
Address by Minister Flanagan at the launch of IIEA “Brexit Status Update”

[Speech](#)

Minister Charles Flanagan TD - 26/5/17

Address by Mr. Charles Flanagan T.D., Minister for Foreign Affairs and Trade

Launch of IIEA “Brexit Status Update”

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CHECK AGAINST DELIVERY

Members of the Institute, Distinguished guests.

I would like to thank you (Jill Donoghue) for those kind words of introduction.

And thank you for the invitation to join you here this afternoon. It's a pleasure to kick start proceedings today.

I know that you have a busy afternoon planned to mark the launch of the latest “Brexit Status Update” report. Let me begin by commending the invaluable work of the Institute and particularly the contributors to this report.

Your efforts, be it through seminars, panel events or reports such as the one whose publication we are marking today, make such an important contribution to the debate on Brexit.

Building on your expertise in EU affairs, your organisation is expertly placed to draw on sources whose opinions, views and perspectives we need to hear at this critical point on this journey that presents unprecedented political, economic and diplomatic challenges for Ireland.

And let's make no mistake about it, this is a journey that we are all on together.

Now more than ever, we need to listen to, and engage with, one another to hear those differing perspectives to ensure that we secure the best outcome for Ireland and our citizens.

And I believe very strongly that everyone - Government, industry, academia, the individual citizen - has their part to play in addressing the challenges of Brexit.

For my own part, here today, I'd like provide you with a “status update” of my own; a reflection on the last 12 months of the Government's work and an assessment of where we stand as we prepare to engage with the historic negotiations which lie ahead.

Ladies and gentlemen

They say that the past is a foreign country. Certainly, when I look back to this time last year, the geopolitical landscape, in Europe and beyond, had a very different feel. At that stage we still hoped that the British electorate— when faced with what we in Ireland thought to be a compelling case – would vote to remain as members of the EU.

12 months ago when I last I stood before you, it was to address your conference examining the theme “*Brexit – A Risky Business*”. Then, we were 35 days out from referendum day and our thoughts and perspective were markedly different. Then, I talked to you about the strength of a Union of 28 member states. About our ability as 28 to be greater than the sum of our parts. To be better equipped as 28 to face a multitude of challenges and threats not least those that don't respect borders – be it climate change or global terrorism - and to deliver better results for our citizens as a result.

The atrocities witnessed in Manchester earlier this week, which shocked us all, yet again underlines the need for solidarity with our friends and neighbours and to work together to face down the threat of international terrorism.

So it seems timely then to be back with you a year later to take stock take of where things stand. And it seems even more appropriate that the occasion is the launch of this piece of incisive and detailed analytical work.

Last 12 months – a time of change?

So what then has changed in the last 12 months? Well, on the surface quite a lot. First, since the referendum result, Brexit has quite simply been everywhere.

No longer the preserve of civil servants and think tanks, “Brexit” has worked its way firmly into our national discourse. As a Minister I meet a lot of people on a weekly basis in a wide variety of settings – in rooms like this and at myriad events in my constituency. Irish citizens are very engaged on Brexit and that engagement is very welcome. We've all gotten to grips with obscure articles of EU legislation, and are now intimately familiar with the roles and responsibilities of the EU's Institutions in the negotiations process.

Second, we've seen change at political and official levels in the UK.

A Conservative government which had been riding high on the electoral spoils of 2015 has changed quite significantly over the course of 12 months.

The referendum precipitated a change in Prime Minister, and we await the outcome of next month's general election for further indications as to where public feeling in the UK sits in these turbulent times.

After months of speculation Article 50 was finally triggered at the end of March.

Broadly constructive in tone, the Government welcomed in particular the references to Ireland in Theresa May's letter of notification, which also sets out the objective of protecting the peace process and avoiding a return to a hard border on the island of Ireland.

So while we wait for negotiations proper to begin after the general election, across Whitehall, the UK is readying itself for the next phase where it will need to deliver on the decision of the British people in last year's referendum which will see the UK embark on a fundamentally different course to the one they navigated for the past 44 years as a member of the European Union.

