Written evidence from the Foreign and Commonwealth Office (EUR0007)

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1. Introduction

1.1 The FCO welcomes the Foreign Affairs Committee’s decision to launch an inquiry into the future of Britain’s diplomatic relationship with Europe at this moment of great change in our relationship with the continent.

1.2 Through the EU exit negotiation process we are working hard towards building a new, deep and special partnership with the EU. We will continue to work together globally, defending the international order and the values which both sides hold dear. We will seek to establish an economic framework which holds the rights and obligations of the single market in a new and different balance, as well as a bold new strategic agreement for future security, law enforcement and criminal justice cooperation. We want the EU to succeed and are optimistic about our future relationship.

1.3 Alongside this, we must also reinvigorate and reshape our bilateral relationships with European partners in a way that focuses more sharply on the shared challenges and opportunities we face with each country. As the Prime Minister has said on several occasions, including in her speech in Florence, we are leaving the EU but we are not leaving Europe. We are working to ensure we have in place the network, structures and relationships that will allow us to intensify our influence in Europe – bilaterally and at EU level, and on international affairs. We see these relationships as complementary to the new deep and special partnership we are seeking to build with the EU, and as offering a new set of opportunities to deepen our engagement on a bilateral basis rather than through the EU’s institutions.

1.4 The Government will continue to invest in the UK’s relationships in Europe. The FCO is coordinating cross-Whitehall work to ensure that we are paying due attention to the shape of our future bilateral relationships in parallel to negotiating the terms of the UK’s departure from the EU. We will continue regularly to review our diplomatic work in Europe to ensure we are positioned to protect UK interests and build the bilateral relationships we need after the UK leaves the EU. To this end, we look forward to the inquiry’s recommendations.

2. The UK's current bilateral relationships with the EU-27 and the FCO’s recent record in managing those relationships

Recent Record

2.1 We are fortunate to enjoy strong bilateral relationships with the EU-27 based on our shared values, interests and common history. These relationships will continue to be vital to the UK’s long-term security and prosperity whatever the shape of the final agreement reached with the EU: the EU-27 accounts for 43% of UK exports, we have deep security relationships – not least in the fight against terrorism, 22 EU Member States are NATO Allies, and there are around 3.6 million EU nationals resident in the UK and around 1 million people from the UK resident in the EU. We will continue to be like-minded on many of the global challenges that the world faces today such as climate change, development and conflict. Ultimately, success in managing our relationships is determined by our abilities to deliver prosperity and security for citizens in the UK and Europe over the long term. Some of the areas where this is apparent include:
Security & Defence

2.2 We work closely with European partners to combat shared threats. Through our contribution to European Security, including our nuclear deterrent, the UK stands ready to defend Europe against the most extreme threats. We station troops in Poland and the Baltic as part of NATO’s Enhanced Forward Presence and we regularly lead NATO’s maritime task groups and commit ships to the North Atlantic, Mediterranean and Baltic and have sent jets to support the Southern Air Policing mission in Romania. The UK-led Joint Expeditionary Force (focussing on high readiness military capability) has been expanded to include Sweden and Finland. We work extremely closely with partners on law enforcement cooperation and counter-terrorism, sharing information and intelligence. We have also worked with partners to tackle shared challenges such as the root causes of Mediterranean Migration and stabilising the situation in Libya. The Ministry of Defence has regular exchanges and training with its counterparts across Europe. We continue to work in partnership with France and Germany as fellow parties to the Iran nuclear deal (the JCPOA – Joint Comprehensive Plan of Action), demonstrating strong ‘E3’ (UK / DE / FR) unity. With France the UK / France Lancaster House Treaties have cemented close collective defence capabilities and inter-operability.

Prosperity

2.3 The UK’s economic ties to countries in Europe remain strong and have been a great benefit to us both. Investment in Britain by EU companies is worth more than half a trillion pounds; and exports from the EU to Britain were worth £318 billion in 2016. As an example, Germany is our largest trading partner in Europe and second globally. 2,243 German companies have a presence in the UK, employing 387,000 people. There are 1,414 British companies in Germany (almost one in ten foreign companies), employing 243,000 people. While negotiations with the EU will determine the final shape of the future trade relationship, the close ties will continue supporting our mutual prosperity. The FCO has allocated additional resources to build our prosperity partnerships across Europe through the Prosperity Fund, focussing on supply chains, partnerships with regions and cities, services and procurement.

