



Reframing the Reset: From Post-Brexit Stabilisation to Strategic Partnership

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Executive Summary

Despite significant progress in key areas of EU-UK cooperation, the relationship is far from being substantively reset, leaving a growing strategic gap at its core. The rapidly changing geopolitical environment requires the EU and the UK to define and act on shared strategic priorities more systematically. This is already happening across a growing number of minilateral and bilateral formats – notably the E3 – but has yet to be matched by a similarly ambitious and sustained agenda at the EU-UK level.

This summer, the EU and the UK meet for their second summit. Rather than treat it as a stock-take, leaders should use this moment to strategically reframe the relationship and to agree a way forward. Regardless of whether the UK drops its red lines, the EU-UK relationship should move towards flexible forms of cooperation in strategic areas where European scale, resilience and security require closer coordination between like-minded partners.

Genuine progress towards this effect requires the summit to:

- Deliver the Common Understanding and widen practical cooperation in areas such as economic and democratic resilience, technology and innovation, trade and regulation, connectedness, and foreign and security policy. This is possible within existing political constraints.
- Define a strategic direction in key areas through a Political Statement of Intent and create a high-level political negotiating group to identify flexible forms of cooperation in politically sensitive but strategically relevant files.

Beyond the summit, the trajectory of the relationship will increasingly be shaped by political developments in both the EU and the UK. A softening of UK red lines could unlock deeper economic integration, along the lines of existing models. A more flexible EU approach towards including like-minded partners could unlock cooperation in areas like defence and resilience. This means:

- The EU should become more strategically open to structured cooperation with willing and capable non-member partners in areas where European fragmentation carries growing costs.
- The UK should launch a systematic, evidence-based review about the future of its relationship with the EU, including the long-term sustainability of its current red lines and the options for deeper integration over time, including that of rejoining.

Introduction

Given rising geopolitical tensions and the ongoing re-drawing of the European security order, the case for a stronger and more strategic relationship between the UK and the EU has become even more compelling. But the second EU-UK summit scheduled for summer 2026 is set to solve no more than a number of technical issues on the bilateral agenda: negotiations on food and drinks standards, emissions trading, and a youth experience scheme.

Finalising these files will be far from easy. A particularly challenging issue is the youth experience scheme, particularly regarding university tuition fees. Unless a landing zone can be found, the summit could look underwhelming: EU member states will be reluctant to sign off other deals unless a satisfactory solution is found on youth mobility.

Expectations on the way forward are also diverging. In April, Prime Minister Keir Starmer announced his ambition to use the summit platform to seek deeper cooperation, including in the economic sphere, a position he reiterated, following substantial losses in the local and devolved elections in May. Reportedly, the UK Cabinet Office [has been working](#) on plans to rejoin parts of the Single Market, whilst holding on to current red lines.

While the possibility of a leadership contest in the UK might result in a softening of red lines, the ask for selective alignment will likely come up against the EU's principle of no cherry-picking of the Single Market. The EU is wary of granting privileged market access to the UK, which might unravel its recently agreed framework with Switzerland. More generally, there is hesitation around granting conditions which could be interpreted as more lenient than those offered to member states.

This creates the risk that the EU-UK relationship becomes trapped in technical and political disputes at precisely the moment when the wider strategic environment demands greater European coordination and ambition.

To avoid the impression that the process of resetting relations has run out of steam, both sides must use the summit to maximise cooperation opportunities within existing political constraints, which means delivering the current agenda and expanding it. But the summit must also begin to define a broader strategic direction for the relationship through more flexible forms of cooperation among like-minded partners in strategically critical areas - notably defence, economic security, critical technologies and energy resilience - where the costs of fragmentation are becoming increasingly difficult to sustain.

Box: Levels of the EU-UK relationship

Level 0 is the baseline. Both sides must uphold and fully implement the Trade and Cooperation Agreement (TCA), the Withdrawal Agreement, and the Windsor Framework, as well as the Common Understanding. The faithful implementation of these agreements creates trust and credibility and is the pre-requisite for further progress.

