders have studied in the UK than in any

other country, a significant number of them from Africa.

The opportunity and encouragement to visit the UK for business has built deep relationships and familiarity that are the basis for common perspectives on global issues. UK institutions – from the BBC World Service to the British Council, Premier League, Formula One, and British fashion and music – have played an outsized role in securing a sympathetic hearing for UK diplomats and positions.

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Yet the continuing power of all these sources of influence is now somewhat in the balance for a number of reasons. The signals being sent internationally on whether the UK is still a welcoming destination for study, business, or leisure are mixed at best. The long-term impact of this is unclear. The nature and quality of support for business and cultural institutions to continue, let alone expand their international ambitions depends upon a delicate balance of leadership, support, and encouragement, which appears at present insufficient or absent as the UK government grapples with Brexit.

#### Challenge of leadership

This leadership challenge sits at the heart of all three of the factors

outlined above and applies to issues of foreign and domestic policy far wider than Africa. But it has a special resonance in relation to UK policy towards such a complex and fast changing continent which is likely to pose so many challenges as well as bring opportunities for the UK and the wider international system in the coming decades. As noted above, there are specific reasons for believing that a renewal in UK strategic thinking is under way, if largely hidden from view, and that individuals with an understanding of Africa are active in such discussions.

African issues certainly won't drop off the agenda, whatever changes are under way in the UK. But whether a real revitalisation of UK engagement with African states is possible or even likely is unclear at present. Much depends on how economic and democratic issues in the UK play out after 2020. In an era of unprecedented and growing volatility, in the UK and the world, some deep and profound uncertainties remain that will be vital in determining the impact of UK policies towards Africa.

#### About the author

Tom Cargill is executive director of the British Foreign Policy Group, a new notfor-profit organisation committed to improving the quality of national debate

on the UK's international position and choices.
Twitter: @ tom1cargill





Brexit will have unpredictable consequences. The short term may bring little change for developing countries in general and Africa in particular. But in the long term, serious economic and relational changes could weaken them, the UK, and the EU.

#### **By Nicholas Westcott**

#### **Consequences of Brexit**

Brexit, in itself an unpredicted event, will have many unpredictable consequences, for the UK, for the EU, and for the rest of the world. While all countries will be impacted in some way, for those closely linked to the UK and EU through trade or dependent on them for development support, the impact could be greater than anticipated.

In the immediate term, there will in principle be no major financial changes. Both the UK and the EU will continue to devote as much through their development budgets as before. They will just do it separately, though that disengagement will take time. The UK has already hinted at a willingness to continue working through EU institutions, at least on a selective basis (cf. the article by Iliana Olivié and Aitor Pérez in this volume). This would make sense. The UK's own

Department for International Development (DFID) rates EU programmes as pretty good value for money. The UK already spends large amounts through other multilateral organisations, such as the World Bank and UN, and managing the £1 billion a year (of the UK's £13.4 billion aid budget) currently spent through the EU would require significant extra staff in DFID. Moreover, the five principles of UK development policy outlined by UK politician Penny Mordaunt in a 12 April speech align closely with the EU's overall aid strategy, which the UK played an important part in shaping. Whatever the terms of separation, this alignment is likely to continue. See also the choice matrix in this issue on page 16.

The transition period until 2020 will allow a little more time to adjust, during which trade flows should continue unimpeded.

Britain will stick to its 0.7% pledge, though the slower

economic growth resulting from Brexit will make it worth less. The Overseas Development Institute (ODI) estimated that the 10% fall in the value of sterling immediately after the Brexit vote wiped \$1.9 billion off the dollar value of the UK's annual overseas aid (ODI, 2017).

For Africa and other developing countries, Brexit is a golden opportunity to secure better access, greater protection, and more aid from Britain.

Over the next 2-3 years there will, nevertheless, be a significant change in relations between the UK and the developing world. This relationship has already been through big changes in the last 70 years, from Empire to Commonwealth and ACP. Some Brexiteers believe the UK will "rediscover" the Commonwealth and build a new deeper relationship with those countries. The Commonwealth Summit meeting this April agreed on a number of specific initiatives on plastic, girls' education, and malaria. But the communiqué did not suggest a transformative change in the relationship. There will nevertheless be a clear shift in the power balance between the UK and the emerging economies of Africa, Asia, the Caribbean, and the Pacific.

In the longer term, the global repercussions of Brexit will likely have significant impact on poorer countries' position in the world, as the post-war structure of multilateral institutions itself comes under strain and begins to fray.

#### Cutting a quick deal?

The UK has pledged that it will maintain quota-free, duty-free access for all least developed countries (LDCs) to the UK market under the World Trade Organization Everything but Arms (EBA) agreement. Moreover, the UK International Trade Secretary is pressing for free trade deals with emerging economies that are better than existing EU ones. But with current trade relations governed largely by EU agreements, which will continue to apply during the transition (the economic partnership agreements, EPAs), the nature of such post-Brexit deals will depend heavily on the trade deal eventually cut with the EU itself. It seems unlikely that developing countries will offer the UK greater access to their markets than the EU, except in areas where they fear no competition from Britain. On the contrary, many will be

looking for greater protection for their domestic markets than they have under the EU Economic Partnership Agreements (EPAs).

Many feel that in the Brexit context the UK is the demandeur, and they have the negotiating advantage. For Africa and other developing countries, Brexit is a golden opportunity to secure better access, greater protection, and more aid from Britain than they had while it was in the EU. For the UK, it is a chance to partner with the potential African Continental Free Trade Area (CFTA), approved by 44 African governments at the special African Union meeting in Kigali in March 2018, thereby opening a wider market to its exporters.

But there are challenges. Will the UK be willing to offer looser rules of origin, for example, on textiles, for developing country imports, and greater protection against UK exports, such as services, than the EU currently does, even if it puts British business at a disadvantage? It will be a tough sell. And easier imports, which would be a low cost way for the UK to favour its trade with developing countries, could come at a high cost in UK trade relations with the EU. Also, how fast will Africa be able to deliver on its CFTA vision, especially with Nigeria, South Africa, and Tanzania hesitating to join? So trade deals may take time to work through, unless the UK simply replicates EU terms by rolling over the EPAs. In that case, expect few quick wins for either side.

One of the paradoxes for developing countries is that Brexit makes relations with the UK both more and less important.

#### Working together

The UK already has strong bilateral relations with many developing countries, above all, those in the Commonwealth. It will undoubtedly seek to strengthen these, as far as its resources allow. But many of these ties are not without historical complexity and occasional tension, something from which the EU is mercifully free. UK relations with India, Kenya, Nigeria, and South Africa have all had their ups and downs.

One of the paradoxes for developing countries is that Brexit makes relations with the UK both more and less important. More important because as a separate entity they can no longer treat it collectively with EU partners, leaning

on it separately when they wish. Less important because influencing the UK will no longer directly impact the EU's position, and the UK will find it harder to defend its partners in their negotiations with the EU – for example, in negotiating the post-Cotonou arrangements, which will still matter more to most developing countries than their bilateral economic relations with the UK.

It is important to recognise that money alone does not buy influence. For the UK, being a development superpower does not automatically bring political influence. That requires engagement. Across Africa, in Commonwealth and non-Commonwealth countries alike, Britain will have to step up its diplomatic efforts and ministerial engagement if it is to maintain its influence, as recent votes in the UN on Diego Garcia, the World Health Organization, and International Court of Justice have shown.

'Global Britain' is a great slogan, but meaningless if it implies opposition to people coming to live and work in the UK.

The recent scandal about the immigration treatment of the 'Windrush generation' illustrates how easily British influence can be lost through implementation of the very policies that powered the Brexit vote. 'Global Britain' is a great slogan, but meaningless if it is accompanied by policies that discourage people from coming to live and work in the UK.

#### The world doesn't stand still

In the long term, 10-20 years hence, historians may see the greatest impact of Brexit as its unintended consequences. Foremost of these is the weakening of the multilateral system of which the EU is an integral and leading part.

The multilateral system hinges on countries' willingness to collaborate and compromise rather than confront and risk conflict. The EU demonstrates that this has benefits in terms of economics and security. It is therefore an example that many, from the African Union to the Association of Southeast Asian Nations (ASEAN) have sought to emulate. The fact that so many UK citizens were no longer willing to make the political compromises necessary to stay within the EU but preferred to confront it – on immigration and the rule of law in particular – sends a worrying signal at a time when the

multilateral system itself is under threat from those who believe they are big enough to get what they want bilaterally. The lesson of the crises in Ukraine, Syria, and the South China Sea is that, for those powers, if you are a client state you will get full support whatever you do; if you are not, you risk conflict.

Small and developing countries have been the prime beneficiaries of the multilateral system. They grumble, with some justice, that it is skewed in the interests of the great powers and the West, which created it. Africa, in particular has struggled to secure adequate representation in global fora.

But the system has provided them guarantees and protections against the kind of clientelist global politics and protectionist/ mercantilist economic policies that characterised the interwar period and the Cold War and that some powers now want to reimpose. The last 30 years have seen great strides in ensuring development aid is not tied to political compliance or diplomatic support for another country. The multilateral agencies guarantee access to markets and finance on a non-discriminatory basis, which is essential if Africa and others are to accelerate development. It is therefore critical for most developing countries to preserve and strengthen this system, not let it decay.

Insofar as Brexit weakens the EU and weakens the multilateral system, Britain and developing countries will need to work together and harder, with the EU, to sustain the integrity and increase the effectiveness of the system for the benefit of all.

#### About the author

Nicholas Westcott is director of the Royal African Society and formerly managing director at the European External Action Service (EEAS). Twitter: @NickWestcottRAS





While it is important to understand how the EU and the UK move forward in the aftermath of the Brexit referendum, it is equally important for African stakeholders to understand whether the uncertainty created poses an opportunity or a threat to their interests.

#### By Philani Mthembu

#### From euphoria to uncertainty

If there was a level of euphoria for the Brexit campaigners following the referendum to exit the EU, it did not take long for the reality of the British people's decision and its consequences to sink in. The referendum's outcome ushered in an uncertain period for the UK and its partners. With the EU pushing a hard bargain, and the British bureaucracy seemingly stretched to negotiate with the EU and key partners, it became clear that the road ahead would not be an easy one. Inasmuch as UK politicians have talked up British prospects after the exit from the EU, the reality is that the UK is not negotiating from a position of strength at home and abroad, but from a position of weakness, as the geopolitical landscape continues to change.

Internal conflicts within the UK remain an obstacle for the key players in British politics. Members of Theresa May's Conservative Party and Jeremy Corbyn's Labour Party continue to disagree on the very contours of the Brexit negotiations and post-Brexit order (see, e.g., Bienkov, 2018). As illustrated in the slide by Michel Barnier

(reproduced in this volume), the disagreements have revolved around whether the UK should adopt the 'Norway model' and be part of the European Economic Area (EEA), whether it should seek to become part of a customs partnership, the date for finalising negotiations, and whether they should even leave the EU in the first place, among other things (on the EEA, see BBC, 2018).

#### Looking from the outside: A view from Africa

From the African standpoint, this creates perceptions of a country unsure of itself and its future direction. Indeed, the picture from Africa is of a country struggling to face up to the consequences of the Brexit referendum. Countless parliamentary sessions and analyses from the business community and think tanks have as yet been unable to capture the ramifications of Brexit for Africa's ongoing relations with the UK and the EU. South Africa is one of the UK's largest trading partners in Africa, with bilateral trade reaching almost £10 billion (R173 billion) in 2017. There has therefore been much interest within South Africa in the unfolding developments. At the time of writing, the second phase of the Brexit negotiations

is ongoing. This second phase of the negotiations deals with the future of EU-UK relations, which inevitably will impact the position of both the EU and the UK in the world. While it is important to understand how the EU and the UK move forward, it is equally important for African stakeholders to discern whether the uncertainty created poses an opportunity or a threat.

#### Can the UK deliver on its assurances?

The UK has sought to assure African partners that Brexit offers more opportunities, particularly for expanding existing trade and development partnerships. However, whether this promise materialises remains to be seen, as the UK continues to be preoccupied with its most important task: accomplishing its exit from the EU. This will continue to consume much of its energy, forcing the British bureaucracy to prioritise its trade and development partners. The least developed countries (LDCs) have received assurances of continued duty free access to the British market, and there is hope that the UK will adopt looser rules of origin than those of the EU.