People to People Links

2.4 We have rich people to people links across Europe. Tourism in each direction brings mutual financial benefits but also shared experience, closer ties and cultural understanding. In 2016, over 41 million visits were made by UK nationals to the EU and over 23 million visits were made by EU nationals to the UK. Thousands of students from EU countries travel to the UK every year to study in our world class universities. In 2015/16, there were 127,400 EU-domiciled students enrolled at UK Higher Education Institutions (about 6% of total student numbers). Languages will continue to be a critical link with Europe and government has a key role to play, for instance in the Department for Education’s Spanish Visiting Teachers Programme (a bilateral agreement between the UK and Spain to recruit Spanish teachers to the UK). Sports, the arts, youth exchanges, and diaspora groups all also help to create links between us and European countries.

How we work

A Cross Government effort
2.5 The UK commits major ministerial time and resource to its engagement with European countries, befitting the importance of our ties to Europe. This effort is led by the Prime Minister, supported by Cabinet. Management of these vital bilateral relationships is a cross-government effort, with the FCO holding overall responsibility for coordinating this work, building the long-term diplomatic relationships and driving forward cooperation across the many areas where we work together. We have a diplomatic presence in every EU member state as well as our Permanent Representation to the EU in Brussels. Likewise, each one of the EU27 is represented in the UK.

Ministerial Engagement

2.6 Ministerial engagement is a key component of our engagement with our European partners: setting direction and a positive tone to the relationship and enabling technical cooperation at lower levels. The Prime Minister regularly engages her counterparts, not just through regular contact at European Councils but also on a bilateral basis. For example in September alone she held bilateral meetings with German Chancellor Merkel, Polish Prime Minister Szydło and Irish Taoiseach Leo Varadkar, engaged with leaders at the UN General Assembly and Tallinn Digital Summit and had a number of phone calls with European leaders. The Foreign Secretary also regularly engages with senior European figures. For example, in the first half of September he hosted eight Nordic and Baltic Ministers for a discussion on defence and security, before visiting Estonia and having a bilateral with Italian Foreign Minister Alfano. On 4 October, he met Austrian Foreign Minister Kurz, and on 15 October he had a bilateral with Bulgarian Foreign Minister Zaharieva and then hosted eight central European Foreign Ministers at Chevening to discuss shared challenges and the UK’s continued commitment to European security. He attended the formal ‘Quadriga’ meeting of Polish and British Defence and Foreign Ministers on 12 October and the ‘Tertulias’ Conference with Spain in early November. He travelled to the Czech Republic, Romania and Slovakia at the end of September, had a bilateral programme in Luxembourg after the 16 October Foreign Affairs Council, and visited Portugal and France at the end of October. The Minister for Europe and Americas is similarly engaged with our partners on the critical issues of the day and regularly travels and meets senior figures. Since the end of August, Ministers across government have visited 23 member states, discussing a whole range of government business.

The Royal Family

2.7 The Royal Family are a major asset to the UK in building our relationship with European countries, as they are for countries across the world. The Spanish State visit on 12-14 July was an example of a visit that has had a deeply positive effect on the relationship, celebrating the very close royal, historic, cultural and commercial ties between our two countries. Members of the Royal Family visit Europe regularly. In October Prince Harry embarked on a two-day visit to Copenhagen focusing on projects which help young people in the city. The Prince of Wales is highly active in Europe, for instance His Royal Highness has been Patron of the Romanian ‘FARA’ Foundation for 16 years, a charity that transforms the lives of vulnerable and traumatised children and young people. In April, when in Vienna the Prince of Wales took part in roundtable discussions centred on tackling modern slavery and human trafficking. Their Royal Highnesses The Duke and Duchess of Cambridge undertook an official tour of Poland and Germany between the 17-21 July; in addition to meeting leaders in
business, government and civil society, they engaged with young people of both countries; from entrepreneurs, to mental health campaigners, and bright young talents in music and the arts.

**Formal Bilateral Structures**

2.8 In some cases our relationships are boosted by formal structures that ensure there is regular senior contact that can look at progress on areas of cooperation, add impetus to our joint work and ensure it supports long-term positive cooperation. This takes the form of formal Prime Ministerial level Summits, (such as the UK France Summit or Intergovernmental Consultations with Poland), or senior official level contact (such as the regular meeting of Permanent Secretaries in Ireland). There are also broader Conferences, such as Königswinter (with Germany), Tertulias (Spain), Pontignano (Italy), Apeldoorn (Netherlands), Belvedere (Poland), and the new Greek-British Symposium, that involve not just government but business, civil society and academia. Cooperation through groupings, such as the Northern Future Forum (Denmark, Estonia, Finland, Iceland, Latvia, Lithuania, Norway, Sweden and the United Kingdom) and multilateral organisations such as NATO, the OSCE, EU and UN can also be effective ways to work with European partners on areas of mutual interest.

