



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 the Alternative Arrangements Commission

The greatest obstacle to a Brexit agreement between the UK and the EU has been concerns surrounding the Irish Border. Prosperity UK's Alternative Arrangements Commission is an attempt to find a solution to this problem, *and thus make possible a Brexit deal*, firstly by identifying a range of Alternative Arrangements to the Northern Irish Backstop (trade and customs facilitations, processes and technologies that would avoid the need for a hard border after Brexit), and secondly by drafting Protocols which describe how these Alternative Arrangements could be implemented in different Brexit scenarios.

The cross-party Commission, chaired by Suella Braverman MP¹ and Rt Hon Greg Hands MP and supported by 23 technical experts drawn from around the world, 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. Our 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.*

Building on the current Withdrawal Agreement

If we are to avoid a No Deal, a Withdrawal Agreement must be able to win a majority of MPs in the House of Commons.

In January 2019 the so-called Brady Amendment, which called on the Government to renegotiate the provisions in the Withdrawal Agreement relating to the Backstop, and replace it with 'alternative arrangements', passed the House of Commons with a majority of 16. This non-binding motion is the only occasion that Theresa May's Withdrawal Agreement won a majority in the Commons. In March the UK and EU agreed a Joint Instrument (Strasbourg) which enshrined Alternative Arrangements in

¹ Suella Braverman replaced Rt Hon Nicky Morgan MP as co-chair on 25th July 2019



the current Withdrawal Agreement and created a workstream to develop detailed proposals to avoid physical infrastructure at the border via “consideration of comprehensive customs cooperation arrangements, facilitative arrangements and technologies.”

Since its launch in April the Commission has sought to build on the Brady Amendment and Strasbourg Instruments, and highlight to Brexit stakeholders that there is an on-going parliamentary majority for the current Withdrawal Agreement provided that a template for Alternative Arrangements can be agreed.

Our Report & Protocols

The Report

The key points set out in our Report 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 already in use around the world.
- 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.

A full copy of the Report & Protocols (as well as an Executive Summary) is available on the Commission section at www.prosperity-uk.com/aacabout/

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.



Prosperity UK is sending members of the Irish Oireachtas, UK Parliament and Northern Ireland's Legislative Assembly printed copies of the Commission's Executive Summary and Protocols in the next few days.

We will also be suggesting changes to the Political Declaration and concomitant changes to the Withdrawal Agreement so that a Free Trade Agreement is made explicit as the final resting place for the EU/UK relationship.

Rt Hon Greg Hands MP and Suella Braverman MP have invited elected representatives from all political parties represented in the Oireachtas, Westminster and Stormont, plus key border stakeholders, to participate in a private conference in Dundalk on 13-14 September. This high-level conference will be an opportunity for members of the Alternative Arrangements Commission to present their recommendations to politicians from Ireland, Great Britain and Northern Ireland, and for participants to discuss the proposals, share their questions and concerns, and together explore how we might move forwards from our present situation.

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British – Irish Chamber of Commerce	Manifests Ireland
British Retail Consortium	Manufacturing NI
Confederation of British Industry	Members of the Irish Parliament
City Centre Initiative Derry – Londonderry	Members of the UK Parliament
Clarksons Port Services	MJM Construction
Coca-Cola HBC	National Farmers Union
Dairy UK	Newry and Mourne Enterprise Agency
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Derry City and Strabane District Council	Newry Chamber of Commerce
Diageo	NI Food and Drink Federation
Duddy Group	NI Grain Trade Association
Fleming Agri	NI Mineral Products Association
Foremost Freight	NI Retail Consortium
Foyle Port	Norbrook
Freight Transport Association NI	NSF International
	NuPrint



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Gen-sys
Greenfields Ireland
Her Majesty's Revenue & Customs
Houston Solutions
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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. More information is available at www.prosperity-uk.com

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