Mark Price, UK Minister of State for Trade, stated during a 2017 visit in southern Africa that the UK's withdrawal from the EU would not mean a withdrawal from the world, but an increased openness and opportunities for partner countries (see Price, 2017). He also reiterated the UK's commitment not to disrupt the trade relationship under the EU-Southern African Development Community (SADC) Economic Partnership Agreement (EPA) as the UK leaves the EU. He met with trade ministers and representatives from Botswana, Lesotho, Mozambique, Namibia, South Africa, and Swaziland. Other meetings have also been taking place with key trade and development partners across the continent.

Following the referendum, Tanzania chose to not ratify the regional EPA, seeking instead to wait things out and possibly get a better deal with the UK (Gopaldas, 2018a). However, the priority of the UK will continue to be the EU, where there are at least 759 treaties to be renegotiated, an effort that will consume much of the efforts of the UK bureaucracy (Gopaldas, 2018b). This will challenge the British bureaucracy's capability to deliver on its multiple assurances to trade partners.

#### An opportunity for Africa's leading economies?

Writing in the lead up to the Commonwealth Summit of Heads of State, Mabutho Shangase (April 2018) argues that Africa is currently better poised than ever before to strike favourable deals with the UK. He also argues that Britain needs Africa and the Commonwealth nations, as they are a significant market with an estimated population of 2.4 billion people. He posits that the Commonwealth nations stand to benefit more from their trade relations with the superior EU market than with the stand-alone British market. Indeed in 2016, the EU provided Africa with €21 billion in development cooperation and €32 billion in private investment, and much of Africa's pan-African institutions continue to be funded by the EU (Maré, 2018). Given this reality, Africa's

leading economies will seek to extract greater benefits from a weaker UK eager to show its partners that it is open for business.

When one couples this with the many African suitors that already exist, it becomes clear that the UK will be playing catch-up. While relations remain strong with African countries, many of which were once colonies, it remains to be seen how the UK on its own can compete with diverse actors such as China, India, the EU, Turkey, the United States, South Korea, and Japan. All of these actors have their own regular summits with their African counterparts to discuss trade, development, and security matters affecting the continent and its partners and have grown their footprint on the continent in recent years. The UK is thus engaging with Africa at a time when many more options are available to the continent. This should bode well for some of Africa's leading economies, which often have a greater ability to negotiate trade deals in their favour. Indeed, the EU will be out to prove that it is still the most lucrative market, while the UK will be out to make a case for itself in the post-Brexit order.

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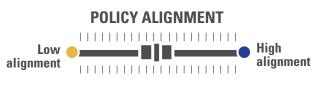
#### About the author

Philani Mthembu is executive director at the Institute for Global Dialogue (IGD), an independent South Africa-based foreign policy think tank dedicated to the analysis of, and dialogue on, the evolving international political and economic environment and the role of Africa and South Africa. IGD is associated with the University of South Africa. Twitter: @M Philani





# CHOICE MATRIX: FUTURE EU-UK COLLABORATION ON INTERNATIONAL COOPERATION



EU/UK policies can be more or less aligned at any given geographic level/in any given area

Unlikely

Very likely

Likely





Methods of collaboration can be more or less structured at any given geographic level/in any given area

	A. GLOBAL E.g. UN/OECD	B. CAPITAL TO CAPITAL  E.g. London to Paris/London to Brussels	C. REGIONS E.g. Africa/Horn of Africa	D. IN-COUNTRY LEVEL  E.g. Tanzania/ Cambodia
1. Forms of decision-making/Fora	The UK will shift its attention to bolster its engagement in global decision-making fora.	The UK will partially shift its attention to bilateral cooperation schemes including with EU countries. Proliferation of bilateral summits, e.g. the FR-UK summit in January 2018.  EU-UK Special Framework for collaboration.	UK participation in signing onto policy frameworks as an associate member (e.g. EU-Africa or post-Cotonou?).  The UK as an observer to EU coordination meetings; e.g. EU coordination before the African Union Partners' Group (AUPG).	Collaboration between UK and EU Heads of Mission (HoM)/Heads of Cooperation (HoC).
	<ul><li>Very unlikely</li><li>Unlikely</li><li>Likely</li><li>Very likely</li></ul>	<ul><li>Very unlikely</li><li>Unlikely</li><li>Likely</li><li>Very likely</li></ul>	<ul><li>Very unlikely</li><li>Unlikely</li><li>Likely</li><li>Very likely</li></ul>	<ul><li>Very unlikely</li><li>Unlikely</li><li>Likely</li><li>Very likely</li></ul>
2. Programmes and policy initiatives	UK & EU continue to share policies: SDGs, Paris Climate Change Agenda, Consensus for Development.	The UK will shift its attention to bilateral policy initiatives, also at the operational level.	Joint programmes & policy initiatives in relation to (other) regions.	Joint programmes & policy initiatives in specific countries, e.g. collaboration between HoM/HoC.
	Very unlikely	• Very unlikely	• Very unlikely	• Very unlikely

Unlikely

Very likely

Likely

Unlikely

Very likely

Likely

Unlikely

Very likely

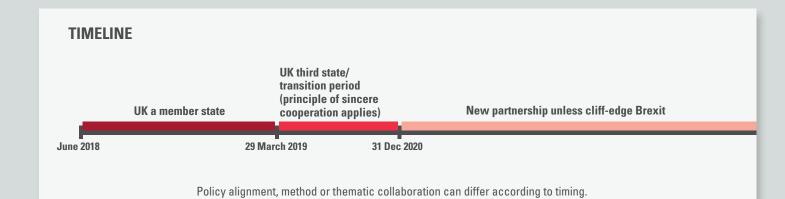
Likely

	A. GLOBAL	B. Capital to Capital	C. REGIONS	D. In-country Level
3. Personnel and skills	Consultation or exchange between development and humanitarian policy experts.	Consultation or exchange between HQ development and humanitarian policy experts.	Consultation or exchange development and humanitarian policy experts.	Consultation or exchange between in country development and humanitarian policy experts.
ŤŤŤ	<ul><li>Very unlikely</li><li>Unlikely</li><li>Likely</li><li>Very likely</li></ul>	<ul><li>Very unlikely</li><li>Unlikely</li><li>Likely</li><li>Very likely</li></ul>	<ul><li>Very unlikely</li><li>Unlikely</li><li>Likely</li><li>Very likely</li></ul>	<ul><li>Very unlikely</li><li>Unlikely</li><li>Likely</li><li>Very likely</li></ul>
4. Money flows	Joint support for UN/World Bank/ Global initiatives/ programmes.	Joint financing through off EU budget funds, or on budget op-in mechanism.	Joint financing for specific regional intiatives (including EU trust funds).	In country joint flagship programmes.
€ £	<ul><li>Very unlikely</li><li>Unlikely</li><li>Likely</li><li>Very likely</li></ul>	<ul><li>Very unlikely</li><li>Unlikely</li><li>Likely</li><li>Very likely</li></ul>	<ul><li>Very unlikely</li><li>Unlikely</li><li>Likely</li><li>Very likely</li></ul>	<ul><li>Very unlikely</li><li>Unlikely</li><li>Likely</li><li>Very likely</li></ul>

#### **Thematic collaboration**

Thematic issues e.g. migration, humanitarian aid, defence, peace and stability could appear at every level within the matrix.

Thematic collaboration can occur at any given geographic level/in any given area.





There are real benefits to continued EU-UK cooperation on development policy after Brexit, but the window of opportunity to close a deal is tight and closing fast. With the clock ticking towards the Brexit date of 29 March 2019, many questions remain about how Brexit may affect EU development policy.

#### By Linda McAvan

Brexit poses risks for both sides. The UK risks a loss of influence and reduced reach of its soft power, while the EU stands to lose not only one of its largest donors, but also a strong voice in the Council of Ministers and globally for development policy. This is happening against a shifting policy background, as the EU institutions begin negotiations on the next EU budget – the multiannual financial framework (MFF) for 2021 onwards. A lot is therefore at stake in the next 12 months.

# UK will meet spending commitments, but details are short on new relationship

The Brexit negotiations are being conducted in two phases: the divorce settlement (budget, citizens' rights, Northern Ireland), on the one hand, and the transitional arrangements as well as the future relationship, on the other. In terms of phase 1, sufficient progress was made. For the current MFF, the UK is contributing around €7.1 billion to the EU's development budget, covering the

Development Cooperation Instrument (DCI), the European Development Fund (EDF), and the Humanitarian Aid Instrument (HAI). Under the terms of the transition deal announced on 19 March, the UK agreed to honour its commitments to the EU budget and the EDF. This is important, because it means no budget hole and no difficult discussions to plug the gap. In terms of phase 2, the future relationship, we have few details: at the time of writing, the remaining issues under the draft

withdrawal agreement and the future relation are being discussed. Speaking in February in Munich, UK Prime Minister Theresa May said, 'if a UK contribution to EU development programmes and instruments can best deliver our mutual interests, we should be open to that'.

In many ways, 2018 is a perfect window to define a new EU-UK relationship on development policy because the EU itself is taking a fresh look at its whole funding framework and programmes. Indeed, the current MFF expires on 31 December 2020 – the same day as the UK transitional deal ends. The European Commission's proposals for the next MFF funding round (2021-2027), and the new spending programmes to replace the DCI and the EDF from 2021 onwards, will dominate the EU institutional agenda in this last year of the current European Parliament and Commission. At the same time, negotiations are under way on a replacement for the Cotonou Agreement with the Africa, Caribbean and Pacific (ACP) countries, which expires in 2020.

#### Clarity needed on the UK's position

The UK government could use the time it has left as a full player at the EU negotiating table to influence these discussions. There have been no formal proposals from the UK so far, only two non-papers shared with the EU 27 and suggestions that the UK could contribute to specific EU development instruments post-Brexit. These could be ad hoc trust funds, the Africa Peace Facility (or its replacement), a new EDF separate from the EU budget, or investment funds like the new European Fund for Sustainable Development (EFSD). However, there are obstacles to realising this model. In exchange for financial support, the UK will doubtless want some say in how funds are spent. The EU 27 are cautious about anything that smacks of cherry picking, so they may be reticent about any special role for the UK, which by then will be a third

country. Instruments that are open to third-country contributions, like the trust funds, are strongly contested by the European Parliament, which may want them scrapped under the next MFF, over which it has veto power. On the EDF, the Commission's preferred option is 'budgetisation', a longstanding demand of the European Parliament, though contested by some governments. Even if the EDF remains a separate pot of bilateral money outside the budget, its rules would have to change to allow third countries to contribute. A parallel arrangement would also need to be found to allow the UK to remain party to the Cotonou agreement successor – more special rules that some may baulk at.

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The other problem is the UK's lack of clarity about what it is prepared to put on the table. Its approach seems to be to wait and see the new post-2020 EU development architecture and potentially opt in at a later stage. The EU 27 are unlikely to shape their new instruments to accommodate the UK by keeping the EDF off-budget, allowing third-country contributions and voting rights, or creating new off-budget instruments, unless they have more than warm words that the UK might participate.

# The EU would benefit from continued cooperation

The EU 27 does have an interest in keeping the UK on board post-2020. The UK is well respected in international development, and there is a lot of goodwill among parliamentarians, ministers, and ambassadors from the EU 27 to stay close after Brexit. The UK was a major driver of the EU pledge to achieve the UN 0.7% aid target by 2015, and while the EU collectively has failed to meet it, the UK is one of only five EU countries to deliver – and the only one to have enshrined it in law. The EU is currently the world's largest donor of bilateral aid, but its numbers include bilateral aid from its member states alongside the EU's own contributions. Losing the UK will put a hole in these statistics unless other member states step up.

The UK's Department for International Development (DFID) has been one of the strongest supporters of the Commission Development (DEVCO) and Humanitarian Aid (ECHO) directorates' policy agendas. It has pushed the gender dimension of development (see Gill Allwood's contribution in this issue), untying aid (though recent UK policy is reversing this), improving aid effectiveness, and maintaining a strong focus on poverty reduction and fragile states. That support became more important in the "lean years" after the 2008 crash.

