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## BREXIT SNAPSHOT

# Europe's Brexit task forces: the who's who guide

**In this Brexit Snapshot, FTI Consulting examines the key players that will shape the positions of some of the most influential EU Member States. Often shunning the limelight, these individuals will play a crucial role in determining the approach that their leader takes in the final negotiations.**

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For the moment, officials and politicians across the EU's capitals will be carefully digesting Prime Minister Theresa May's speech from last week (Tuesday 17 January), and considering the implications for the formal negotiations that begin when the UK fires the starting gun by invoking Article 50 of the EU Treaty.

### UNITED KINGDOM

The United Kingdom (UK) has set up its own Department for Exiting the EU (DExEU) to coordinate and lead the government's Brexit preparations. Key officials include Oliver Robbins, recently appointed Permanent Secretary for DExEU. He is responsible for supporting the department in its negotiations to leave the EU and establishing the future relationship between the UK and EU, as well as responsibility for the wider European and Global Issues Secretariat. He will work closely with Cabinet Secretary (head of the civil service), Sir Jeremy Heywood.

## EUROPE'S BREXIT TASK FORCES: THE WHO'S WHO GUIDE

Prior to taking up his role, Robbins was the second most senior civil servant at the Home Office where his responsibilities included immigration and free movement policy. He spent 10 years working at the Treasury before moving to the Prime Minister's office (Number 10) as the Principal Private Secretary to former Prime Ministers Tony Blair and Gordon Brown. He possesses strong national security credentials from his position as Deputy National Security Adviser to the former Prime Minister David Cameron.

On 4 January 2017, Sir Tim Barrow was appointed the UK's Permanent Representative to the EU (UKRep) following the resignation of Sir Ivan Rogers. The speed of the appointment indicates strong support from Prime Minister May, and both the Foreign Secretary Boris Johnson and Brexit Secretary David Davis have already made public statements praising Barrow's breadth of knowledge of Brussels. Prior to accepting this new role, Barrow was the Foreign and Commonwealth Office's (FCO) Political Director working closely with Boris Johnson and before that he was the UK Ambassador to Moscow from 2011 until 2016 during a period when UK relations with the Russian government were notoriously tense. He first joined the FCO in 1986 and has had a career spanning over 30 years as a diplomat.

Barrow now has responsibility for helping to steer UKRep through the EU negotiation period and helping to forge a new relationship with the EU. He will be working closely with senior officials and Ministers, in particular the Brexit Secretary, David Davis.

Prime Minister May's two chiefs of staff, Nick Timothy and Fiona Hill, will be her closest political advisers during the Brexit negotiations (having worked with May at the Home Office). Other influential figures inside May's office include Denzil Davidson, former advisor to Foreign Secretaries Philip Hammond and William Hague, and who also worked in the Cabinet of European Commissioner Lord Hill during his time in Brussels. May's Political Secretary Stephen Parkinson will also be important having been a prominent player in the 'Leave' campaign. A low key, formal and pleasant political operator, Parkinson will play a key operational role in the Brexit negotiations. Finally, May's Head of Government Relations Chris Brannigan will also play a crucial role. A former lieutenant colonel in the Royal Scots Dragoon Guards, Brannigan will be responsible for feeding back on key business concerns.

### GERMANY

Germany is possibly the most critical country for the UK in the upcoming negotiations. Chancellor Angela Merkel,

keenly aware of the impact of the referendum on the German export industry, belonged to the select group of European leaders that refrained from publicly attacking the UK in the aftermath of the decision. However, it would be wrong to assume Merkel will give in easily to British demands. The German government will be a tough negotiator striving to safeguard its own interests. It held its first Cabinet meeting last week to consider Brexit.

A task force, attached to the Ministry for Foreign Affairs and led by Peter Ptassek, Director for Community Policies and Strategic Coordination at the German Foreign Office, has been established to lead on the negotiation. The Finance Ministry, led by the ever powerful Wolfgang Schäuble, is certain to influence the negotiations, and has established a task force of its own.