Level 1 is about building on the Common Understanding in a way that is pragmatic and within existing political constraints. This can be achieved in the fields of economic and societal resilience, technology and innovation, trade and regulation, connectedness and foreign policy, security and defence. Concrete proposals for such cooperation are set out in section 1 and in the annex of this paper.

Level 2 is about a more fundamental deepening of the economic relationship, which will only be possible if the UK is willing to revisit its current red lines, which preclude membership of the Single Market, a customs union or a return to free movement. This could open up new possibilities, including that of EU membership. This opportunity is addressed in section 2 of this paper.

Level 3 is about reframing EU-UK relations as part of a broader effort among like-minded partners. This could mean opening EU formats to the UK and others, or exploring new formats. Whatever form the bilateral EU-UK relationship takes, this is where the most immediate strategic gains could lie. They are addressed in section 3 of this paper.

Level 1 – Expansion:

Widening practical cooperation at the summit

The upcoming summit should move beyond a stock take of agreements on food and drinks standards, emissions trading and a youth experience scheme and deliver further progress. An agenda that crosses red lines might not be conceivable for now but there are opportunities to expand cooperation significantly within current political constraints.

This can be achieved through practical measures in the policy fields of (1) economic and societal resilience, (2) technology and innovation (3), trade and regulation (4) connectedness and (5) foreign policy, security and defence. They are summarised below and set out in more detail in the annex.

Economic and Societal Resilience

- A **resilience and crisis preparedness partnership** would address the cross-border effects of pandemics, conflicts and climate-related disasters, which increasingly affect European citizens and require coordinated responses. With the US stepping back from global health and climate frameworks, there is added pressure on Europe to fill the gap through closer cooperation. In practice, this could involve establishing a dedicated EU–UK Health and Climate Security Dialogue to share data, strengthen existing collaboration, and potentially link to wider international efforts. It could also lead to more formal arrangements, such as UK participation in EU mechanisms like the European Climate and Health Observatory or the EU Civil Protection Programme to improve joint crisis responses.
- An **EU–UK cooperation track on democratic resilience** would help both sides deal with shared challenges such as foreign information manipulation,

declining public trust and pressures on democratic participation. As the EU builds a more integrated approach through initiatives like the European Democracy Shield, excluding the UK from these efforts weakens the broader European response. A structured cooperation track could establish regular exchanges on threat assessment and counter-disinformation, while linking the UK to emerging EU initiatives and networks. It could also mean strengthening democratic participation through citizen engagement, and joint initiatives to empower think tanks and civil society organisations.

- Structuring **EU–UK cooperation on economic security** could formalize existing ad hoc engagements on issues like supply chains, industrial policy and economic coercion. The lack of a strategic framework limits the ability to tackle longer-term challenges and to align responses to geoeconomic pressures. A designated dialogue, akin to those that exist with other EU-like-minded partners, could introduce regular political stock takes and clearer prioritisation of key areas such as critical raw materials, energy security and supply chain resilience. Over time, it could also pave the way for deeper, more strategic cooperation with like-minded partners such as Canada, Japan, Australia, etc.

Technology and Innovation

- Structuring **EU–UK cooperation on technology and innovation** could increase Europe's ability to scale, compete globally and manage dependencies in critical technologies. This will not be straightforward as EU and UK preferences on how to regulate emerging technologies are not always aligned. Nevertheless, cooperation could be strengthened through a set of targeted measures: promoting

reciprocity and balanced risk-sharing, advancing joint projects and talent initiatives, deepening regulatory exchanges, and exploring UK participation in European scale-up financing instruments, including the proposed Scaleup Europe Fund and relevant EU innovation funding programmes. Over time, this could enhance joint capacity to innovate at scale, strengthen resilience and bolster Europe's role in shaping global technology standards.