**Network of Posts**

2.9 The UK’s diplomatic network builds on and complements the efforts of ministers. We have senior Ambassadors in every European capital and engage consistently with their European counterparts based in London. This work is crucial to ensure consistent dialogue with partners on all facets of our comprehensive relationships across the continent and to represent UK security, prosperity and consular interests in Europe. In some instances, we use relatively small amounts of programme funding (from the Prosperity Fund, Global Britain Fund, the GREAT campaign for example) to support this work and exploit opportunities in specific areas.

**Whitehall Departments**

2.10 UK and European government experts in different areas also engage directly on their areas of focus. This technical cooperation provides important substance to the bilateral relationships and allows our countries to build partnerships, share experience and expertise, and find new ways to address joint challenges and exploit opportunities so that we can better deliver for our populations. This applies to the work of the Ministry of Defence, Department for International Trade, Department for Business Energy and Industrial Strategy, Home Office, Department for Culture Media and Sport, the Treasury, Department for International Development, Department of Health, Department for Education, British Council and others.

**Beyond Government**

2.11 Our bilateral relationships go beyond government to government cooperation however. The UK’s long history with Europe and the extraordinary people-to-people links that exist means that there is a vast web of ties that bind our countries together. The 23 million annual visits to the UK by EU nationals and 41 million to Europe by British nationals and the large numbers of British nationals in Europe and European nationals in the UK reflects this. Language learning, youth exchanges, academic and science partnerships, and of course
business links all add substance to the relationships. The government supports these ties where appropriate but in many instances these links exist with minimal involvement from governments.

3. Which bilateral relationships the FCO should prioritise in Europe after Brexit, and the trade-offs that may be involved in such decisions

3.1 All our bilateral relationships in Europe will be important to our long-term security and prosperity given the wide range of mutual interests we hold with our European allies. We must work closely with countries across the board during this important period of transition, recognising that bilaterally, through their influence in the EU, and because of the importance of collective action in responding to global challenges all these countries matter to us.

3.2 For some countries, UK interests are engaged on more issues than others and we must ensure that our limited resources are focussed where they have the greatest impact. In countries like France, Germany and Ireland we must invest in comprehensive relationships, recognising that our partnership will be important to both of us on a vast range of issues and we must have the relationships, structures and network to support this. In other countries, UK interests in cooperation may be particularly acute in more specific areas and we should focus our efforts in these so as to deliver most for our respective populations. However this does not take away from the imperative to be working closely with partners across the board in Europe, as the UK leaves the EU. We will need to maintain a significant presence in Brussels in order to engage effectively with the EU institutions and member state representations.

4. Potential institutional frameworks for a post-Brexit foreign and defence policy partnership including, but not limited to, continued UK participation in aspects of the Common Foreign and Security Policy (CFSP) and Common Security and Defence Policy (CSDP)

4.1 On 12 September, the Government published a future partnership paper setting out our vision for future UK-EU cooperation on Foreign Policy, Defence and Development.

4.2 The paper reinforces the Prime Minister’s message that the UK will continue to play a leading role as a global foreign policy and security actor after we leave the EU. Our commitment to European security is unconditional. We will also continue to support a strong, secure and successful EU that can help address our shared priorities.

4.3 The EU’s own negotiating guidelines state that it is ready to establish partnerships with the UK in areas including “the fight against terrorism and international crime, as well as security, defence and foreign policy”. Given the breadth and depth of our shared interests and values, the UK is seeking a deep and special partnership with the EU that goes beyond existing third country arrangements. This should reflect our shared history, the practical benefits of our cooperation, and the UK’s commitment to the promotion of European interests and values across the world.