However, as EU affairs have been managed by the Chancellery (Prime Minister's office) since the days of Chancellor Helmut Kohl, it is Merkel's own office that will steer Germany's approach. Uwe Corsepius, Merkel's Chief EU adviser, will play the key role in the task force, thus ensuring close central oversight of the negotiations. Corsepius is an experienced diplomat who has worked for a long time on EU matters, most recently as the Secretary General of the EU Council Secretariat in Brussels. He will provide the task force and Merkel with great insight and advice into the politics and process of the negotiations. As a strong supporter of the EU, he will want to minimise the prospect of damage to the overall EU project.

### ITALY

The referendum on constitutional reform that took place in Autumn 2016 and the subsequent resignation of the Prime Minister, Matteo Renzi, have delayed the creation of a structured Brexit task force. However, the government had begun preparations in April 2016 with a study considering the impact of Brexit on different sectors of its economy.

In terms of political leadership, recently appointed Prime Minister Paolo Gentiloni will have to decide whether to nominate an Undersecretary of State to lead the process. This figure could operate as part of the Prime Minister's office or from within the Ministry of Foreign Affairs.

Gentiloni (in his previous role as Minister of Foreign Affairs) and Ministers Pier Carlo Padoan (Economy and Finance) and Carlo Calenda (Economic Development) met with the European Commission's chief negotiator for Brexit, Michel Barnier, in Rome in November 2016. Together with Angelino Alfano, the new Minister of Foreign Affairs, these will be the most important ministers contributing to Italy's position in the negotiations.

The Brexit task force will include key personalities of the Presidency of the Council of Ministers, the Ministry of Foreign Affairs, the Ministry for Economic Development and the Ministry of Economy and Finances, given that officials from these ministers are currently leading the process.

At the core of the Brexit discussions will be Marco Piantini, European affairs adviser to the Prime Minister and Sherpa for governance reform of the Economic and Monetary Union, and Pierluigi D'Elia, who is leading the inter-ministerial coordination from the EU Directorate-General of the Foreign Ministry. Prof. Fabrizio Pagani, head of the office of Italy's Minister of Economy and Finance, is the go-to person for all economic and financial issues linked with Brexit. The Italian Permanent Representation in Brussels (Ms Ornella Porchia, Legal Adviser) and the Embassy in London are also closely involved. One of the key priorities of the task force will be to secure the presence of more EU agencies in Italy, such as the European Banking Authority.

## FRANCE

Following the UK referendum, France was one of the first Member States to set up a Brexit task force.

At the beginning of July, the government set up an inter-ministerial working group which brings together around 45 heads of administration or their representatives and which meets either in plenary or specialised meetings. The government has appointed coordinators within the General Secretariat for European Affairs to facilitate the work, and it has also started to recruit a small team that will be devoted to the actual negotiations with the UK.

This system is headed by France's Secretary-General for European affairs, Philippe Leglise-Costa, who has a reputation as a tough negotiator. Ahead of the UK referendum he pushed back against Prime Minister Cameron's demands for a deal to shield British banks from rules governing lenders in the euro area. Particular areas of focus for the task force include: institutional and administrative issues arising from Brexit; impacts on issues including contributions to the EU budget and the location of EU agencies; implications for the EU's existing policies such as financial services and the environment, and the new relationship that the UK will have with the remaining EU-27; and finally the implications for the EU's international trading regime.

Beyond the inter-ministerial group, the Governor of the Bank of France, Christian Noyer, has been appointed Brexit special envoy for financial issues. Ahead of the UK referendum, Noyer actively lobbied the City of London,

selling the benefits of Paris as a post-Brexit financial centre. Noyer believes that the euro area authorities can no longer risk a high proportion of financial activities involving their currency taking place outside of the Eurozone.

In parallel Ross McInnes, an Oxford-educated Franco-Australian and chairman of Safran, was nominated 'Ambassador' and Chairman of the Economic Agency for the wider Paris region, an initiative intended to attract UK businesses to the area. Valérie Pécresse, the centre-right President of the wider Paris region, Anne Hidalgo, Paris's socialist Mayor, and Patrick Ollier, President of the Grand Paris metropolitan authority, are also members to the taskforce.