And thirdly then, what of the EU? Well, here too, we have seen change, but it is change of a different order. Here, I think it is more appropriate to talk about a change in gear, a step up of efforts to come together, rather than a fundamental change in direction. At EU level, there has been a concerted focus on preparing for the negotiations in a unified manner.

We have had the negotiating guidelines agreed by the European Council in April, the more detailed negotiating directives agreed by the General Affairs Council on Monday, and – not to be overlooked – the European Parliament's Brexit resolution which was endorsed by an overwhelming majority of MEPs on 5 April.

This has been complemented by the appointment of key personnel including Michel Barnier as Chief Negotiator for the EU. And while I will return to the detail of the negotiations in a few moments, I would note that from an Irish perspective today we find ourselves at the heart of an alliance of 27 Member States, negotiating from a position of strength to promote and protect the interests of Ireland, of all of our citizens and of our European Union.

Crucially at EU level, there has also been an emphasis on renewal.

The Brexit result was a shock, a profound one, for the EU. But in response, rather than abandon the values which underpin our Union, I would argue that we are instead witnessing a reaffirmation and a strengthened commitment to those values. Quite simply, since the referendum result, we have seen the emphasis shift towards a growing determination among the remaining 27 Member States to make a success of the European Union.

From the Bratislava Declaration of August 2016 to the Rome Declaration in March which marked the 60th Anniversary of the foundation of the EU, we have seen a renewed confidence and conviction in the European project and in the values that it represents.

The electoral victory of Emmanuel Macron in France earlier this month further demonstrates that the pro-European message remains relevant and resonates with the electorate. This pro-EU sentiment is replicated in public opinion elsewhere in the EU27, not least here in Ireland, where support for EU membership remains extremely high.

Of course, polls don't tell the whole story, but they do give a good indication in broad terms, and they are certainly useful tools to identify trends over periods of time. And as I said, what the polls here have shown us – consistently – is that, since the referendum result in the UK, support for continued Irish membership of the EU remains high. Ultimately, I believe that this reflects the pragmatism of the Irish people.

We know that while the EU is a force for good in our daily lives, it is imperfect.

While it has achieved so much for the people of Europe, it still needs to do better, to deliver more for its citizens and to do so effectively. But we want to be part of the discussion and the efforts that pushes for that improvement, shaping the outcome from within the EU.

So, in some respects, that is one key point which has not changed in the last 12 months – we in Ireland still believe that the EU is greater than the sum of its parts, and that as 27 we are, and will continue to be, better equipped to face the many complex and disparate challenges which today's world presents us with.

The Government's Approach – Last 12 months

On the one hand then, the last 12 months have been characterised by a lot of change. And yet, on the other hand from the Government's perspective, there has been a consistency of approach to our actions since June 23rd last year. Indeed, much of the work we have undertaken in Government since the UK referendum has – dare I say it – been predictable.

By that I mean – we had developed a plan to respond to a “leave” outcome and although we hoped we would never have to use it, when the result became clear early on the 24 June we were ready to go. I don't say this in any self-congratulatory way, to me this is no less than what is required from a responsible, informed government.

When I spoke to you at last year's conference, work was already well underway on the first phase of contingency planning which was published on 24 June.

This work was reinforced by a clear understanding of the priority issues for Ireland in relation to Brexit, namely:

- minimising the impact on our trade and economy,
- protecting the peace process and the Good Friday Agreement,
- maintaining the Common Travel Area with the UK, and
- securing Ireland's future in a strong European Union.

All of these underpin the most fundamental objective of all – ensuring the continued wellbeing of our citizens.