UK influence goes beyond government. The Commission has drawn heavily on the expertise of UK think tanks and NGOs on policy development and aid delivery. Post-Brexit, UK-based development organisations will no longer be eligible for EU funds or formally consulted on EU policy. There may be ways around this. Some may establish a base in Brussels or in another member state, while others may struggle to persuade their UK constituency of the need to lobby Brussels and network with partners.

... the UK arguably has most to lose from failure to deliver on the 'deep and special partnership'.

#### The UK has most to lose

But the UK arguably has most to lose from failure to deliver on the deep and special partnership Theresa May often talks about. In the run up to the referendum, a UK government study stated, '[T]he EU's geographical focus for its aid is broadly aligned with that of the UK... and the EU's wider geographical coverage means that the UK can channel aid through it to reach countries the UK could not reach alone.' That reach is key in fragile states, where the UK is committed to spending half of its aid and where the EU has a broader range of instruments and offers a more integrated approach to tackling problems. Joint programming and practical cooperation on the ground through EU delegations and enhance UK soft power could be lost. It is worth remembering that given the law requiring the UK to spend 0.7% of its gross national income on aid, there is no "savings" to the UK treasury from not working through the EU. DFID has rated the EU more efficient than many other multilaterals, including UN agencies. If aid must be spent somewhere, why not through a tried and trusted partner?

#### Trade: Existing agreements may not simply be rolled over

There has been a lack of debate about the effect of Brexit on our development partners. One emerging issue is trade. Developing countries are keen to know whether they will be able to trade with the UK on the same terms after Brexit. Currently least developed countries enjoy tariff-free access to the UK market through the Everything But Arms (EBA) agreement. Other developing countries enjoy a high level of access to the EU and UK markets from various trade agreements and support mechanisms like Aid for Trade.

The UK government says it wants to continue tariff-free access and will try to roll over trade agreements, but this is no mean feat. A UK trade bill is currently stranded in Westminster because of domestic problems, and it is uncertain if all countries will be willing to roll over the trade terms they enjoy with the EU to the UK alone.

**DFID** has rated the EU more efficient than many other multilaterals, including UN agencies. If aid must be spent somewhere, why not through a tried and trusted partner?

#### Window of opportunity closing fast

In less than a year, UK ministers will no longer be at the Council table. DFID officials will no longer be members of EU working groups, and British European Parliamentarians will be gone. Influence will inevitably diminish. At the same time, there is a risk that the difficult MFF and Brexit negotiations will eclipse the positive role the UK could play as a partner in EU development policy. The window of opportunity to resolve these issues is tight and closing fast.

We need progress.

#### About the author

Linda McAvan is a member of the European Parliament and chair of the European Parliament Committee on Development.

She writes in a personal capacity. Twitter: @LindaMcAvanMEP





If they coordinate, the EU and UK could do more to benefit poor people in developing countries after the UK's withdrawal from the EU, even if they opt to operate their development programmes and policies separately. However, given path-dependencies and current pressures, the best post-Brexit outcome would arise from a form of collaboration where domestic objectives are moderated by acting multilaterally.

#### **By Tamsyn Barton**

The European Union is unique. It has gone farther than any other international institution in pooling decision-making policy and resources. It represents the aspiration to match structure to the increasingly global nature of the challenges facing its members and the wider world. The preambles to its Treaties set out the ambitious aim to be a global force for good, in recent years with a focus on poverty reduction and sustainable development. EU influence will be multiplied with the UK aligned – whether inside

or outside the tent – on common development cooperation objectives. The EU has yet, however, to realise its full potential in effecting positive change in developing countries, arguably because member state domestic objectives tend to compromise these aims. This has meant that while EU external policies have led to some positive humanitarian and development outcomes, they have also often been pursued in the context of unfair terms of engagement that have disadvantaged developing countries.

After Brexit, the UK is expected to be free to develop its own trade policy, and to have less incentive to cooperate with the EU in external affairs. Yet, the UK has declared the wish to have a deep and special relationship with the EU. On 24 May, the UK issued a non-paper reiterating its desire for 'strategic co-operation' based on the belief that 'our collective impact in addressing specific development challenges is greatest when we work together'. If close collaboration doesn't happen, I argue, it will create a negative impact on poor people in developing countries, in particular the poorer countries, and those affected by conflicts and natural disasters.

Trade arguably offers the biggest potential for reducing poverty, and it is hard to see how there can be meaningful cooperation in trade policy post Brexit.

#### Let's look at this at the multilateral level

First, let's consider the UK's contribution to EU priorities in external action at the multilateral level, where the EU including the UK has been one of the key international actors, whether in the context of the World Trade Organization, climate change negotiations, the UN, or other groupings.

Trade arguably offers the biggest potential for reducing poverty, and it is hard to see how there can be meaningful cooperation in trade policy post Brexit. Therefore, the UK's liberal stance, which has limited agricultural protectionism harmful to developing countries, will no longer impact EU trade policy. The immediate risk here is disruption of established trade patterns, in particular, for poorer countries with fewer options. UK civil society organisations (CSOs), which were the first CSOs to focus on trade's potential for poverty reduction, will also find it harder to gain traction on EU trade policy.

Indeed it is possible, though there are few signs of it so far, that UK trade policy could favour developing countries more than the EU does, for instance, copying the African Growth and Opportunity Act. But UK trade policy is bound to be less important than EU trade policy. In any case, if trade is to reduce poverty it will matter whether the linkages between aid for trade

and adjustment to liberalisation continue; and the UK has been a key player in attempting to ease adjustment with aid for trade (see Kennes, 2018). The impacts of the UK withdrawal on EU migration policy are less clear. Brexit may just accelerate existing trends on this, as in other areas (Bond, 2017). Less coordination on taxation is likely to reduce opportunities for increasing revenues from foreign investment in developing countries.

There would be definite downsides to reduced cooperation on environment and climate change – even if fears of diminishing UK environmental standards prove unfounded. Ill-coordinated initiatives would be less likely to achieve the same systemic impact, and developing countries still face disproportionate impacts of climate change and waste mismanagement, for example. If a UK government came in that was inclined to end co-operation under international agreements, such as on emissions reductions or food aid, it would certainly hit poor people in developing countries.

#### What about aid?

In relation to overall amounts of aid, the EU is the largest donor, including all member state contributions and the European Commission. The UK is one of only five member states to have met the UN aid spending target of 0.7% of gross national income. Brexit is bound to reduce the European Commission's credibility in pressing its member states to raise their ODA commitments to the 0.7% notch, which itself will have global impacts given European leadership on this.

As for the quantity of European Commission aid specifically, despite the ambitious proposals on the table for the next EU budget, Brexit seems likely to reduce the amount for 'external action' of the EU budget (the EDF successor may be a separate risk). How much it will drop depends on the interest in continuing collaboration and how the portion of the 'Brexit bill' classified as official development assistance is used in the negotiations.

The likelihood is that any 'repatriated' funds would not be spent as effectively by the UK. They would be less likely to be spent in joint programming and in complementarity with others, and might be spent by departments other than the Department for International Development (DFID). These other ministries have a less good record in contributions to poverty reduction on average, according to reviews done so far by the UK's own Independent Commission on Aid Impact (icai.independent.gov.uk).

The quality of EU aid, as judged by aid effectiveness principles, might also change. With the UK out of the EU the focus on the poorest countries rather than richer neighbours might be reduced. The UK was also one of the few member states focused on using

European Investment Bank (EIB) resources for poverty reduction and development outside the EU, as opposed to for domestic priorities. It would be a shame to see CSO voices reduced as the EIB scales up its investment in developing and emerging economies. Moreover, the UK and its experts seconded to the Commission have made important contributions in various areas of policy, such as aid effectiveness, gender, and specific issues like cash transfers in emergencies.

The UK also loses impact in reducing poverty and vulnerability if it no longer coordinates with the EU, which operates in 120 countries, far more than the UK can reach bilaterally. The EU has a broader range of levers to coordinate with UK input in regions where there is fragility like West Africa and the Sahel. The EU can also do different things in areas where Europe is perceived as more neutral than the UK (Castillejo et al., 2018).

The negative impacts of failure to coordinate are probably most evident in humanitarian emergencies. The Ebola crisis illustrated the power of coordination between the EU and UK, as well as with other actors like the United States and with the UN, where the UK is more engaged than other EU member states. The escalation in displacement of people in the decades since 1970 requires a joined-up response to ensure protection of vulnerable people. The UK has encouraged reluctant member states to uphold humanitarian principles, as well as being a major funder. The UK and EU need to continue to cooperate in upholding the Grand Bargain, which aims to increase efficiency to get more help to more people more quickly.

#### How about the role of the UK-based international NGOs?

International NGOs are key to delivery of EU aid to the poorest, to peace-building, as well as to advocacy in favour of the poorest. UK-based international NGOs represent a long history of knowledge and expertise, while having strong grassroots support in the UK (an estimated 5 million people are 'engaged supporters'). Yet, UK-based NGOs are already no longer eligible, according to ECHO, to apply to implement humanitarian programmes, where they traditionally played a leading role (delivering 25% of the programme in 2016, Haynes and De Toma, 2017). Even where they are eligible in development programmes, financial liabilities are created by the 'Brexit clauses' in contracts. This represents, firstly, a disruption of service to poor people in developing countries, in particular in emergencies. In the medium term, it will at least produce a loss of expertise and forfeiture of a strong sector voice.

While Bond and its sister networks like Concord and VOICE are already taking steps to maintain links and work together, rather than abandoning efforts to influence the largest donor, there

is no doubt that it will be harder to maintain the engagement unless there is a clear UK involvement that legitimates the CSO voice (Godfrey, 2018).

#### **Concluding remarks**

Parallel and complementary UK and EU programmes might help reduce poverty and achieve the SDGs. However, given the history and current political and economic pressures, the best results are likely to be achieved by collaboration, where domestic objectives are moderated by acting multilaterally. Civil society networks like Bond, Concord, and VOICE will keep up their own joint work to press for coordination, which helps the poorest the most.

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#### About the author

Tamsyn Barton wrote this contribution in her former capacity as chief executive at Bond, the UK network for organisations working in international development.

Twitter: @TBartonUK





Brexit will certainly impact EU development cooperation and humanitarian assistance policies. A main question is whether these two parties will continue to collaborate in development cooperation post-Brexit. The UK is a 'development superpower' in its own right, as well as the third contributor (after Germany and France) to the EU's aid budget. As for the EU, it channels more than half of the world's ODA annually, something that constitutes a key political asset of the Union in its external relations.

#### By Iliana Olivié and Aitor Pérez

#### What does Brexit mean in terms of aid?

Two related but distinct political events make it difficult to foresee the effects of Brexit on aid. One is the conservative slant evident in British domestic politics. The other is Brexit itself. In Olivié and Pérez (2017) we proposed three potential post-2020 scenarios, depending on how the UK's aid budget and its geographical allocations evolve (Table 1).

Following Theresa May's narrative on 'a truly Global Britain', the UK seems unlikely to cut aid spending. Moreover, given the need to strengthen extra-European links, the British may opt to increase international assistance, to nurture political links with the Commonwealth and the international community. Aid cuts would take place only if Brexit plunges the island into a nationalist retrenchment.

Either in the framework of a nationalist retrenchment, or in a scenario where the country seeks new linkages, aid previously channelled via EU institutions will be moulded according to current British bilateral aid patterns. Economic infrastructure will probably be more targeted than, for instance, social sectors like health and education. However, it could be in Britain's best interest to maintain a bridge with the EU in development cooperation affairs. In that case, part of UK aid could be channelled as in the other two depicted scenarios, while the rest would retain the EU aid pattern.