Trade and Regulation

- A **Small Business Agreement** would deal with the unintended impact of removing the de minimis exemption, which has long facilitated low-value trade—especially for SMEs—between the EU and the UK. As both sides introduce new duties and potential handling fees to respond to rising imports from countries like China, smaller businesses risk facing higher costs and administrative burdens. A targeted agreement could exempt SMEs from these changes, helping to preserve cross-border trade and limit disruption. This would maintain a key channel for small business activity while broader trade rules evolve.
- An EU-UK **business mobility package** would address the growing friction firms face when moving staff across borders, as post-Brexit rules require compliance with multiple national systems, creating costs, delays and legal uncertainty. Current provisions under the Trade and Cooperation Agreement are limited and fall short of supporting sectors reliant on short-term assignments and professional mobility. Building on the commitment in the Common Understanding to foster dialogue on business-travel, a targeted package could establish clearer rules for temporary travel, improve guidance across member states and advance mutual recognition of professional qualifications. This would incrementally ease barriers to services trade and investment without reintroducing free movement.
- An **enhanced EU-UK regulatory dialogue** would tackle the growing “passive divergence” caused by new EU legislation, which is creating new barriers to trade despite limited UK divergence. While the UK shows increasing openness to alignment in selected areas, the TCA's specialised committees

meet too infrequently to support deeper, forward-looking coordination. A more structured and regular dialogue could improve information-sharing, act as an early warning system for new regulations and strengthen links between regulators. Building on existing TCA structures, this would help manage divergence pragmatically while supporting trade and regulatory coherence.

- An EU-UK initiative on **Better Regulation and regulatory learning** would address the lack of structured cooperation on how rules are designed and evaluated, despite shared challenges in fast-moving sectors like AI and financial services. Without such exchange, there is a risk of divergence driven by process differences and missed opportunities to improve regulatory quality. A structured initiative could enable regular exchanges on impact assessment, consultation and evaluation, alongside sectoral comparisons and potential joint pilots. This would promote mutual learning, improve regulatory outcomes and build trust for deeper cooperation over time.

Connectedness

- The post-Brexit erosion of EU-UK institutional links has reduced collaboration, access to funding and networks, as well as mutual understanding and familiarity. The cultural and creative sector offers a good starting point for rebuilding social and personal bonds. A package could combine a **Protocol on Cultural Cooperation** (including dedicated dialogues on mobility, sectoral knowledge exchanges, and a pathway to Creative Europe participation), a **review of UK affiliation with selected EU agencies**, and new **secondment programmes** between administrations and parliaments. Together, these measures would rebuild practical ties, support collaboration and strengthen long-term trust and cooperation.

Foreign Policy, Security and Defence

- The EU-UK **Security and Defence Partnership (SDP)** provides a strong basis for strategic dialogue, but not yet for consistent operational

follow-through. While it enables broad political exchange, it lacks clear prioritisation and pathways to implementation, meaning that politically sensitive issues can become trapped in wider institutional processes and neither side consistently takes the initiative on practical cooperation. Rather than expanding its scope, the focus should be on translating existing convergence into coordinated action in a limited number of priority areas, such as defence industrial cooperation, UK engagement with the European Defence Agency, and UK participation in civilian CSDP missions. This would require a clearer joint agenda for operationalising the significant cooperation opportunities already identified in the SDP and ensuring more consistent political follow-through.

- An **MoU on (cyber) sanctions** would address the ad hoc nature of EU–UK cooperation despite shared objectives and complementary strengths—namely the EU’s market reach and the UK’s intelligence capabilities and financial sector expertise. Unanimity requirements in decision-making and differing technical and intelligence capabilities in member states have limited EU action, while the UK has moved more quickly with designations. A structured agreement could enable regular information-sharing, coordination of listings and public messaging, and could include closer institutional links such as secondments. This would improve the effectiveness, coherence and impact of sanctions against hostile actors.
- Lastly, **cooperation on an irregular migration sanctions regime** would tackle the shared challenge of combating migrant smuggling networks, where both sides are developing similar tools but lack structured coordination. The UK has already established a dedicated sanctions regime, while the EU is moving in a similar direction, creating an opportunity for alignment. Practical cooperation could include exchanges on design and implementation, joint engagement with the private sector, and coordinated or parallel listings. This would strengthen collective efforts to disrupt smuggling networks and enhance the impact of targeted sanctions.