So while we were deeply disappointed by the referendum result, the Government was nevertheless ready to roll out a methodical approach to the next complex phase. This response was characterised by three main features:

- Structural changes
- Systematic engagement at home and
- Strategic outreach abroad

Of these three, probably the simplest to implement was the restructuring. At political level, the Taoiseach established and chairs a dedicated Cabinet Committee on Brexit which has met eight times to date, and provides political direction to our Brexit strategy. The Department of the Taoiseach continues to provide the strategic directive to what is an all of Government effort to deliver on Ireland's interests and objectives in the forthcoming negotiations between the EU and the UK.

The responsibility for EU functions returned to my Department last November, and staffing in key diplomatic missions – Brussels, London, Paris, Berlin – was reinforced to respond to the demands of Brexit.

I am confident that we now have a framework in place which is fit for purpose to tackle the challenges of Brexit. Critically, that structure is flexible and remains under review to allow us re-calibrate resources, as required, to respond to the evolving needs of the situation.

Next, our attention turned to systematic engagement at home – with stakeholder groups, with citizens – to deepen our analysis and to move confidently into the next phase. The All Island Civic Dialogue, which I co-Chair with the Taoiseach, was a critical piece of this effort. Over 1,200 delegates – including many people in this room – have participated in numerous sectoral Dialogues, enabling Government to have one of the widest possible conversations on the implications of Brexit for this island, North and South.

Just this week my colleague, Joe McHugh, hosted a sectoral Dialogue event in Letterkenny focusing on “the North West and the wider border region” with engagement from stakeholders across a range of sectors in this part of the island where the impact of Brexit is likely to be most acutely felt. This process of sectoral Dialogues is ongoing.

With two plenary sessions already in November and February, chaired by Tom Arnold, this process has allowed Government to hear the broad range of concerns raised by Brexit throughout the island - for the economy, for society, for the peace process and for North/South co-operation. In turn this allowed us feed these concerns and issues into our preparation across Government for the negotiation phase.

I am pleased to see that many of these key questions are raised and teased out in your *Status Report* too, and so in many cases replicate the issues which Government drew together in our document “*Ireland and the negotiations on the UK's withdrawal from the European Union*”, as published earlier this month. Given the nature of the process, naturally the specifics of key negotiating points will only emerge and crystallise as negotiations proceed. So we view our publication as a comprehensive starting point on which to build our negotiations strategy.

And then we had the final piece of the puzzle, our strategic outreach. Our objective here was to ensure that our partners across the capitals of Europe and within the Institutions had a sound understanding of the unique implications of Brexit for Ireland, particularly in relation to Northern Ireland and the Good Friday Agreement.

To achieve this, the Government, led from the front by the Taoiseach implemented a targeted programme of engagement with our partners.

For my own part, I have had over 80 interactions with counterparts from EU member states and from the Institutions. This began on the morning of 24 June and most recently has involved visits to the border region with Michel Barnier as well as the Luxembourg Foreign Minister, with further visits planned for the weeks ahead. During this process of engagement I have been struck by a number of key points.

First of all, I think it is fair to say that there was already a high degree of awareness amongst partners of the situation on this island, of the peace process, and, perhaps

to a lesser extent, of the Good Friday Agreement.

But when it came to the detail, there was – understandably – less awareness of the particular provisions and operation of the Agreement and its successors and of the often fragile nature of politics in Northern Ireland.

Indeed for many, the situation in Northern Ireland was viewed as “settled”.

So, there was a real and pressing need in many cases to go back to first principles in setting out the nature of the peace settlement on this island, including the unique constitutional and political context, the still fragile nature of the devolved institutions and the centrality of our shared, open border.

In all cases, a vital aspect of our ambitious programme of diplomatic engagement around the EU has been to underline the very particular legal challenges that the UK's withdrawal poses and the specific needs that will arise within the context of the forthcoming negotiations between the EU and the UK.

In doing so, we emphasise the status of the Good Friday Agreement, an international agreement registered with the UN, and the particular responsibility which that requires of Ireland and the UK as co-guarantors.