World aid would only decrease, after Brexit, in the event of a nationalist retrenchment in the UK. And such decrease would be limited to 3% of total aid on average, though impacts would obviously not be evenly distributed among aid recipients (see

Table 1. Three scenarios for post-Brexit British aid

Nationalist retrenchment	Continuity and commitment	Setting up new linkages	
30% reduction in aid volume	Same aid volume	Same aid volume	
Realist pattern	European-like pattern	Realist pattern	
	(50% of aid)		
Distribution channels following	Distribution channels remain the same	Distribution channels following British	
British bilateral aid	Geographical distribution same	bilateral aid	
	Sectoral distribution same		
Geographical distribution		Geographical distribution	
	Globalist pattern (50% of aid)		
Sectoral distribution focused on	Distribution channels following British	Sectoral distribution focused on	
economic infrastructure	multilateral aid (except EU institutions)	economic infrastructure	
	Geographical distribution		
	Sectoral distribution		

Olivié and Pérez, 2017). Brexit will have a major impact on the EU as a global donor. The Union would lose 21-22% of current aid disbursements, meaning that its share of world aid could fall from 58% (according to 2015 figures) to 48% or 47%. The EU would maintain its top position and the EU institutions would still be ranked fourth in aid volume (Table 2).

Although Brexit negotiations still have a long way to go and political events could unfold in unexpected ways, almost two years have passed since May and her Brexiteer administration took power. Despite a strong campaign against aid, which appears to be a continuation of the Brexit campaign prior to the referendum, UK politicians have given no sign of abolishing the ring-fenced 0.7% commitment. Preliminary data recently released by the OECD show that the UK has even increased its aid by 2.1%. The nationalist retrenchment scenario is thus proving less likely (OECD, 2018).

Does the UK want to collaborate with the EU after Brexit? Continued collaboration with the EU on development assistance could be in the UK's best interest (see also the editors' choice matrix in this volume). First, the UK is bound by law to spend 0.7% of its national income on ODA. That commitment requires a developed administrative and political infrastructure. Reallocation of aid funds to other pre-existing mechanisms or building new ones might prove easier said than done. Secondly, the UK has maintained a moral and political leadership position in the building of European development policy. It has strongly influenced the political, geographical, and sectoral components of EU aid. As a result, EU institutions (which also cannot be reshaped overnight) are an ideal channel for pursuing British aid objectives. Thirdly, keeping connected with the EU is a way to maintain a link with areas and countries where the UK might not have the possibility or interest in a presence of its own. A fourth reason is a potential fear that British charities may lose access to EU funding after Brexit.

On the other side of the argument, some may say that Brexit means Brexit, and the UK interest is to devote the resources currently channelled via the EU to strengthening its links with partner countries and multilateral organisations. Moreover, due to the loss of value of the British pound additional resources may be required to maintain current aid projects.

From the perspective of the UK government, the pros probably outweigh the cons. It recently stated, 'The EU will remain one of the largest development actors in the world, and the UK wants to retain a close partnership with the EU in the future.' This view was expressed in a non-paper shared with member states at an EU Foreign Affairs Council on Development earlier this year. In 'The EU Beyond 2020, Future Development Instruments: A UK Perspective', the UK calls for flexibility on the part of the EU when designing the post-2020 development cooperation financial tools so that non-member states can join and play a proactive role (De Groof, 2018).

# Does the (rest of the) EU want to collaborate with the UK after Brexit?

A year ago, most of the relevant actors in EU development policy were in the process of absorbing the loss of the Union's most influential and powerful donor. By now, stakeholders within the EU have developed different positions when it comes to the benefits of cooperating with the UK post-Brexit, post-Cotonou, and post-multiannual financial framework (MFF).

Regarding the incentives for keeping the UK on board, firstly, there is the obvious financial motive. The EU will lose a 10-11% of share of world aid if the UK leaves the Union. Recovering part of that share is a natural objective for the European Commission, which will probably pressure member states to renew and strengthen their commitment to development (and to EU external relations generally, as the recent proposal for the next MFF suggests). Under these circumstances, small or reluctant

Table 2. The impact of Brexit on aid, net disbursements of 2015 ODA flows in billions of current US dollars unless stated otherwise

Donor	Pre-Brexit	Post-Brexit*		
		Nationalist retrenchment	Continuity and commitment	Setting up new linkages
UK**	16.385	30% reduction in aid volume	Same aid volume	Same aid volume
EU institutions	13.670			
Global aid	160.600	155.058	160.600	160.600
variation		-3%	0%	0%
EU framed ODA	94.787	74.153	75.197	74.153
variation		-22%	-21%	-22%

<sup>\*</sup> Our estimates for each scenario based on 2015 data and assumptions

EU donors might prefer to leave the door open to a major donor external to the EU. Secondly, and reiterating an argument of ECDPM's Andrew Sherriff, unlike some other policies, development is not a competitive affair in the traditional sense; it is preferable to have more countries and stakeholders on board (and not the contrary). It will be easier to work towards the development targets of the 2030 Agenda with big donors on the same team.

Yet, keeping the UK away from the table might be a way to achieve 'more Europe' in the development arena. The UK has exerted a strong influence in the design of European development policy, but it has not always been open to influence itself. For instance, the UK is known for its reluctance to deepen integrated activities, such as joint programming. Secondly, flexible financing instruments (which would be the way in for the UK after Brexit) mean more extra-budgetary aid, which is more closely monitored by member states. Budgetary tools (which in principle leave the UK outside the game) would leave more margin of manoeuvre for the European Commission. The Commission might therefore prefer budgetary aid tools. Thirdly, if there does turn out to be some competition in the aid arena after all, the UK leaving the EU (and burning its bridges) would be an opportunity for big member states with increasing ODA budgets, a strengthened aid narrative, and a particular interest in sub-Saharan Africa (notably Germany and France) to position themselves in different regions of Africa.

#### Conclusion

A year ago, EU policymakers seemed to leave the door open for UK participation in EU aid after Brexit. However, the UK's interest in such participation remains unclear and tied to the uncertain evolution of UK development policy and overall foreign policy. Today, it seems likely that the UK's aid volume will

remain stable, and the government appears to want to retain a close partnership with the EU in aid implementation. Several EU actors, however, now seem reluctant to collaborate or have maintained radio silence. These include big member states with increasing aid budgets, the Commission, and supporters of a deeper EU integration.

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#### About the authors

Iliana Olivié (left) is a senior analyst at the Elcano Royal Institute and lecturer at the Department of International Economics and Development from Madrid's Universidad Complutense.

Twitter: @iolivie

Aitor Pérez is a senior research fellow at the Elcano Royal Institute and consultant in development cooperation. Twitter:

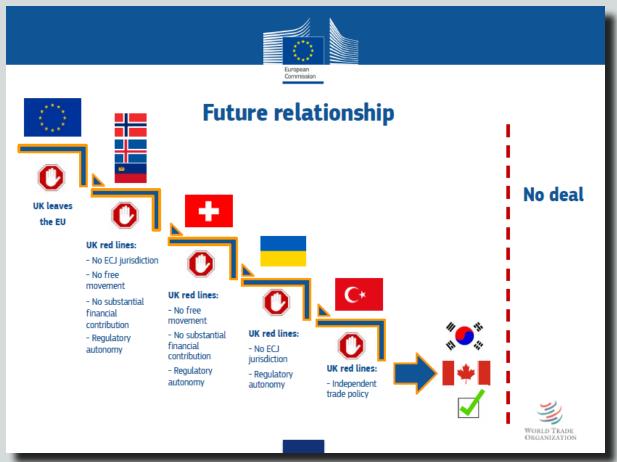
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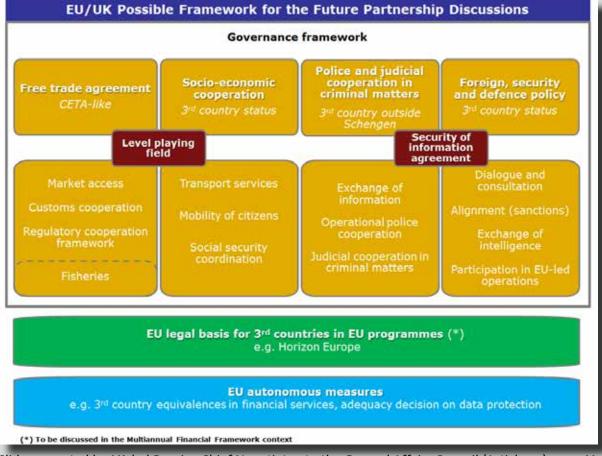


<sup>\*\*</sup> Excluding UK aid channelled through the EU institutions Source: https://stats.oecd.org (DAC1).

#### **EUROPEAN COMMISSION SLIDES RELATED TO BREXIT CHOICES**



Slide presented by Michel Barnier, European Commission Chief Negotiator, to the Heads of State and Government at the European Council (Article 50) on 15 December 2017. Source: European Commission



Slide presented by Michel Barnier, Chief Negotiator, to the General Affairs Council (Article 50) on 14 May and to the European Parliament Brexit Steering Group on 15 May 2018. Source: European Commission

## The Brexit negotiations: Who thinks what

Brexit is of course a negotiation, and while there are many stakeholders there are only two negotiating parties, the UK and the EU. To understand the political process in play, it is useful to see the official statements made by the parties on their negotiating positions and interests. Here we briefly summarise these, using phrasing taken directly from official documents related to international and development cooperation, trade, and external affairs. While the UK has broadly asserted the idea of an enhanced bespoke partnership with the EU on certain issues, the EU's position has centred on treating the UK as a 'third country'. Ways to bridge this gap will need to found, both overall and in specific policy domains. Concluding an effective, win-win deal in the Brexit negotiations is arguably the most significant task ahead. Of course this summary of official positions is not definitive, nor could it be entirely free from implicit biases. But it will give readers further context in which to consider the articles and analyses contained in this issue, with the proviso that new positions, policies, and papers will emerge during the process.

## The UK position

- On trade, the UK has presented no clear end-goal, though it has indicated it will not remain part of the single market (see Prime Minister's Office, 2017).
- 2. On foreign, security, and defence policy, the UK says it will favour a partnership with the EU on internal and external security (Prime Minister's Office, 2018). In a May 2018 technical note dealing mainly with external security, the UK proposes development of a 'future framework of UK-EU consultation and cooperation on external security'. Any such framework, it says, 'would be flexible and scalable to enable the UK and EU to cooperate more closely when it is in their mutual interests' (HM Government, 2018).

A policy paper of 12 September 2017 emphasises that the UK is 'unconditionally committed to maintaining European security' and that 'the UK wants to develop a new security partnership with the EU that builds on the breadth and depth of our shared interests and values, and one that goes beyond any existing third country arrangements'. Such a partnership—including on external migration, cyber security, defence, and security—could be realised, for example, through mutual consultations and information exchange (Department for Exiting the EU, 2017).

- 3. Regarding development, the UK has conveyed its position in several papers a presented here in reverse chronological order:
  - The 'UK Non-Paper on Development' of 24 May 2018 makes clear that the UK wishes to cooperate strategically with the EU, but will 'critically assess the rationale... depending on the situation, and whether... the EU offers the best value for money'. It proposes collaboration particularly on (i) peace and security, (ii) humanitarian aid, and (iii) migration. This, it states, 'could form the basis of a strategic partnership of development cooperation between the UK and the EU'.
  - In a May 2018 technical note, the UK proposes concrete forms of collaboration or consultation, especially regarding the areas mentioned in the 24 May non-paper. In particular, it suggests:



- (i) ad hoc meetings with the EU Foreign Affairs Council;
  - (ii) strategic dialogues;
  - (iii) UK attendance at informal meetings;
  - (iv) coordination in cases of crisis overseas;
  - (v) UK participation in external programmes;
  - (vi) contributions to external programmes, if it gets a seat at the table (HM Government, 2018).
- A UK non-paper entitled 'Future Development Instruments: A UK Perspective', released 20 February 2018, outlines three proposals in varying levels of detail: (i) The UK suggests that the EU retain options for collaboration with third countries, particularly the UK, in light of the latter's expertise and established role and reputation as a global development player. (ii) The UK suggests that it could contribute financially to specific programmes or projects, through 'externally assigned revenues'. (iii) The UK insists on having a seat at the table, or a say in the matter, when it makes monetary contributions to specific programmes or projects.
- 4. General positions, including the profiling of the UK as 'Global Britain' that can engage with a strong EU with which it continues to share values, were expressed in the Lancaster House Speech of 17 January 2017 (Prime Minister's Office, 2017).

