



ROSE BRIEFING 51 22 June 2022

Inter-Governmental Relations (Scotland, Wales, NI, GB)

The Westminster government published a review in January 2022 of the structures in use since 2002 for liaison between Westminster and the governments of Scotland, Wales and Northern Ireland. The existing Joint Ministerial Committee, which handled issues such as Covid, has been criticised for its lack of formal constitutional status, its inability to take decisions, absence of dispute resolution mechanism and the lack of specific representation for England. The Review makes recommendations for a more formal body. This will in large part handle, as well as existing agenda, matters previously covered by EU regulation. The first meeting of the resulting Inter-Ministerial Standing Committee took place in March. A Common Framework Document is promised but has not yet been issued. Welsh, Scottish and NI administrations have issued guarded affirmations of the need for greater clarity. A research briefing was published by the Scottish Parliament's research department, SCOMAR, in June.

<https://digitalpublications.parliament.scot/ResearchBriefings/Report/2022/6/8/a00e9e5a-089c-4952-a917-2ac2297fc83f>.

Statement issued after the emergency meeting of the European Central Bank Governing Council 15 June 2022

An emergency meeting of the ECB Governing Council was held on 15 June – ahead of its scheduled meeting in July. It sought to prepare financial markets for a decisive policy reversal in face of very high inflation, stock market fluctuations and extreme levels of public and bank debt in countries such as Italy, Greece and Spain – with the Bank ending its policy of ultra low interest rates and monetary easing (printing euros). Serious fears have been expressed that major European economies such as Italy could experience financial crises that would impinge seriously on the euro. The meeting issued the following statement: 'Today the Governing Council met to exchange views on the current market situation. Since the gradual process of policy normalisation was initiated in December 2021, the Governing Council has pledged to act against resurgent fragmentation risks. The pandemic has left lasting vulnerabilities in the euro area economy which are indeed contributing to the uneven transmission of the normalisation of our monetary policy across jurisdictions. Based on this assessment, the Governing Council decided that it will apply flexibility in reinvesting redemptions coming due in the PEPP portfolio, with a view to preserving the functioning of the monetary policy transmission mechanism, a precondition for the ECB to be able to deliver on its price stability mandate. In addition, the Governing Council decided to mandate the relevant Eurosystem Committees together with the ECB services to accelerate the completion of the design of a new anti-fragmentation instrument for consideration by the Governing Council.' The ECB is due to meet to increase interest rates and end monetary 'easing' on 7 July. The ECB Governing Council is particularly concerned at a) the continued disparities in government debt (Italy 150.8 percent GDP, Greece 193 per cent; Portugal 127 percent; Spain 118 percent, France 112 percent – as against Germany 69.3 percent) and b) the impact of higher debt servicing costs in countries with the highest public sector debt. Over the past three months Italy's two biggest banks, Intesa and UniCredit, have lost 37 percent in share value.

NATO AND THE EU: EVER CLOSER RELATIONS

Seventh progress report, June 2022, on the implementation of the common set of proposals endorsed by

EU and NATO Councils on 6 December 2016 and 5 December 2017

The report issued earlier this month details the increasing level of military integration between NATO and the EU. As follows: 'The present, seventh report on the implementation of the 74 common proposals – which were endorsed by EU and NATO Councils in parallel processes in 2016 and 2017 – elaborates on progress achieved between June 2021 and May 2022 by demonstrating concrete deliverables in all agreed areas of cooperation. In particular, we wish to highlight the following elements: - NATO-EU political dialogue and common messaging further developed to include notably the joint visit by the NATO Secretary General and the President of the European Commission to Lithuania and Latvia in November 2021, a joint press conference by the Presidents of the European Council and the European Commission and the Secretary General of NATO on the very day of Russia's invasion of Ukraine, as well as increased frequency of cross-participation in respective high-level meetings. - Well-established political consultations continued in different settings, including through regular meetings between the North Atlantic Council (NAC) and the EU Political and Security Committee (PSC). Our dialogue remains an indispensable and highly valued instrument for strengthening mutual understanding, building confidence and ensuring reciprocal transparency vis-à-vis all EU Member States and NATO Allies, as well as their ownership and strong support. - Agreed cooperation work strands continued to deliver concrete results, including through the newly established structured staff dialogue on resilience; cooperation on strategic communications and countering foreign information manipulation and interference; efforts to ensure the coherence of output between the respective NATO and EU defence planning processes where requirements overlap, and between capability development efforts; continued exchanges through the structured staff dialogue on military mobility; and dedicated staff interactions on Ukraine ...

Defence industry and research

NATO and EU staffs continued consultations on wider industry matters and concrete topics related to industry engagement, to ensure mutual awareness and sharing of best practices. This included reciprocal presentations on the EU industrial strategy as well as on relevant tenets of NATO 2030. The EDA Deputy Chief Executive participated in the November 2021 NATO-Industry Forum. Defence and security capacity building ...

Cooperation on defence and security capacity building for partner countries

This continued with a maintained focus on Bosnia and Herzegovina, Georgia, Jordan, the Republic of Moldova, Tunisia, and Ukraine. NATO and EU staffs in Brussels and on the ground continued to regularly exchange views and information on the political and security situation in all the aforementioned partner countries, and on the respective activities of both organisations. This area of cooperation has become even more important with Russia's invasion of Ukraine. In the period prior to February 2022, the EU and NATO in Ukraine continued close cooperation to advance security sector and intelligence reform within the International Advisory Group (EU Delegation, EU Advisory Mission Ukraine, NATO Representation to Ukraine, and US Embassy). In Brussels, staffs consulted on their evolving defence capacity building support to Ukraine, notably in view of the Assistance Measures (AMs) under the EU's European Peace Facility (EPF) and the enhancement of NATO's Comprehensive Assistance Package for Ukraine. EU and NATO staffs also consulted regarding the Russian demarches received in the last months of 2021. The meeting of the North Atlantic Council and the European Union's Political and Security Committee in February 2022 was a valuable opportunity for the two organisations to discuss the situation and demonstrate their unity. These consultations were complemented by several high-level trilateral meetings between the EU, NATO and the Ukrainian side. [eu-nato-progress-report.pdf \(europa.eu\)](#) June 2022