A further matter of national interest is, of course, the avoidance of a hard border on the island of Ireland. As arguably the most emotive symbol of the peace process, the open border is essential to social and economic well-being on both parts of the island and to the further normalisation of relationships, following the difficult decades of the Troubles. In impressing the importance of the open border on partners, visits by key Commission, Council and Parliament figures to the region – such as the one with Michel Barnier which I mentioned moments ago – have been invaluable.

There is no substitute for seeing – or rather in this case, not seeing – the border, and the indispensability of this for life on the ground. This affords our key EU interlocutors, a proper understanding of why remaining as close as possible to the status quo must be a key political objective of the European Union in the negotiations. As the Taoiseach has said, the avoidance of a hard border will require creativity and imagination, and importantly this has been specifically reflected in the European Council negotiating guidelines.

We know that achieving this objective will not be easy, and compromises will be required on the UK side as on the EU side, in order to find a solution that realises the shared objective of avoiding a hard border, and one which protects Ireland's obligations, interests and advantages as a continuing, committed EU Member State.

There is an important responsibility also for political leadership in Northern Ireland. At this critical and challenging time for Northern Ireland as the EU-UK negotiations draw ever closer, the restoration of a power-sharing Executive is essential.

The people of Northern Ireland voted for a new Assembly and a new Executive on 2 March, and the overdue obligation now on the parties is to again work together to deliver effective devolved government for Northern Ireland. I believe that there is a willingness and a determination by the political parties to achieve that, and I look forward to participating in the resumed talks in Belfast after the UK general election.

A successful outcome and a new Executive by the 29 June deadline is imperative if Northern Ireland is to continue to build on the progress made over the last two decades, to ensure that partnership and reconciliation continue to be advanced, and to deal effectively with the challenges now presented by Brexit. A new Executive is also required so that the essential engagement and cooperation with the Government through the North South Ministerial Council can continue across the various sectors, including to address the all-island impacts of Brexit.

There is no doubt but that Ireland is the EU Member State most at risk from the UK's withdrawal from the Union. However, the Government is determined that our interests will be protected and we have therefore engaged early and in some detail with our EU partners. I think we can be pleased with the return so far on these efforts. At EU level, we have seen the unique issues of Ireland recognised in every key preparatory document as mentioned earlier.

The European Council Guidelines and the detailed negotiating Directives have a strong acknowledgement of Ireland specific concerns, including on protecting the gains of the peace process and the Good Friday Agreement in all its parts, on avoiding a hard border, and on maintaining bilateral agreements and arrangements between the UK and Ireland, such as the Common Travel Area.

The Directives also recognise the need to address the rights of Irish citizens residing in Northern Ireland and the continued enjoyment of their rights as EU citizens, as well as a recognition of the unique geographic position of Ireland when it comes to addressing issues such as transit, which is crucial for our exports and their continued access to the Single Market.

In addition, the European Council also agreed a Statement recognising the unique constitutional status of Northern Ireland and the need to ensure that – should a united Ireland be brought about in accordance with the Good Friday Agreement – the entire territory of such a united Ireland would be part of the EU. In short – our unique priorities – all of them, – have been accepted by our 26 partners as shared priorities of the EU for the negotiation process.

The Government's Approach – Next 12 months

So while admittedly all of this marks only the beginning of a process, it is at least the right beginning for us. Choose whatever metaphor suits you best, I will stick to

a sporting one: in this game of two halves I would say we have had a solid first 15 minutes behind us which gives us much to build on going forward. And move forward we will.

At EU level, Monday's meeting of the General Affairs Council signed off on the final details to facilitate the opening of the Article 50 negotiations. We have a clear idea of how the process will work – led by Mr Barnier, under the political oversight of the European Council – and an equally clear understanding of the three areas of focus:

- Citizens' rights
- The UK's financial settlement; and
- The border issue on the island of Ireland

So far so good. The simplicity of the presentation, however, belies the complexity of the task at hand. Even leaving aside the border, the other two baskets of issues present multiple complexities.