4.4 Our future partnership paper sets out a broad and innovative range of ideas that would enable us to continue to work together in support of shared interests. These could include:
– Regular close consultations on foreign and security policy issues between the UK and the EU, with the option to agree joint positions.
– Cooperation on sanctions listings, including by sharing information and aligning policy where appropriate.
– Cooperation in regions where we share common objectives, including the Western Balkans, North Africa and the Eastern Neighbourhood.
– Collaboration on countering terrorism and violent extremism issues around the globe.
– Continued UK contributions to certain EU Common Security and Defence Policy (CSDP) missions and operations where in our mutual interest, and we could work together with the EU on mandate development and operational planning.
– Continuing to ensure that the UK and EU defence and security industries can work together to deliver the capabilities we need.
– UK collaboration in European Defence Agency projects and initiatives.
– Collaboration on cyber security issues.
– Strategic cooperation with the EU on external migration.
– Collaboration and alignment on development policy and programming with the EU, enabling us to work coherently in response to specific crises overseas.
– Reciprocal exchange of foreign and security policy experts and military personnel.
– Classified information exchange to support external action.
– Mutual provision of consular services in third countries where either EU Member States or the UK lack a diplomatic presence, and continued co-location of diplomatic premises.

4.5 The ideas in our paper have been received positively by EU partners. However, the precise institutional frameworks to deliver this deep and special partnership will need to be discussed in negotiations. The UK has put forward an ambitious set of proposals, and we look forward to beginning discussion with the EU and EU Member States on this important aspect of our future relationship as soon as possible.

5. Recent proposals to deepen EU foreign affairs and defence integration, and their implication for UK-EU co-operation

5.1 After the UK leaves the EU, the UK will continue to provide leadership that promotes our common interests, defends the rules-based international order and advances European and international security. The UK supports a strong, secure and successful EU, with global reach and influence that can help address our shared priorities, from tackling terrorism and extremism, to responding to crises, to strengthening the rules-based international order and promoting good governance and human rights.

UK Proposals

5.2 The UK is committed to European security and defence: we are a founding member of the EU’s Common Security and Defence Policy (CSDP). There are 16 CSDP operations and missions – six military and ten civilian – to which the UK contributes, both in terms of finances (we contribute 16.7% of costs based on our GNI share) and personnel and resources (we contribute more than 150 military personnel and civilian experts). Given our significant
commitments to European defence and security, we wish to develop a new partnership with the EU which goes beyond any existing third country arrangements, and which builds on the breadth and depth of our shared interests and values.

5.3 Economic security is a critical element of the nation’s broader security. The defence industry contributes directly to our shared European security by providing the capability we need to counter shared threats and promoting our mutual prosperity. The European defence sector is already closely integrated; leading companies have a presence right across Europe, including the UK. An open and fair trading environment is vital to the continued success of this sector. As our Future Partnership Paper sets out, we wish to ensure UK and European industries can continue working together to deliver the capabilities we all need to protect Europe.

5.4 The UK continues to meet its NATO defence spending target of 2% of GDP and 20% of that on researching, developing and procuring new equipment. UK defence R&D spending is 40% of Europe’s total, and we also have more defence SMEs than any other European nation. We have the largest defence budget in Europe (accounting for 20% of defence spending of NATO allies excluding the US).

EU Proposals

5.5 The EU is currently establishing Permanent Structured Cooperation (PESCO), which should allow Member States to strengthen their cooperation in capability development. The UK supports this ambition to address the capability shortfalls in EU and NATO contexts. Projects should remain Member State owned and generate capabilities available to use in support of NATO and UN operations as well as to the EU; and should be open to third country access where there is a clear benefit in doing so.

5.6 The UK supports the Coordinated Annual Review on Defence (CARD) initiative, a stock take of the European Capability Development landscape, the output of which we would like to ensure complements the NATO Defence Planning Process. The UK is currently taking part in the trial-run of the CARD this autumn 2017 and is committed to providing the European Defence Agency (EDA) with the necessary information related to UK defence planning.

5.7 The UK welcomes the European Defence Fund (EDF) and the potential it has to strengthen Europe’s defence capabilities and its defence industrial base. It is important the EDF complements other European defence cooperation activities, such as through NATO or other bilateral/regional cooperation. The European Defence Industrial Development Programme (EDIDP) Regulation, a key element of EDF, is currently proceeding through the EU Council and Parliamentary process. It is important the resulting regulation allows cooperation with third countries and that it does not lead to barriers to wider European industrial cooperation.
6. The funding, staffing and effectiveness of UK representations in Brussels and across Europe, including at regional level

6.1 HMG maintains a large and effective network across Europe, with Embassies in each of the 27 EU Member States and the UK Permanent Representation to the EU in Brussels. We also operate a number of Consulates and Consulates-General outside of capitals in Croatia, France, Germany, Greece, Italy, Portugal and Spain which support regional engagement, trade promotion and provision of consular services.