Given this year's Presidential election, the structure of the Brexit team could well change. The first round of the Presidential elections will take place in April and the second in May 2017. For more than a year polls predict that far right candidate Marine Le Pen will win the first round. As a result, the candidates cannot afford to appear weak in their stance against the UK. They believe any sign of compromise would run the risk of fuelling the popularity of Le Pen. This therefore sets the ground for a hard line Brexit stance from France in the run up to its elections.

## SPAIN

Spain will also play a prominent role in the negotiations, particularly given the large number of UK citizens living in the country, the politically sensitive issue of Gibraltar, and the strong investment relationship between the two countries.

With the new government soon to mark its first hundred days in office, the past few weeks have seen the appointment of the officials who will play a key role in the Brexit negotiations. Former EU Permanent Representative Alfonso Dastis, was appointed Foreign Minister, while another former diplomat, Jorge Toledo, has been appointed as Secretary of State for European affairs. During the previous government, Mr Toledo was a close advisor to the Prime Minister as head of European affairs in his cabinet. Mr Toledo will retain his role as the PM's Sherpa, which should lead to greater government coordination. The new Permanent Representative in Brussels will be Pablo Garcia Berdoy, former Ambassador to Germany.

The government's Brexit task force is led by the Deputy Prime Minister, Soraya Saenz de Santamaria. The 'Comisión Interministerial para el seguimiento de la propuesta de salida del Reino Unido de la Unión Europea'

brings together the Secretary of State for the EU, the Secretary of State for the Economy, the Prime Minister's chief economist officer and representatives of almost all ministries. However, the task force has not met under the current government so it remains to be seen whether there could be changes in its composition and role. In parallel other "sectoral" Brexit task-forces have been established. The Ministry of Economy together with the Spanish Central Bank and the CNMV (the National Securities Market Commission), have recently created a working group to attract UK-based banks to Madrid. Some regional governments have also set-up their own task-forces, including the Government of the Canary Islands.

### IRELAND

With the closest historical, cultural and economic ties to the UK and the only EU Member State to share a land border with it, Ireland is particularly vulnerable to Brexit, and the Irish government will be working hard to ensure Brexit causes as little trauma as possible for the peace, stability and economic recovery of the country. Shortly after the referendum in June, the Irish government published a contingency framework setting out key risk areas for Ireland. In November, Taoiseach [Prime Minister] Enda Kenny, said that the government's priorities were "well set out - the economy and trade; Northern Ireland and the peace process; the border and the Common Travel Area, as well as the future of the EU itself". He also underscored that business in Ireland "is not exempt from the consequences of Brexit".

In October Kenny said there would be no Brexit minister in Ireland, but rather every minister on the Irish government's Brexit cabinet committee was in effect

a Brexit minister. The government has established a cabinet committee for Brexit under the auspices of the Department of the Taoiseach which counts 12 cabinet-level ministers which includes the Taoiseach (Chair); Frances Fitzgerald, Tánaiste [Deputy Prime Minister] and Minister for Justice and Equality; Charles Flanagan, Minister for Foreign Affairs and Trade; and Michael Noonan, Minister for Finance.

In addition, John Callinan was appointed by the Taoiseach as a Second Secretary General to lead a new division within the Department of the Taoiseach in order to strengthen and support work on EU, Northern Ireland, British-Irish and International affairs. Callinan is a smart appointment, having been head of the department's economic and international policy division since 2011, where he worked on Ireland's exit from the Troika programme, responsible for Northern Ireland policy and British-Irish relations from 2011 to 2015 and having served as head of the EU division in the Department of the Taoiseach.

Ireland's small open economy is vulnerable at the best of times to the shocks and bumps of international markets. It is also highly dependent on foreign direct investment from most of the world's leading brands in the technology, biopharma and financial services sectors. Its economy continues to show a robust recovery from near collapse in the 2008-2012 period. Brexit considerations – both opportunities and threats – are to the fore in the work of Ireland's inward investment agency, the IDA, and among Ireland's commercial property community, which is driving a resurgence in construction activity. This is mostly centred on Dublin's Central Business District with the clear intention of picking up businesses seeking to spread their presence or relocate from a post-Brexit Britain.

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