## What has been agreed

Common positions have been reached on a number of topics, with the caveat that no agreement on anything can be considered final until there is agreement on everything. In the draft withdrawal agreement (TF50, 2018a), particularly the parts in green indicate where agreement has been reached in principle. Points of agreement include the following:

- The transition period ends when the current multiannual financial framework (MFF) ends, on 31 Dec. 2020 (art. 121).
- The UK will remain party to the European Development Fund (EDF) until closure of the 11th EDF. In the meantime, it may participate as observer, without voting rights, in the EDF Committee (art. 145 and further).
- The UK will honour its commitments in relation to the EU Emergency Trust Fund for Stability, the Facility for Refugees in Turkey, and 'any future European Union Trust Fund' created before the withdrawal agreement enters into force (art. 145 and further).
- The UK can negotiate, sign, and ratify new trade agreements during the transition period but may implement them only after 2020 (art. 124.4).
- '[I]n accordance with the principle of sincere cooperation, the United Kingdom shall refrain, during the transition period, from any action or initiative which is likely to be prejudicial to the Union's interests, in particular in the framework of any international organisation, agency, conference or forum of which the United Kingdom is a party in its own right' (art. 124.3).

## The EU position

 On trade, the EU has consistently stated it would adapt its position to the 'red lines' set out by the UK. These were aptly depicted in a figure presented by the European

> Commission's Chief Negotiator Michel Barnier in December 2017 (see page 27 in this issue).

On the various options - regarding the common market, customs union, free trade agreements and WTO rules - see Bilal and Woolfrey in this issue.

 On foreign, security, and defence policy, as the UK will become a third state, the EU

has suggested establishing a security of information agreement (see illustration on p. 27 of this issue - The EU has referenced the EU-NATO partnership and explicitly a 'specific dialogue and consultation mechanism' reflecting its interest in cooperating with the UK as a 'significant foreign, security and defence player' (see TF50b, 2018).

In a speech on 14 May 2018, High Representative Federica Mogherini said that despite Brexit, she saw 'a European Union that is moving forward and getting stronger. After the UK referendum, many ... were predicting the end of our Union. Well, we have seen, on the contrary, a relaunch of our common projects, a recommitment to our unity'. Mogherini also noted her preference for 'a consultation mechanism with the United Kingdom to coordinate our responses to international events, our positions inside international organisations, and our actions, when our objectives align' (EEAS, 2018).

- In a 14 May 2018 speech, Chief Negotiator Barnier welcomed the UK's commitment to Europe's security and encouraged a mutual partnership, notably by;
  - (i) close and regular consultations with the UK on foreign policy,
  - (ii) accepting UK contributions where fit for purpose,
  - (iii) accepting the UK's contribution to the research and technology projects of the European Defence Agency,
  - (iv) exchanging information on cyber attacks,
  - (v) establishing a security of information agreement.
- 3. Regarding development, the EU has not responded extensively to the UK's proposals favouring flexible cooperation mechanisms, for example, through trust funds or other mechanisms. But in his 14 May speech, Chief Negotiator Barnier mentioned specifically that in the area of development, the EU would be 'open to contributions from third countries and to local joint programming'.

The recent future EU budget proposal related to EU external action mentions no specific collaboration mechanisms with the UK, while not excluding them either (European Commission, 2018).

For links of the above mentioned articles and other resources see: http://ecdpm.org/great-insights/beyond\_brexit/brexit\_negotiations\_who\_thinks\_what



Brexit comes at a time when the Caribbean is facing many economic and political challenges. This makes it essential to achieve a rapid rollover of economic partnership agreement (EPA) equivalence in trade and to reach new understandings on UK development assistance.

#### **By David Jessop**

For most members of CARIFORUM (Caribbean Community - CARICOM - plus the Dominican Republic), Britain's decision to leave the EU has added to a growing list of uncertainties. It is occurring at a time when international economic and political relationships are in flux, trade wars that indirectly touch the region are emerging, rules-based

systems are breaking down, and there are significant divisions within the Caribbean over the failures and future of the Caribbean Single Market and Economy (CSME).

It is also happening as new and important trade and investment partners, most notably China, are emerging in the region; at a time when the US administration is seeking to assert much greater hemispheric influence regionally, particularly in respect to the region's ties to Venezuela; and just as the Caribbean needs to achieve international agreement on practical support for low-lying states facing the existential threat posed

by climate change. Such concerns coincide with a recognition that the supportive voice Britain offered within the EU in relation to the region's trade and development challenges will soon disappear.

# Brexit uncertainty increases likelihood of an EPA trade rollover, post-2020

Until the end of 2020 the Caribbean's trade and development relationship with the UK will continue to be governed by the EU-CARIFORUM Economic Partnership Agreement (EPA). However, Britain and CARIFORUM cannot meaningfully discuss their post-2020 trade relationship until the UK and EU 27 agree on whether Britain will remain in the customs union or establish some sort of politicallyled bespoke trade relationship, or alternatively, go the hard Brexit route.

Several high-level exchanges have already taken place between Caribbean and British ministers and officials. These point to a general commitment by London that that the nations of CARIFORUM will be no worse off in a new trade and development relationship with Britain.

In its finite transition period out of the EU, the UK has to accept the administrative burdens of becoming a standalone state...

More specifically London has said it will 'seek to maintain current market access... to ensure continuity of the effects of the EPA', and both sides have agreed

that technical discussions will focus on avoiding disruption, rather than providing an opportunity to renegotiate trade terms.

In the face of the complexity of what Britain is trying to achieve with the EU 27 and globally, this would seem to mean that the most likely short-term outcome for the Caribbean, given its relative economic insignificance to the UK, will be to reach an agreement in early 2019 on something close to EPA trade equivalence.

Although the region and the UK are thinking in terms of a rollover of existing arrangements, and at a later date enhancement particularly in relation to services access, much less is clear on how the non-trade parts of the existing hybrid EPA text, which includes language on development and political objectives, will be set aside.

Given that the UK's development policy is also in flux, one suggestion is that it may be possible to agree on some type of grandfather clause ensuring that previously EU-negotiated trade commitments such as those contained in the EPA, become part of UK legislation in the short to medium term. Assuming, however, that EPA trade equivalence can be delivered, other more practical issues will then arise.

In its finite transition period out of the EU, the UK has to accept the administrative burdens of becoming a stand-alone state and determine how its pared down bureaucracy will cope with new administrative decisions in real time.

This means in practical terms that
Caribbean exporters of goods and
services are unlikely to know for some
time yet about matters as basic as
documentation requirements, how goods
currently shipped onwards from the UK

to continental Europe will be treated, and if and at what point additional tariffs or fees may have to be paid.

It is also far from clear what more general changes might occur in relation to labelling, commercial shipping routes, air services agreements, standards, administrative law, the free movement of goods into the EU 27, and the movement of capital, let alone the future cost of doing business with or through the UK.

#### Trade opportunities and challenges

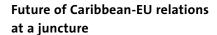
To some extent, whatever is finally agreed may be academic, as the export of Caribbean goods to the UK and to the EU 27 continues to decline, despite the EPA.

Recent EU statistics confirm that of the goods exports from CARIFORUM to the EU, the UK continues to account for 21-23%. In 2015, CARIFORUM nations exported goods worth some US \$3.1 billion to the EU, of which US \$718 million went to the UK. However, if shipments of oil, refined products, and chemicals are set aside it becomes clear that the UK remains principally a market for Caribbean primary agricultural produce, some processed foods, and higher value products such as rum. Furthermore, Caribbean exports are heavily weighted towards the Dominican Republic.

This implies that in the absence of some form of EPA trade equivalence with the UK, the Caribbean exports that could be hardest hit in the event of the UK having to adopt Most Favoured Nation (MFN) tariffs would be bananas and other fruits, fish products, prepared foodstuffs, clothing, and footwear.

While Caribbean Export and other better-resourced national trade bodies in Jamaica and the Dominican Republic continue to focus on diversifying and encouraging higher value-added exports, the general view is that there is little in Brexit that will alter the present nature of trade flows if EPA trade equivalence is achieved.

In the longer term, and more significantly perhaps, there is a sense that if eventually the UK's EPA services offering could be enhanced this could have a positive effect on trade, although to date the sparse information available suggests that the Caribbean has taken little advantage of the UK's or the less significant EU 27 EPA offers of services market access, other than in respect to tourism from Europe.



Brexit will be taking place as the Caribbean and its partners in Africa and the Pacific (the ACP) will be negotiating with the EU 27 towards a very different form of post-Cotonou, post-2020, political and development agreement. These negotiations are bound to start after the Summer of 2018. Given the Caribbean's limited negotiating capacity and the UK's apparent offer of EPA trade equivalence, it is likely that the region will place

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Castries market, St. Lucia. Photo: Heather Cowper, Flickr.

much more weight on discussing development issues with both the UK and the EU 27. In a Brexit context the region will certainly wish to secure an appropriate proportion of Britain's present €4.5 billion contribution to the European Development Fund (EDF) post-Brexit, while ensuring that it is no worse off in relation to the next EU 27 funding round. It will also want to know specifically how such support might relate to what it sees as the region's 'inherent and exogenous vulnerabilities'.

#### A new form of 'special relationship'

For decades now. Britain has been engaged in a form of post-colonial withdrawal from the region and a reformulation of its engagement. Today, its main policies seek enhanced economic development through the private sector to support regional stability; security cooperation; support for the maintenance of common values such as parliamentary democracy and human rights; work on common concerns including climate change; low levels of development support; hurricane relief; and where possible, mutual support in multilateral institutions including the UN.

Seen from a Caribbean perspective, relations remain positive, but

generational change, shifting trade and investment flows, and the arrival of newer external trade and development partners are causing Britain to become just one of many actors in the region. Its significance has therefore diminished.

This suggests that in the medium term, some new but reduced form of special relationship with the UK will evolve post-Brexit. Still missing, however, is any certainty about precisely what Brexit will mean, and how the region intends to go about improving its relations with other European nations that might in the future play a role on its behalf within the EU 27.

#### About the author

David Jessop consults for the Caribbean Council and writes on regional issues.





What does Brexit mean for trade relations between third countries and the current 28 member states of EU? And how will Brexit affect future trade with the UK and EU 27?

#### By San Bilal and Sean Woolfrey

The simple answer is increasing uncertainty. And, as we know, markets do not like uncertainty, nor do policymakers, except perhaps some British ones. All EU trade partners are on the alert. However, specific consideration is needed for developing countries. Brexit could significantly impact their economic development through its impact on their trade relations.

#### Uncertainty

Until 29 March 2019, the UK continues to be an EU member, and thus current EU trade and regulatory regimes apply.

However, economic operators and traders may adjust their activities in anticipation of Brexit, so trade and investment flows may be affected earlier.

#### **Transition period**

The UK and EU 27 are working towards a transition agreement covering the period from 30 March 2019 until end 2020. Should they fail to conclude or ratify such an agreement, there will probably be a "hard Brexit" (a "no deal" Brexit). In terms of trade, this means that the UK will be out of the EU

customs union and out of the single market, will have no trade agreement in place with the EU 27, and will have to establish its own trade regime towards third countries.

To avoid a shock and allow time for the UK and EU 27 to define their new trade regimes, the UK could remain in the EU customs union and EU single market during the transition. This would mean that trade relations between third parties and the UK would continue to be determined by the EU 27's various trade regimes: its bilateral free trade agreements (FTAs), unilateral trade preferences (GSP, GSP+, and EBA), and most favoured nation (MFN) tariffs at the World Trade Organization (WTO).

However, some UK or EU 27 trade partners might object to this arrangement, arguing that EU FTAs and WTO obligations apply only to the territories of EU member states, which the UK would no longer be as of 30 March 2019. The UK would not be able to adopt alternative trade regimes with these third countries unless it left the EU customs union during the transition period. While such a scenario seems unlikely, the point here is that third countries do not have to accept the transition agreement between the UK and EU 27 as a fait accompli, at least with respect to trade.

#### Trade post-Brexit, beyond 2020

Beyond the transition period, third countries' trade relations with the UK will depend on the trade regime the UK adopts. That, in turn, depends on the UK's trade and regulatory relations with the EU 27. If the UK stays in a customs union with the EU 27, it must continue applying the EU 27 common trade policy and trade regime, on which it will have no say. Other countries will not have the possibility to negotiate special trade deals with the UK, and will have to consider the implications of any new EU 27 trade negotiations or arrangements on their trade with the UK.

