Keynote Address

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Given at the DCU Brexit Institute Event:

"Brexit, Climate and Energy Policy" 15 February 2018.

Putting Brexit in perspective

Without any doubt, Brexit so far has been the most disastrous political choice of this new century, as far as the European continent is concerned. There is no happy ending on sight; nor is there the possibility to completely fix the damage caused: history does not go in reverse.

The Brexit process officially started one year ago, when the British Prime Minister Theresa May triggered article 50. In less than 12 months, the negotiations have already provided us with several insights on the situation. In particular, we can observe that everything is shaped to push the EU and the UK one against the other until a final crash. Looking at the discussions and the complexity of the circumstances, we are led to conclude that Brexit is a lose-lose-lose game: the EU will lose, the UK will lose more, and Ireland will lose as well, not the least because of the country's energy dependence on the UK. More in general, losses within the EU vary across member states depending on the different degrees of interdependence of each of the 27 with the UK as well as on the specific issues at stake.

Despite appearances, the idea that at the end of the day a constructive approach will prevail seems to be wishful thinking. Even the first preliminary step, the agreement reached last December on the terms of divorce was just a superficial and short-term driven deal. The way the Northern Irish matter was treated shows that this cannot be the model for the final deal: the border issue was not resolved at all, but simply postponed, as Ms. May promised both the Northern Irish ruling party and the EU two incompatible things. Then, it does not come as a surprise that in the draft deal published by Michel Barnier's negotiating team, the EU implies the necessity of a border in the Irish Sea should the UK stick to its red lines. The December deal was just a preliminary match won by Brussels, because of the structural domestic weakness of Downing Street.

The UK: an energy and climate leader

Something not very much spoken of, but of great importance, concerns the consequences of Brexit in the energy and climate field. Here, the EU has a lot to lose making this an area where ensuring a solid and pragmatic cooperation with the Brits is more than desirable. In this policy field, the EU needs to keep strong ties with the UK to continue being a world leader. As a matter of fact, at the European level, EU energy and climate policies are amongst those that were most influenced by the UK.

The UK has always had a leading attitude to ensure a genuine climate policy at the various levels of governance. At the international level, it played an active role in all the three global conferences dealing with climate change: starting from the 1992 Earth Summit in Rio de Janeiro, which laid the foundations for the Kyoto Protocol and, most importantly, the COP21 signed in Paris in 2015.

At the European level the UK had a major role in the creation, in the 2000s, of the EU Emissions Trading System (EU ETS) aimed at the reduction of man-induced greenhouse emissions. To this, we should add the initiative the UK took in 2005 with the launch of the Hampton Court Summit, which in turn led to the 2007 Council decision on the 20-20-20 targets to reach 20% reduction in greenhouse emissions, 20% increase in energy efficiency, and 20% of energy supply coming from renewables by 2020. Not surprisingly, the UK is at the forefront of energy and climate policies also at home. Between 1990 and 2016 the UK managed to reduced its greenhouse emissions by 46% against a European average of only 23%.

Furthermore, the UK was also behind the gas and electricity liberalisation agenda that led from state's monopolies to the current genuine competition across Europe. As a direct witness, I can confirm that it was thanks to the typical British pragmatic approach that we were able to introduce the first EU energy policies through the Single Market; and it was a success. Following the British example, Italy applied a very advanced model for liberalized markets in both gas and electric energy.

Last but not least, the UK is one of the strongest voices within the EU Council in favour of nuclear energy, especially considering that it was the Member State with the most ambitious nuclear development programme: we should not forget that Brexit also means BrexAtom.

Ireland and a safety net on energy and climate

Ireland's dependence on the British energy infrastructure poses a serious problem for Dublin, as Brexit risks to heavily affects the country's energy procurement: this urges the need for ad hoc solutions. Among the most relevant ones, the "Celtic interconnector" project aims to create an electricity interconnection between Southern Ireland and Western France, namely the region of Bretagne, in order to physically link the Republic with the Continent without getting through the UK. This project is of strategic importance and should be followed closely.

Apart from the specificities of the Irish case, it is clear that as far as energy and climate are concerned the EU27 stands out to lose from the UK's departure. Yet, it is essential that Europe continues on this positive path, playing a leading role in the global efforts to fight climate change. It is a matter of political choices and I am convinced that the future of the European energy and climate agenda should be among the top priorities for the upcoming European elections. As for Brexit, it is of paramount importance that both the UK and the EU work towards the creation of a *safety net* on energy and climate, in order to avoid any disruptions on the cooperation in this vital field. As the COP21 showed, climate change concerns humanity as a whole and it is therefore an issue of utmost importance, where the virtue of responsibility should prevail: the follow up to the Paris Agreement will be crucial for our future.

Time is of the essence

Before concluding, I would like to share a brief reflection on a very important factor: time. In every diplomacy course we teach at PSIA, we tell our students that time is one of the most relevant aspects in negotiations. In this sense, Brexit offers a very interesting case study. On the one hand, this is the first time that in EU's history that an agreement deals with a country's departure from the bloc (Greenland cannot be considered as a comparable case): organising divergence – rather than convergence – has proved to be an extremely complicated exercise; and complexity requires time. On the other hand, article 50 imposes a tight schedule. It is precisely from the awareness of this contradiction that the parties have found political convergence on the necessity to have a transition period.

If it is true that history does not go in reverse, the parties are at least attempting to "freeze time"; hopefully this will not create an even more uncertain situation of limbo.