Taking the citizens' rights question – on a positive note, there is clearly political good will on both sides to find solutions. But the detail will be complicated – this basket straddles many important issues in the area of residency rights, working rights, not to mention aspects of access to healthcare and education.

That said, I believe that an early agreement in principle on the reciprocal protection of citizens' rights is achievable and must be a priority. This would be important for individual EU and UK citizens and their families who find themselves in a position of uncomfortable uncertainty right now. We should never forget this is about people's lives and their interest must come first.

But in addition, a quick agreement in principle on this issue would also be important for building confidence between both parties at an early stage of what will be a difficult and complex negotiating process. Let's remember it is in everyone's interest for these negotiations to start well, and be carried out in a constructive manner.

On the financial settlement question, the detail is no less tricky. I don't view it as helpful to remark on the commentary in the media – and let's not forget that there is a general election campaign underway across the water – but I will say this: the British government has always accepted that they will need to honour certain obligations and liabilities as a departing Member State as part of their exit arrangements. This is a matter of public record.

This is not about punishing the UK or issuing a "bill" for leaving. It is very simply a legitimate expectation on the part of the EU that the UK should honour any financial commitments that it has already entered into.

This issue will be addressed in the negotiations process – which fact is not under dispute. But the handling will be key. So, rather than focussing on figures, which can be unnecessarily inflammatory, I think the Commission's approach to the negotiations is a smart one – let's look at the methodology first, agree those principles, and then calculate a figure based on this agreed methodology.

From exit to future relationship

More than anything, the endless commentary on the "bill" in the media underscores the highly political nature of Brexit. It also brings into focus the link between the exit negotiations and the future relationship negotiations.

We know that on the British side, they are keen to get into the details of the future relationship that they will have with the EU. We understand this perspective, but equally we support the EU27 view that we cannot rush precipitously to this second stage. In accordance with the framework provided by Article 50, progress must advance on the exit issues, before we can turn to the future relationship.

But I think we should remain hopeful that with pragmatism and good will on both sides, we shall see "sufficient progress" across the Article 50 baskets in the weeks and months ahead which would allow the European Council to decide to move to this second phase where the detailed negotiations on the withdrawal agreement can be taken in parallel with discussions on scoping out the framework for the UK's future relationship with the EU.

All going well, this could happen as early as the end of this year.

It will come as no surprise to anyone in this room that the future EU-UK relationship is of enormous concern and interest to the Government. We know that Brexit will have a disproportionately large impact on our economy. The Government has been very clear that we want to see the closest possible trading relationship between the EU and the UK post Brexit. Achieving this will be of the utmost importance as we strive to mitigate the impacts on our economy. For this reason, our focus in Government has intensified on the economic dimension of Brexit.

Work is underway on a further piece of detailed analysis which will examine the economic implications of Brexit, including on identifying domestic policy measures:

- to protect our economy from the potential negative impacts of Brexit,
- to reinforce the competitiveness of the Irish economy, and also
- to pursue all opportunities that might arise.

Therefore, I noted with great interest the chapters of your Status report which look

at the agri-food sector, and separately, at the role of SMEs. You have quite rightly identified these as being on the frontline in terms of the impacts of Brexit on the Irish economy.

The questions that this analysis, yours included, throws up are complicated. And if last year has taught us anything, we must avoid a rush to simplistic answers which are presented as catch-all solutions. Instead, we must continue to invest time and effort in research, detailed analysis and planning so I look forward to feeding your work into the consideration of key issues which is underway at the heart of Government.

Conclusion

In doing so, this brings me neatly back to the point which I made at the beginning of my remarks today: There is a role for all of us to play in shaping Ireland's response to the profound and historic challenges posed by Brexit. We have many months and years of effort ahead of us. But let us step forward together, on the back of solid work undertaken to date, ready to respond to the challenges before us and to deliver the best for our citizens, for Ireland, and for the EU as a whole.

I wish you every success with your conference today and congratulate the Institute once more on this publication.

Thank you.

ENDS