If the UK remains in a customs union with the EU 27 but leaves the EU single market (the 'Turkey model'), this would impact third countries' trade relations with both the UK and the EU 27. This is because trade flows are not only affected by trade barriers (such as tariffs and quotas), but also by a whole set of regulatory issues and standards embodied in the EU single market. New compliance requirements may seriously disrupt trade, increasing time and costs in terms of administrative burden and logistics. Integrated supply chains within the EU 28 may be broken up if trade via the UK becomes more complicated. This may lead suppliers and traders to use different channels to reach the UK or EU 27 markets. To avoid regulatory barriers, the UK may thus opt to stay in the EU single market.

The UK could remain in the EU single market, but keep its trade policy autonomy by leaving the EU customs union. This would be along the lines of the 'Norway model' with the European Economic Area. Alternatively, the UK could opt to stay in both a customs union with the EU 27 and the EU single market, in which case the UK must continue to apply both the EU trade and regulatory regimes (to the dismay of Brexiteers).

The UK could remain outside both the customs union and the single market, opting instead to negotiate an FTA with the EU. This has been referred to as the 'Canada model', as Canada's is arguably the most advanced EU FTA to date.

Finally, if no trade deal is struck, the UK will have no special trade relationship with the EU.

The UK, trying to have the best of both worlds, has tabled proposals for a tailor-made, à la carte UK trade and regulatory convergence with the EU 27. One idea is a customs partnership, whereby the UK would formally stay outside the EU customs union but would mirror EU trade policies and collect tariffs on behalf of the EU 27. Another is the maximum facilitation ('max fac') plan to facilitate, through technologies still to be developed, border cooperation and regulatory alignment with the EU 27. These would not cover services, however. As for the EU 27, the main concern remains to preserve the integrity of the EU customs union and single market.

While mainly triggered by concern within the UK and Ireland to avoid a hard border between Ireland (a member state of the EU 27) and Northern Ireland (part of the UK), the choice of arrangement between the UK and EU will directly affect third country trade relations with both the UK and the EU.

#### Third country considerations

EU trade regimes will overall not be affected by Brexit, as EU trade obligations and arrangements will remain in place, including EU FTAs.

However, trading with the EU 27, without the UK, will mean trading with a smaller market than previously. This might render the EU 27 market less attractive, affecting the balance of power and weight of tariff concessions and liberalisation commitments made in the context of an FTA with the EU. This is unlikely to be very significant for most EU 27 partners. It may, however, open the door to review and renegotiation of trade arrangements with the EU.

In this context, it is worth mentioning tariff-rate quotas (TRQs), a very technical but important issue, both in the context of the WTO and some EU FTAs, where the EU-28 has

committed to reduce tariffs on specific volumes of imports of particular, usually agricultural, products; the UK and the EU-27 have proposed ways to divide these quotas post-Brexit, mainly based on historical trade flows, an approach that some WTO members have already contested, suggesting that negotiations on this issue may be needed.

More significant will be the need or opportunity for third countries to negotiate new trade arrangements with the UK should it leave the EU customs union.

More significant will be the need or opportunity for third countries to negotiate new trade arrangements with the UK should it leave the EU customs union. First, the UK will have to set new unilateral trade policies, including commitments at the WTO, which require approval of all WTO members. Third countries may use this opportunity to encourage the UK to have a more open trade policy than the EU 28. These unilateral policies will also include UK preferential trade regimes. The UK will formulate a new generalised system of preferences (GSP), in which developing countries may wish to be defined more favourably than in the current EU 28 GSP. New FTAs will have to be negotiated, based on the EU model or not. To speed up the transition, the UK is proposing 'grandfathering' (i.e., copying provisions of) current EU 28 FTAs into new UK FTAs, with only minor technical adjustments. These could then be opened up later for re-negotiation. This is because the UK does not have the capacity to negotiate multiple FTAs at once.

#### **Considerations for ACP countries**

Several African, Caribbean, and Pacific (ACP) countries trade with the EU under economic partnership agreements (EPAs). Should the UK not remain in the EU customs union, these will no longer apply to the UK, nor will any other EU FTA. For countries unhappy with their EPA, exclusion of the UK may be a positive, lessening the impact of the agreement. It may also provide a justification for renegotiating these agreements (the EPAs include an MFN provision, suggesting that any preferential treatment that the EU 27 would grant to the UK post-Brexit and which would be more favourable than those under the EPA should be extended to the EPA countries). For

ACP countries that are particularly reliant on trade with the UK, such as South Africa and Kenya, concluding an additional FTA with the UK may become an imperative.

Trade negotiations between the UK and ACP countries, especially African countries, will face numerous challenges though. First, the UK is unlikely to prioritise negotiations with African countries while it seeks to establish trade arrangements with more commercially important trading partners. Second, negotiations with individual countries, such as Kenya, may be seen as weakening regional integration processes in Africa; but negotiating with blocs of African countries will likely run into the same difficulties as the EPA negotiations, as many of those agreements are applied by only a subset of the members of the respective African regional blocs.

Some argue that the African Continental FTA may provide impetus for African Union FTAs with third countries. However, it is difficult to see how this would work in the context of an agreement with the UK. Nevertheless, given that Brexit will affect a large number of ACP countries, and they will therefore have an interest in either development of a future UK unilateral preferential trade regime or future bilateral agreements with the UK, some form of international cooperation may be helpful, including through the ACP Group or the African Union configuration (and in the context of post-Cotonou negotiations). Some degree of convergence between trade regimes with the UK and the EU 27 might also be beneficial, to reduce transaction costs and foster integrated value chains.

#### About the authors

San Bilal is head of programme Trade, Investment and Finance Economic and Agricultural Transformation programme at ECDPM.

Twitter: @SanBilal1



Sean Woolfrey is policy officer with the Economic and Agricultural Transformation Programme at

Twitter: @SeanWoolfrey





The UK's withdrawal from the EU will impact the food and agriculture sector of developing countries in various ways. The impact on agri-food trade flows could be significant. Brexit could also affect overall development assistance flows and foreign direct investment possibilities.

#### **By Alan Matthews**

The largest impacts of Brexit on developing country agri-food trade flows will be on exports to the UK itself. The UK currently accounts for around 12% of all developing country agri-food exports to the EU. Of these, more than half enter the UK under 'most favoured nation' (MFN) terms (including MFN zero tariffs); one third under preferential trade agreements (free trade agreements, FTAs) and tariff rate quotas (TRQs); and a small share (around 7%) under the EU's Generalised System of Preferences (GSP), which includes the duty-free quota-free Everything but Arms scheme for the least developed countries (LDCs).

Although positions may change, the UK has indicated that it does not wish to be in a customs union nor be a member of the EU single market in the longer term. This will necessarily lead to increased trade costs for agri-food trade between the UK and the EU 27, even if the two parties remain in an FTA with preferential zero tariffs. Depending on the nature of the future trade relationship, costs will rise from rules of origin checks, physical checks for regulatory compliance, customs clearance formalities, and the possibility of delays at border crossings.

These additional trade costs will lead to a process of trade destruction and trade diversion. Trade destruction means that the volume of trade between the UK and the EU 27 will be lower than it would have been if the UK remained an EU member state. Trade diversion will arise because third countries, including developing countries, will become more competitive in both markets relative to UK and EU 27 exporters. This effect will be mainly relevant on the UK market, because UK exports of agrifood products to the EU 27 are much less significant. Both trade destruction and trade diversion effects will improve the position of developing countries competing with EU exporters on the UK market.

Further effects could arise depending on the UK's agricultural trade policy after Brexit. A country's tariff schedule lists the maximum tariffs and other commitments that a country has agreed in negotiations not to exceed. The UK has said that it will adopt the EU's tariff schedule as its bound tariff schedule at the World Trade Organization (WTO).

But if it wishes, the UK can decide after Brexit to reduce its applied tariffs below these bound tariffs on an MFN basis. To date, the UK has given no indication of its preferred future trade regime for agri-food products. If the UK were to lower its applied tariffs, this could open further opportunities for developing countries exporting to the UK on MFN terms. However, it would erode the value of preferences for those developing country exporters currently exporting to the UK under FTA or GSP tariff regimes.

The UK and the EU 27 must also decide how to administer the scheduled WTO EU tariff rate quotas (TRQs). Their initial proposal to split these scheduled TRQs on the basis of historic import quantities has been rejected by exporters as representing a reduction in their market access rights. Negotiations may have to take place between the EU, the UK, and principal suppliers on modification of this schedule under Article 28 of the General Agreement on Tariffs and Trade (GATT), which may require compensation to these suppliers if the EU TROs are reduced.

Even if the UK maintains its existing applied tariff schedule, it intends to pursue an ambitious agenda of free trade deals which could provide additional market opening opportunities for developing countries. It has committed to replicating the Everything but Arms scheme for LDCs, but its intentions regarding the GSP are not yet clear.

Although the UK would be allowed to negotiate and sign FTAs during the transition period under the terms of the draft withdrawal agreement with the EU 27, it would not be able to implement them until after the close of the transition phase which is set to end on 31 December 2020. Most countries will want to wait to see what the terms of a future UK-EU trade deal will be before finalising negotiations on a bilateral deal with the UK (see also the article by David Jessop in this volume).

A more immediate issue concerns those developing country exports (around one third of the total) which currently enter the UK market under existing TRQs or FTAs signed with the EU. Under the draft withdrawal agreement, these exports would continue to enter the UK on the current terms until the end of the transition period on 31 December 2020, given that the UK would remain part of the EU Customs Union until then.

After that date, the UK would no longer be a party to those agreements. This means there is a possibility that UK applied tariffs (which have yet to be determined) would be levied on developing country exports that currently enter the UK market under the terms of an FTA. This would have a hugely chilling effect on the exports of the affected countries.

The UK is aware that allowing these agreements to lapse would have a very detrimental effect on trade flows. It has proposed that the current agreements with the EU's FTA partner countries should be 'rolled over' so that they would continue to apply to trade with the UK, pending the opening of further negotiations at some future date.

Given its limited trade negotiating capacity, it could be some time before the UK is in a position to re-open negotiations on these agreements. Some developing country regions will fear that their agreements will not be given priority in this situation.

Developing countries with FTAs with the EU will need to decide whether they are willing to roll over these agreements with the UK. Some developing countries may hope to improve on their current terms of access under the EU agreements, but this would imply re-negotiating these agreements, which is not likely to happen immediately. It will be important for developing countries with FTA access to ensure that preferential access to the UK market can continue after 31 December 2020.

EU FTAs often include specific TRQ quantities eligible for reduced rates of duty which currently can be used either on the UK or on EU 27 markets. Developing countries that use TRQs as part of their FTA will need to negotiate to ensure that they are not in a less favourable position regarding market access after Brexit.

Developing country exports will also be affected by the future evolution of macroeconomic conditions in the UK. If Brexit results in a further deterioration in the value of the pound sterling, and if it reduces the UK's long-term growth rate, as many economic models predict, household purchasing power in the UK will be adversely affected. This will likely be the primary Brexit impact on developing country exporters of tropical products where current EU applied tariffs are low or zero.

#### About the author

Alan Matthews is Professor emeritus of European agricultural policy in the Department of Economics, School of Social Sciences and Philosophy at Trinity College Dublin, Ireland. Twitter: @xAlan Matthews





Brexit was presented as the solution for Britain to take back control of its national borders. However, a closer look at a Mediterranean British border shows that Brexit could weaken the ability of UK authorities to manage and reduce unauthorised migration to the country.

#### **By Giacomo Orsini**

As Brexit approaches, Britons were frequently reminded that an exit from the EU was, for British authorities, the only way to 'take back control of [national] borders' (Reuters, 2017). While campaigners concentrated on EU citizens' mobility to the UK, the debate was inflamed by a seemingly permanent emergency along the outer borders of the EU, culminating in the 2015 refugee crisis in the Balkans. Critics emphasised the EU's incapacity to secure its external borders and prevent unauthorised third country nationals

(TCNs) from approaching, then entering British territories (see Grice, 2017). The common understanding was that, once independent from Brussels, UK authorities would become able to select those it allowed onto its soil, thus barring the many asylum seekers waiting to enter Britain from continental Europe (Watt, 2016).