Level 2 – Revisiting the red lines: An evidence-based review

The current, rather incremental, reset has been shaped by the UK government's red lines of no Single Market, Customs Union or free movement.

As a consequence, the UK's economic gains from the reset will be modest relative to the overall impact of Brexit. The Office of Budget Responsibility estimates that **UK GDP will be 4% lower in the long-term** compared to EU membership, while **further studies** suggest the negative impact may be as much as **8%**. The current reset will have little effect on this. The government's own forecasts project a **0.3% GDP boost** from the deals on food and drinks and emissions trading, only to be realised by 2040.

Against this backdrop, it is increasingly difficult to see how the UK government can square the circle between its choice of reset and the promise to prioritise growth. In the long-run, it might become untenable for the government to emphasise the 'deep' economic pain caused by Brexit, whilst ruling out the steps that would ease it.

On top of this comes a geopolitical environment which is pushing the UK to see Europe as its primary partner. This is also borne out by public opinion, with most of the public favouring closer relations with the EU. And for the first time in a long time, **the idea of rejoining the EU** is no longer considered completely unthinkable.

This does not mean that the red lines are about to be dropped, but it means that there is an opening to discuss the costs of keeping them in place. This debate is already starting, particularly - and increasingly openly - within the Labour party and with a view to a possible leadership contest, the next Labour manifesto or both.

While this is a UK internal debate, it is important that it takes into account the practical and political realities of what is feasible from the EU's perspective. There

is therefore a strong case for a more systematic and evidence-based assessment of the options available to the UK over the longer term, ranging from a customs union to more integrated models of cooperation to rejoining the Union.

Such a review would provide a structured way of assessing the implications of softening the red lines across core dimensions such as prosperity, security, resilience, sustainability, affordability and Britain's position in the world. There is precedent for such an exercise in the UK's 2012-14 Balance of Competences Review. But since then, the international context has changed drastically, creating a strong case for a new assessment of the implications for security and resilience in particular. And unlike pre-referendum exercises, the UK could assess the actual data that has become available since its exit from the EU in 2021. This could prepare the ground for a more open-ended and informed discussion on the possible trajectory of the relationship.

Level 3 – A new strategic destination: cooperation among like-minded partners

European countries are already responding to the changed geopolitical environment by cooperating more closely on security and defence. Formats such as the E3, the Joint Expeditionary Force (JEF), Weimar Plus, and bilateral partnerships – particularly between the UK and France and the UK and Germany – are becoming more important. This reflects a growing recognition across Europe that countries cannot deal with today's security challenges alone.

At the same time, Europe's security and defence landscape remains highly fragmented. European countries still develop, finance and procure capabilities largely at national level. This is inefficient, limits scale and slows innovation. Brexit has added another layer of fragmentation by creating new barriers and regulatory divergence between the EU and the UK.

The EU has started to respond to some of these problems. Initiatives such as SAFE are designed to encourage Europeans to pool resources, reduce duplication and strengthen Europe's defence industrial base. More broadly, the EU is also pursuing a wider industrial and economic security agenda aimed at strengthening European production capacity, reducing strategic dependencies and building resilience in key sectors.

As welcome as these initiatives are, they risk excluding the UK. Eligibility rules, local content requirements and preferential access to EU financing instruments could reinforce separate industrial and regulatory ecosystems rather than support a more integrated European economic and defence space. As a result, efforts to reduce fragmentation inside the EU risk creating new fragmentation between the EU and one of its most important security and economic partners.

