



PROSPERITY UK's Alternative Arrangements Commission

"We believe we have set out a road map to a Brexit deal. It is now up to the new UK Prime Minister, the EU and the Irish Government to reach an agreement, which will also pass the House of Commons, before it's too late."

Rt Hon Nicky Morgan MP and Rt Hon Greg Hands MP (18 July 2019)

About Prosperity UK

Prosperity UK is a politically independent platform chaired by Sir Paul Marshall and Lord Hill of Oareford, bringing together business leaders, academics and policy-makers to seek solutions to Brexit issues and to look constructively at a future outside the EU and at how the UK can build an open, dynamic and balanced economy which maximises prosperity for all.

Prosperity UK does not advocate any particular Brexit outcome. Its objective is to give the negotiators on both sides the tools to unblock the Brexit logjam and to create the basis for an agreement, thereby enabling a recovery in confidence for governments, citizens, businesses and investors across the EU and in the UK. We have also worked on the assumption that any solution must be compatible with the UK ultimately pursuing an independent trade and regulatory policy.

About the Alternative Arrangements Commission

By far the greatest obstacle to leaving the EU has been concerns surrounding the Irish Border and its future post Brexit. Prosperity UK's Alternative Arrangements Commission Final Report is a comprehensive attempt to remedy this situation, firstly by identifying potential "Alternative Arrangements" to ensure the absence of a physical frontier and to ensure that the Belfast/Good Friday Agreement is upheld, and secondly by drafting Protocols which describe how these Alternative Arrangements could be implemented in different scenarios.

The cross-party Commission, chaired by Nicky Morgan MP and Greg Hands MP and supported by 23 technical experts, spent seven weeks drafting an interim report, visiting the Island of Ireland four times. The Commission published its interim findings in London on 24th June. A two-week consultation period followed, including roadshow events in Belfast, Berlin, Brussels, Dublin and the Hague. A final Report & Protocols was published in London on 18th July.

Protecting the Belfast/Good Friday Agreement

The Commission has looked at solutions that are both realistic and sustainable and recognise that their formulation and implementation will require the engagement of many stakeholders in the UK, Ireland and Europe. Key to the proposals is a commitment to protecting the Belfast/Good Friday Agreement.



Compatible with any of the EU-UK future relationship proposals

The Commission's work was to seek to create further material for parliament to debate, to highlight to our European partners that there is an on-going parliamentary majority for the WA provided that a template for Alternative Arrangements can be agreed. The work of the Commission is compatible with any of the EU-UK future relationship proposals currently under consideration.

Building on the existing Withdrawal Agreement (WA)

The Commission sought to deepen substantially the work stream on Alternative Arrangements enshrined in the current WA. The Commission's principal objective was to develop detailed proposals to avoid physical infrastructure at the border via "consideration of comprehensive customs cooperation arrangements, facilitative arrangements and technologies," as described within the Joint Instrument (Strasbourg, March 2019) relating to the WA.

The Commission has also focused on harnessing existing technologies and processes, in order to address concerns that Alternative Arrangements are somehow unproven or reliant on untested new technology.

Our recommendations

The key points set out in our Report & Protocols are as follows:

- Working Alternative Arrangements should be fully up and running within three years, with the ability to implement some measures considerably sooner.
- Alternative Arrangements are available through harnessing existing technologies and customs best practice.
- New technology has a role to support policy, but any technology suggested for deployment in the first instance is already in use elsewhere.
- A one size fits all solution should be avoided; instead people and traders should be given the maximum possible choice of options.
- Enhanced Economic Zones, benefiting from relevant WTO exemptions, such as frontier traffic and national security, offer potentially valuable solutions which respect the realities of border and cross-border communities.
- A multi-tier trusted trader programme for large and medium sized companies should be introduced, with exemptions for the smallest companies.
- The use of transit in the general trading case to ensure no checks at the border.
- Building on the Single Epidemiological Unit, which currently exists on the Island of Ireland, we suggest a common Sanitary and Phyto-Sanitary (SPS) zone for the UK and the Island of Ireland. If the UK decided to diverge materially in SPS rules, it would be up to the Northern Irish executive and the



Northern Ireland Assembly, after consultation with the Northern-South Ministerial Council and the British-Irish Council, whether to align with the Irish and EU regime or the rest of the UK.

- In the event no common regulatory areas can be achieved, transit for the general case would include Sanitary and Phyto-Sanitary (SPS) checks to be carried out by mobile units away from the border, building on the direction of travel of EU regulation in this area, but seeking necessary derogations from the EU.
- A transitional adjustment fund paid for by the UK, to assist with the implementation of Alternative Arrangements on both sides of the Irish border for small businesses.
- A capacity building fund paid for by the UK, to support customs development for UK and IE governments.
- An independent arbitration panel and a specialist committee to advise on implementation.

The Protocols

The Protocols are intended as drafts to assist negotiators in coming to an agreement in any foreseeable Brexit scenario. Prosperity UK would like to thank the international law firm Herbert Smith Freehills LLP, which provided advice on drafting the Protocols.

Protocol AB adds an additional protocol into the existing Withdrawal Agreement and incorporates a list of UK obligations which, if satisfied, would mean that the Backstop Protocol would not be triggered, subject to dispute resolution via an independent arbitration mechanism. Since these obligations are entirely on the UK side, it would be for the UK to ensure that the backstop is not triggered as long as it fulfils the commitments set out in Protocol AB.

Protocol C is a standalone protocol that could be used to agree Alternative Arrangements in a range of Brexit scenarios, including a revised WA, a scenario where the Backstop is replaced, or if no Withdrawal Agreement could be agreed by the Parties prior to the UK's departure from the EU. Even if the UK left the EU without a Withdrawal Agreement, the parties would likely come together to determine the future economic partnership, in which case a solution for the Irish border will have to be found, such as the one developed in Protocol C. It has been drafted to assist both sides in avoiding the potential challenges alluded to by the Irish Government and the Department for the Economy in Northern Ireland.

Next steps

It is now up to the negotiators on both sides to come to an agreement that can pass the House of Commons, while also being acceptable to the European Commission



and Parliament, the Irish Government and the people of Northern Ireland. More information on the Alternative Arrangements Commission, a full copy of the Report & Protocols, and an Executive Summary is available on the Commission section at www.prosperity-uk.com/aacabout/

Contact

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Foyle Port	Norbrook
Freight Transport Association NI	NSF International
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