Nevertheless, a closer look at the mechanics of border and migration control in the UK raises questions about how leaving the EU could possibly improve UK authorities' ability to prevent unwanted TCNs from entering Britain. Here I critically assess post-Brexit scenarios, concentrating on a distant maritime border space; that is, the stretch of Mediterranean that extends from the Strait of Gibraltar to the Sicilian Channel. The central and western Mediterranean routes of unauthorised migration between Africa and Europe traverse these waters. Thousands of undocumented people cross this maritime area annually to reach Europe. It is the deadliest border crossing today. The EU has invested

substantially to improve control and surveillance. The recent proposal by the Commission on the multiannual financial framework suggests increasing this spending.

Desk research and data collected in a series of fieldwork studies conducted since 2008 along the EU's external borders in Malta, Lampedusa, Melilla, and Gibraltar indicate few opportunities for Britain to enhance control of those entering its territories after Brexit. Rather, all indications suggest that leaving the EU will reduce UK authorities' capacity to effectively control unauthorised migration. Unexpected and challenging scenarios are particularly likely to arise along an almost invisible British border in the Mediterranean: the seawaters that separate Gibraltar from Morocco and the rest of Africa. Before discussing the issues surrounding the tiny British overseas territory of Gibraltar, it is useful to review British involvement in the European management of the EU's larger Mediterranean border.

### The UK and Schengen: Pushing the British border south

As the Schengen zone of free movement of people expanded, unauthorised migration and asylum into Britain became increasingly associated with images of undocumented TCNs crowding the improvised camps of Calais in Northern France (see, e.g., Duffin, 2014). Thousands of migrants, most from Africa and Asia, waited there for a chance to enter Britain unauthorised, in many cases after they had already entered and crossed Europe unauthorised. To deter people from crossing and keep these unwanted travellers out, British authorities reached agreements on juxtaposed border controls with France and Belgium. Such cross-border cooperation increased in the months leading up to the migration

and asylum crisis of 2015 (France in the UK, 2014). That crisis was particularly felt along the EU's most external borders; that is, in places such as the Italian island of Lampedusa and the Spanish enclaves of Ceuta and Melilla. This is why, while cooperation around the British Channel grew, British authorities also started contributing to the complex governance of the Schengen area of free movement (House of Lords, 2017).

As the UK is not part of Schengen, its goal in increasing cooperation, for instance, with the European Border and Coast Guard Agency (FRONTEX) was to transfer at least part of border and migration control southwards, and thus away from the English Channel. In this respect, over the years successive British governments made substantial contributions to patrolling the external borders of the EU. The UK provided both navy support to patrol the Mediterranean and financial contributions to FRONTEX operations.

Along the same lines, the UK received special treatment from its European partners. Though Britain did not join the area of free movement of people, the UK was allowed to become part of the Dublin Regulation. This meant it could return refugees to other safe European countries they had transited. Within this framework, British authorities were also given access to the EURODAC archive, in which data are stored, such as fingerprints, on TCNs who had applied for international protection within the EU.

If the UK would like to retain access to these information and policy instruments after it leaves the EU, it will probably have to be renegotiated. Here, thus, Brexit brings a risk that Britain might lose capacity to monitor unauthorised TCNs' mobility in Europe (Hulme, 2017). In addition, other and new challenges

could arise in a distant British borderland located at the gate of the Mediterranean.

#### An invisible British-African border: The Strait of Gibraltar

Though enhanced border control is often presented as the core strategy for tackling unauthorised residence in Britain, the greatest majority of unauthorised people living in the UK in fact entered with a regular permit and then overstayed (Vollmer, 2011). The thousands who have crossed the Mediterranean undocumented to reach Europe constitute only a tiny minority of irregular TCNs residing in the EU. Furthermore, evidence suggests that no border can be entirely secured (KIB, 2016). It is simply unfeasible to effectively patrol borders, especially maritime ones, as there are countless ways to cross undetected, and no technologies available to prevent it (Orsini, 2015). From this perspective, then, loss of access to Communitarian policy instruments to manage and control migration and asylum will not significantly impact British authorities' ability to limit the number of unauthorised TCNs living in the country.

Yet, leaving the EU could pose dramatic challenges for British migration and border management in the Strait of Gibraltar. Gibraltar never joined the EU and shares a land and a maritime border with Spain and Morocco. Within the framework of an international dispute between the British and Spanish governments – and, partly, the Moroccan one - which has now lasted for two thirds of a century, the three countries recognise different jurisdictions over the waters of the Strait (De Vivero, 2009). Officially, Spanish and Gibraltarian law enforcement agencies do not cooperate at all in controlling the shared maritime and land border. However, data collected in the enclave and observations there indicate quite a different story.

Due to the mechanics of everyday international border management, Gibraltarian and Spanish forces de facto collaborate rather closely. This is recognised, though only obliquely, in official documents issued by Gibraltarian authorities (GPR, n.d.). Off the record, Gibraltarian law enforcement officials explained to me how migration and border management works in the waters surrounding the British enclave. If a migrant boat enters Gibraltar's national waters and is quickly detected by Gibraltarian forces, it is usually pushed back into Spanish waters. The boats of the Guardia Civil then take the migrants on board and land them on Spanish soil. If, instead, boat migrants are detected too close to Gibraltarian shores. TCNs are landed in Gibraltar and immediately transferred to Spain across the land border. Supporting such informal accounts is one hard fact: despite the reality that the Strait of Gibraltar is one of the main entrances for undocumented border crossings into the EU, very few arrivals are recorded in Gibraltar.

If, following Brexit, Spain stops collaborating, undocumented migrants could reach the Rock and apply for asylum there. This could create the conditions for a humanitarian crisis to unfold in this detached British territory. Furthermore, Spain operates a sophisticated maritime border control apparatus on the Strait, called the Integrated Exterior Surveillance System (Carling, 2007). The UK's continued reliance on this system would become impossible without cooperation with Spain and the EU in place. As seen here, there are no grounds to think that Brexit will enhance British control of its borders. Rather, the UK's devolution from the EU will potentially turn Gibraltar into a gate for TCNs to enter Britain directly from the coasts of North Africa.

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#### About the author

Giacomo Orsini is a postdoctoral researcher at the Université Catholique de Louvain. He teaches international migration at the Université Libre de Bruxelles and is

an associate member of the Vrije Universiteit Brussel and the University of Essex.





The UK has played an influential role in EU gender and development policy, including the second Gender Action Plan on Gender Equality and Women's Empowerment (GAP II). Is the institutional cultural shift promised by GAP II strong enough to keep gender high on the EU development agenda post-Brexit? There is a growing sense that GAP II has gained enough institutional momentum to continue regardless.

#### By Gill Allwood

The EU has long been committed to gender equality as a fundamental value and to gender mainstreaming. The Cotonou Agreement (2000/483/EC), which has governed relations between the EU and the 79 African, Caribbean, and Pacific (ACP) countries, states, 'Systematic account shall be taken of the situation of women and gender issues in all areas – political, economic and

social' (Article 1). The 2005 Consensus on Development reiterates, 'The EU will include a strong gender component in all its policies and practices in its relations with developing countries' (European Commission, 2006). This broad objective was fleshed out in the European Commission's (2007) communication 'Gender Equality and Women's Empowerment in Development Cooperation'.

While important, these rhetorical commitments lacked a plan of action to translate them into practice. The 2010 'Action Plan on Gender Equality and Women's Empowerment' (the Gender Action Plan, or GAP) aimed to do precisely this (European Commission, 2010). It emphasised a three-pronged approach: mainstreaming gender in all development activities, continuing to support interventions targeted specifically at women and girls, and introducing gender equality and women's empowerment into political dialogue. However, the GAP had limited success. Evaluations criticised the gulf between the EU's commitment to gender equality and its internal capacity to implement it (Watkins et al., 2015; O'Connell, 2013). The second GAP, adopted by the Council in October 2015, aims to address this and other failings (European Commission and High Representative, 2015). GAP II has four priorities, three thematic and one crosscutting.

The three thematic priorities are:

- ensuring girls' and women's physical and psychological integrity,
- promoting economic and social rights and empowerment of girls and women, and
- strengthening girls' and women's voice and participation.

The crosscutting priority is institutional, and presented as a precondition for achieving the other three:

 shifting Commission services and the institutional culture of the European External Action Service (EEAS) to more effectively deliver on EU commitments.

This includes increasing the number of women heads of delegation, boosting gender expertise within the EU institutions and delegations, and increasing the number of programmes and projects in which gender equality is a principal or significant objective.

#### The UK and GAP II

The UK has been active in GAP II's development, particularly in ensuring a strong focus on results and on the EU institutions' internal workings and culture. The UK was a leading voice in the Council, along with a number of like-minded countries, in support of the inclusion of sexual and reproductive health and rights in both GAP II and the European Consensus on Development. This required significant effort, as opposition was raised. Numerous UK national experts have been seconded to EEAS and the delegations, and UK civil society leaders have contributed vital expertise.

The UK's International Development (Gender Equality) Act 2014, which introduced a duty to have regard for gender inequality and report on efforts to remedy it and to advance women's empowerment, is seen as an example of best practice (European Commission and High Representative, 2017). DFID's 2018 Strategic

Vision for Women and Girls provides further evidence of the UK's commitment to gender and development, although the UK does not go as far as Sweden, which has produced a feminist foreign policy (Government Offices of Sweden, 2018). The UK has also provided leadership on sexual violence in conflict. At the UN level, the UK and EU have supported each other's work around gender, for example, in the adoption of Resolution 2242 (2015) on the role of women in countering violent extremism.

#### The budget and GAP II

GAP II encourages the EU and its member states to increase the proportion of ODA directed towards programmes with a gender component. Yet, with a reduced budget following Brexit, there is concern about the ability to maintain GAP II's implementation. Is the envisioned institutional cultural shift already sufficiently anchored to keep gender on the agenda when resources are scarce?

GAP II does not promise extra resources. It states, 'Commission Services and EEAS... will work towards ensuring adequate financial and human resources' (European Commission and High Representative, 2015, para. B). This is to be done in several ways: through improved partnership and coordination, including, potentially, the private sector; by closely monitoring external relations' resource and budget allocations to gender; and by 'identifying means of ensuring adequate financial support'. The emphasis is on 'more effective and efficient use of resources' (ibid., p. 13). Resource allocation for GAP II implementation is now an important question, as member states are negotiating the next multiannual financial framework (MFF). A funding gap left by the UK's withdrawal could make this process more difficult.

Brexit is already having a direct financial impact on UK aid recipients. The fall in the pound's value following the 2016 referendum has reduced the amount of money available to UK civil society organisations (CSOs), including those working on gender equality and women's empowerment. UK CSOs will be further affected by their loss of EU funding (Bond, 2017, p. 6). This will impact CSOs working on HIV/AIDS, reproductive health, and family planning, and their development partners. Although some actors in the Commission and EEAS have demonstrated strong commitment to gender equality and women's empowerment, gender is not necessarily perceived by all as a top priority. When resources are scarce, gender tends to be pushed down the agenda, treated as a luxury affordable only in times of plenty. GAP II seeks to ensure full institutionalisation of action favouring gender equality and women's empowerment, thus providing a buffer against political and financial change.

#### **Brexit and GAP II**

There is a sense in the EU institutions that the UK will be missed as a gender and development partner. However, GAP

Il seems to have gained sufficient institutional momentum to continue regardless of the UK's contribution. There is currently strong political leadership for GAP II, including Development Commissioner Neven Mimica and High Representative Federica Mogherini. Mimica, for example, declared in 2015 that he would be 'the most vocal male feminist' in the College of Commissioners. 'Gender is definitely a priority', he said, 'and this will be ever more visible in our concrete development actions' (Gotev, 2018).

Questions remain on future UK cooperation with the EU and like-minded member states on gender and development. The EU and OECD encourage coordination of aid activities, as a way to improve aid effectiveness. In some countries, for example, Ghana, the UK is working with EU institutions, EU member states, and other countries, such as Norway and Switzerland, through joint programming. There is potential here for continued cooperation and sharing of expertise. In addition, the UK is active in the DAC Network on Gender Equality (GENDERNET). According to Bond (2017), UK CSOs want to continue to have a voice, to cooperate with European civil society networks, and to ensure that Brexit does not disadvantage the partners they work with in the global South (Bond, 2017, p. 4).