6.2 Across Europe the FCO is responsible for providing the platform from which most of HMG operates. In addition to the FCO, there are more than 15 other government partners operating across our EU posts and Permanent Representation in Brussels, including the Department for International Trade, Ministry of Defence, Home Office, HM Revenue and Customs, Visit Britain and the British Council. Across Europe there are more than 480 UK based staff working for HMG, and more than 1,600 locally engaged staff.1

6.3 Since the vote to leave the EU we have taken a number of steps to strengthen our network in Europe to help support a successful exit from the EU and to increase bilateral engagement with our European partners in preparation for life outside the EU. We have upgraded the seniority of 7 of our Ambassadors in European posts, so that now all of our Ambassadors in the 27 EU Member States are at the SMS - senior management - level. We are posting around 50 additional FCO UK based staff to our posts across Europe and are planning to create more new staff positions to further reinforce the network.

6.4 As well as deploying additional staff, we are devoting considerable resources to improve the capability of our staff in dealing with EU and European issues. The Europe Faculty of the FCO’s Diplomatic Academy provides access to learning in support of development of the knowledge and skills that staff need to deliver first class Europe policy – and to deliver UK foreign policy priorities in and through Europe.

6.5 Following the referendum, the Europe Faculty has collaborated with DExEU, BEIS and DIT to adapt the learning offer in line with revised priorities. We have developed new training courses on EU negotiations and Third County Agreements and are delivering a masterclass series addressing key emerging themes as the UK prepares to leave the EU. Since April 2016, the Faculty has upskilled 185 staff across 10 government departments, and will have run 28 masterclasses attended by over 1500 staff across 28 government departments by December 2017.

6.6 For staff taking up many of our UK based roles across Europe, language training is available through the FCO Languages Centre, reopened in 2013, to train them from beginner to C1 (degree level) on the Common European Framework of Reference (CEFR) to ensure they are able to operate effectively in the local language. French, German, Portuguese and Spanish are all priority languages resulting in extra support and attention.

6.7 We also continue to invest in our estate across Europe to ensure it is fit for purpose and enables all HMG staff to operate effectively. We are focussed on ensuring that the estate can

1 Data is taken from multiple internal sources, and is based on 1) UK based staff employed by the FCO as of 31 October 2017, 2) UK based staff employed by other government partners as of 1 April 2017 and 3) Locally engaged staff employed as of 30 September 2017.
support the expanded staff numbers and remains a fitting representation of the UK across Europe. Recent projects include a complete refurbishment of our Embassy in The Hague and a new Embassy building in Budapest. Looking ahead, alongside many other projects across the network, we will be moving forward with a major refurbishment of our Residence and Embassy in Paris to secure our historic estate for future generations.

7. Possible metrics for evaluating the performance of the existing structures of UK representation across Europe

7.1 Our posts’ performance is evaluated against their business plan which sets out the agreed objectives they are working towards in their country in support of HMG’s overall objectives in Europe. Posts’ progress in delivery of their business plan is formally assessed and reviewed every six months. This formal process supports day-to-day engagement between London and posts on how to maximise our collective impact as well as performance management procedures for individual staff in London and the network. Typical objectives for posts in their business plans includes promoting UK trade and prosperity, deepening bilateral ties, collaborating on wider foreign policy initiatives and effective delivery of consular services to UK nationals. The FCO in London and Posts is also providing comprehensive support to the DExEU led effort to support a successful outcome to the exit negotiations.

7.2 In addition to this, in the FCO we conduct a quarterly impact monitoring exercise to record examples of where our posts have had particular impact in delivering against the FCO’s Priority Objectives. Examples from 2016-17 include supporting the Electoral Commission’s Overseas Voter Campaign ahead of the EU referendum, the cross-government Global Britain communications campaign which helped to bolster positive perceptions of the UK in EU member states, the launch of a major new campaign in France (Les Voisins) to showcase our deep human and cultural ties, and the first bilateral summit of its kind with Poland in November 2016.

7.3 We also collect detailed statistics on the delivery of consular services by our posts. So far in 2017, our posts across EU member states have dealt with over 7,000 new consular cases, and issued over 14,000 emergency travel documents. 98.9% of emergency travel documents were issued on the same or next working day after the receipt of necessary documentation. Our customer satisfaction rating was 89% across the Europe South region and 87% across the Euro Asia region.

7.4 Our missions have also been reaching out to British communities on the UK’s exit from the EU. Through Town Halls, open meetings and online, our Embassies and Consulates have provided information and guidance and sought to understand communities’ questions and concerns on this process.

November 2017

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2 It is not possible to break down these statistics to identify customer satisfaction ratings just for our posts in EU countries.