The future of GAP II will be influenced by factors other than Brexit as well. The broader political and institutional context, including the new Commission, European Parliament, and MFF, will likely have more influence than Brexit on the EU's commitment to gender equality and women's empowerment and on its success towards these goals. Moreover, the (gendered) impact of EU development policy depends on more than just GAP II (Allwood, Guerrina, and MacRae, 2013). Trade, migration, and climate change are examples of UK and EU policy areas that are insufficiently gender mainstreamed and which have significant gendered impact (Allwood, 2014, 2015). Trade policy affects women and men differently due to structural inequalities, such as the unequal division of unpaid care work and women's limited access to and control over resources (European Parliament, 2018, para B). Trade liberalisation can increase gender pay gaps (ibid., para 15). In its 2018 Report on Gender Equality in EU Trade Agreements, the European Parliament called for all necessary measures to be taken to promote gender equality and women's empowerment in trade.

#### Conclusion

Development NGOs are working hard to ensure that Brexit does not adversely affect developing countries and the people living in them. However, Brexit is not the main focus of their concerns surrounding gender equality and women's empowerment. Here, they are working to ensure that GAP II continues to be effectively implemented, that gender budgeting guides formulation of the MFF, that gender equality is considered in EU trade relations, and that civil society in Europe and in partner countries has the capacity to work with the EU and hold it accountable.

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#### About the author

Gill Allwood is professor in the School of Arts and Humanities of Nottingham Trent University.





Brexit comes at a critical moment for the UK, with its global aspirations, and for the EU, as it seeks to revive enthusiasm for the European project through a series of security initiatives. Failure to reach agreement will damage all concerned in the short term, but may leave the EU more focused and capable in the longer term.

#### **By Simon Duke**

#### Britain goes global

Prime Minister May presented the first glimpse of her plan for Britain's post-Brexit foreign and security policy on 17 January 2017 in a speech at Lancaster House, replete with no less than 18 references to 'Global Britain'. The term was enthusiastically adopted by her government, but remains largely unformulated in policy terms. The UK government called for a 'deep and special partnership with the EU that goes beyond

existing third country arrangements' in a position paper on security, defence, and development of 12 September 2017. May then reassured her European partners in Florence on 22 September that the UK's 'determination to defend the stability, security and prosperity of our European neighbours and friends remains steadfast'. The UK's claim to a bespoke post-Brexit relationship with the EU rests on its past and current contributions to the EU's Common Security and Defence Policy

(CSDP) and, for internal security, upon its contributions to the collective effort to counter terrorism and organised crime, as well as to defend against cyber and hybrid threats. The May government has reinforced the sense of entitlement by noting that the UK's defence expenditure is the largest in the EU (and second largest in NATO), that it has the largest defence industry, and that it has contributed to the majority of CSDP operations and missions.

Yet, by the time of the Munich Security
Conference in February 2018, the
underlying message had subtly shifted.
Setting out the government's negotiation
position, May called for 'a new Treaty to
underpin our future internal security
relationship'. Regarding security beyond
the EU, she called for a looser 'agreement',
observing that other forms of association,
such as bilateral or ad hoc groupings,
could incorporate the UK.

## Leadership and diplomatic support... but not many boots

A closer examination of the UK's actual record, based on data from the European University Institute, shows that of the 35 past or current CSDP missions the UK contributed to 25, with an average of 15.72 personnel per mission. Across all the missions, the UK's personnel contributions equalled 2.3% of the total contributions by EU members (or 4.3% of those operations and missions to which it contributed). The UK's contributions pale in comparison to France, Italy, and Spain, which have contributed appreciably more to civilian and military operations overall. On only one occasion, a regional maritime capacity building mission for the Horn of Africa and the Western Indian Ocean (EUCAP NESTOR), has the UK led the personnel

contributions (with 19 personnel).

Angus Lapsley, former UK Ambassador to the Political and Security Committee, and others have argued that the UK's contributions to CSDP operations and missions have tended to be 'more about leadership and diplomatic support'.

Significantly, all except one of the CSDP operations and missions to which the UK did not contribute were in Africa. In nearly all of these, France assumed the lead, also tying its leadership role to its own strategic interests. This has implied greater commitments of personnel and resources, often as 'framework nation'. Africa operations in which the UK has been involved (ATALANTA, SOPHIA, and EUCAP Nestor) have focused on protecting the integrity of sea-lines-ofcommunication (SLOCs). For ATALANTA, the UK provides the operational headquarters (Italy and Spain are vying for its post-Brexit relocation). Presumably, post-Brexit the UK will continue to contribute through NATO, thus paradoxically reinforcing the need for parallel operations with the same objectives.

A similar pattern is evident in the UN. The majority of UN peacekeepers since 2000 have been deployed to sub-Saharan Africa,

which is of relative strategic insignificance for the UK, compared to the Balkans, Afghanistan, and Iraq.

Prima facie it could be concluded that the EU's security operations in Africa, especially sub-Saharan Africa, will be little changed by Brexit. More generally, it is difficult to avoid the conclusion that the UK has exaggerated its contribution to CSDP operations and thus the basis upon which it can insist upon a bespoke security and defence relationship. For the UK the critical question is whether it will wish to associate with CSDP missions or operations when it has no say in shaping their underpinning priorities and decisions.

#### Navel gazing

The UK's primary post-Brexit security interest lies in continued association with aspects of the EU's internal security, not the external dimensions, as Michel Barnier's slide of 15 May (reproduced in this volume) suggests. The UK wishes to maintain its access to, as well as contribute to, the European Arrest Warrant, the second-generation Schengen Information System (SIS II), the European Criminal Records Information System (ECRIS), and the Passenger Name Record (PNR) database, alongside the relevant EU agencies (notably the EU Agency for Law Enforcement Cooperation, Europol). British interests are clearly matched on the EU side by the desirability of securing continued UK input into the databases. Nevertheless, the question of data protection and whether the UK will accept legal recourse, presumably through the European Court of Justice, will be critical. May has been contradictory on this point. She vowed to end the jurisdiction of the Court in her Lancaster House speech, but appeared to accept it in this context at the Munich Security Conference.

Failure to find agreement on the nominally internal aspects of security



Police academy, Somalia. Photo EUCAP Somalia, Francesca Marretta

could have implications for North Africa and the Sahel, where efforts to stem irregular migration, the growth of jihadist groups, trafficking, organised crime, and terrorism are already proving challenging. Lack of access to the relevant databases would leave the UK more vulnerable and weaken the EU's efforts in these regions. The ongoing uncertainties over Gibraltar and Cyprus (both of which may be relevant in future military deployments and intelligence) and lack of EU access to UK expertise and funding may similarly thwart EU efforts going forward. The prospect of diminished overall post-Brexit EU funding may reduce the Union's leverage at a time when the EU is intent on externalising its border management and increasing defences

#### Moving ahead without Britain?

The EU has been far from idle since the UK's June 2016 referendum. A flurry of initiatives in EU security and defence followed the unveiling of the Union's Global Strategy, which appeared only days after the referendum. This led Federica Mogherini, the High Representative, to assert that 'more has been achieved in the last ten months than in the last ten years', a statement she repeated at the 2017 edition of The State of the Union conference in Florence. This progress was, at least in part, due to the UK's anticipated exit from the EU. The ambition is to move towards a European Defence Union featuring coordinated defence reviews and a legal framework to attain shared common goals alongside Commission funding for developing the necessary capabilities.

Even if much of this progress to date exists primarily on paper, it nevertheless raises broader questions about the extent to which UK defence industries, some of which are multinational, will have access to EU research and development funding. More coordination at the European level, along with pooling and sharing capabilities, may ultimately challenge longer-term interoperability with the UK.

#### **Actions conjointes?**

The UK's post-Brexit bilateral security ties may be of most consequence for Europe's security. None is more important than France. The Anglo-French Combined Joint Expeditionary Force could conceivably provide a useful backstop. The UK and France may also support each other on their respective strategic priorities, as outlined at the January 2018 Anglo-French summit at the Royal Military Academy Sandhurst, where the UK agreed to provide Chinook helicopters to support France's ongoing BARKHANE operation, in addition to the existing RAF strategic air transport flights. France has agreed to deploy French troops to the UK-led NATO battlegroup in Estonia in 2019 as part of the Alliance's Enhanced Forward Presence.

Bilateral security relations may also be strengthened through President Macron's European Intervention Initiative (EII) which, while lacking in specifics, is intended to be launched 'with partners that have the necessary military capabilities and political will'. France is anxious to find ways for post-Brexit UK to 'opt-in' to European defence and security, and the EII could, in time, offer the potential for multilateral cooperation outside the EU and NATO.

If the EU-level initiatives unveiled in 2016 fail to materialise, the onus may again fall on France and the UK, as the most militarily capable and experienced European powers, to provide the backbone of Europe's harder autonomous security guarantees. This would put the focus of security cooperation outside the EU and probably NATO, relying instead on the

EII or flexible coalitions of the willing. This could open the way for more tradeoffs between UK and French strategic interests.

#### **Conclusions**

The stakes are high for all concerned. For the UK it is inconceivable to be truly 'global' without being European. This may well imply a compromise whereby to ensure continued access to EU databases, the UK may have to demonstrate more concretely its willingness to contribute to the EU's external security. For the EU, much of the hoped-for reinvigoration of the European project rests on the success of the various security initiatives unveiled in 2016. Given the UK's preference to deploy high-end military resources, rather than rank and file infantry, the direct effect of Brexit on EU crisis management operations in Africa will likely be small, with the exception of maritime operations. It is, nevertheless, possible that bilateral defence and security ties, particularly those between the UK and France, may provide openings for strategic trade-offs and joint involvement in African security.

#### About the author

Simon Duke is professor at the European Institute of Public Administration (EIPA), Maastricht, and senior research fellow at Maastricht University. He is also author

of 'Will Brexit

Damage our

Security and

Defence? The

Impact on the UK

and EU', Palgrave
due later in 2018.

Twitter:@eu eipa



# **ECDPM's relevant work**



# All together now? EU institutions and member states' cooperation in fragile situations and protracted crises

Alexei Jones and Vera Mazzara, ECDPM paper, June 2018

Ever since the EU ventured into development cooperation, questions were raised on how its institutions and member states could better coordinate their activities. Numerous initiatives were launched to put into practice their repeated commitment to work more closely together, particularly in situations of fragility and protracted crisis.



# How will Brexit affect the Caribbean? Overview and indicative recommendations

Errol Humphrey, ECDPM paper, August 2016

On 23 June 2016, in a referendum on whether Britain should maintain its EU membership, 52% of British voters opted to leave the Union. The vote to exit the EU (Brexit) has given rise to political and economic uncertainty in the UK and raised concerns among its international partners.



#### How Brexit may affect ACP-EU relations: an historical perspective

Walter Kennes, ECDPM paper, January 2018

The Brexit weakens the arguments in favour of a continued close association between the European Union (EU) and the Caribbean and Pacific ACP states like under the Cotonou Agreement. This is mainly because these states became associated with the EU as a direct result of the UK's accession to the European Economic Community in 1973.



#### Sailing new waters in international cooperation.

Mariella di Ciommo and Meritxell Sayós Monràs, ECDPM paper, 30 March 2018

The EU Global Strategy and the European Consensus on Development present the drivers for the EU's engagement with more advanced (MADCs) and middle-income developing countries (MICs) but do not offer clear guidance. This is partly due to tensions among different objectives: for example, between an emphasis on the EU's neighbourhood and the global 2030 Agenda; or between the EU's short-term and long-term interests.



In June 2016, the United Kingdom shocked Europe by voting for its withdrawal from the European Union. The political follow-up to the vote to exit the EU gave rise to uncertainty in the UK and raised concerns among its international partners, while within the EU some consider Brexit to remove obstacles for further integration. Over two years later, negotiations are still taking place, although some progress is being made, there is still little clarity on what Brexit will mean in practice for the long run.

What does it imply for EU-UK relations in the future? How will it impact development, trade and international cooperation between Europe and Africa, the Caribbean and the Pacific?

As negotiations unfold, ECDPM will provide analysis and facilitate dialogue around these questions. In this dossier, you can find our latest Brexit analyses and blogs.

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