This is why movement is also needed on the EU side. More flexible and pragmatic forms of cooperation would allow willing and capable partners to participate in strategically important European initiatives.

This could extend to countries beyond the UK, such as Canada, Japan, Australia, South Korea, Norway and Ukraine, with whom Europeans share growing strategic interests and vulnerabilities

This does not mean weakening the EU's institutional core. In many areas, cooperation outside formal EU structures will still need to remain closely aligned with EU policies and institutions in order to preserve coherence and make full use of the EU's scale, market size and regulatory influence.

What matters is therefore less whether cooperation happens formally inside or outside EU institutions, and more whether different frameworks reinforce Europe's overall strategic capacity. The guiding principle should be pragmatic: include capable partners where this strengthens Europe's ability to act. Such flexible forms of cooperation among like-minded partners would be particularly relevant in several areas.

The first is Ukraine. The EU and the UK are already coordinating closely in support of Kyiv, including through discussions around possible UK participation in the EU's €90bn loan scheme. But European responsibilities are likely to grow further in the event of a ceasefire or negotiated settlement. Long-term military assistance, the use of frozen Russian assets, and the financing and governance of Ukraine's reconstruction will require sustained coordination between the EU, the UK and other partners.

The second area is European defence and defence industrial cooperation. Europeans are under growing pressure to strengthen their own capabilities, and the UK remains an indispensable partner in this effort. Yet without deeper coordination, Europeans risk spending significantly more while still failing to generate sufficient deterrence and operational readiness. Closer EU-UK cooperation could include UK participation in current and future EU defence finance initiatives and, over time, contribute to

a more integrated European defence market. This would strengthen interoperability, reduce duplication and support larger and more efficient European supply chains. Europe could also make better use of London's role as a major financial centre to improve access to capital for strategic priorities such as defence financing.

A third area is economic resilience. Fragmentation across Europe's economic and technological landscape weakens competitiveness, limits scale and reduces strategic leverage. In an era in which industrial policy and economic security are increasingly geopolitical, unnecessary divergence between the EU and the UK risks undermining the effectiveness of both sides. Closer coordination on supply chains, industrial policy, critical technologies and capital markets would allow Europeans to make better use of their combined strengths while avoiding the emergence of competing or duplicative frameworks. This could include initiatives such as

an **Economic Security Alliance** or sector-specific cooperation, for example a **Western steel club**.

Energy should also form part of this broader resilience agenda. Russia's weaponisation of energy demonstrated that energy systems can no longer be treated primarily as commercial questions. Energy infrastructure, electricity interconnection, critical minerals and clean technology supply chains are now central to geopolitical resilience. This creates a strong case for closer coordination between the EU, the UK and partners such as Norway on energy security, renewables and strategic infrastructure.

Ultimately, the question is no longer whether the EU should cooperate more closely with trusted partners such as the UK, but whether it can build new forms of cooperation capable of matching the scale and urgency of today's geopolitical challenges.

Outlook and Delivery

There is a growing risk of mismatch in the EU-UK relationship. While the current reset agenda remains focused on technical and incremental forms of cooperation, the strategic challenges facing Europeans are becoming more urgent and far-reaching. In areas such as security, economic resilience and critical technologies, the costs of fragmentation and strategic drift are rising rapidly.

Closing this gap will require the EU and the UK to move beyond a narrowly technocratic approach and define a more credible joint strategic agenda. This, in turn, will require movement on both sides: the UK will need to align its ambitions more closely with political realities on the EU side, while the EU will need to show greater openness to more flexible forms of cooperation with close and like-minded partners.

If this broader strategic agenda is to move beyond ad hoc cooperation, both sides will need stronger mechanisms for coordination and delivery. Existing formats remain too reactive and fragmented, particularly in politically sensitive areas where misunderstandings can quickly escalate into public disputes.

One way of advancing cooperation in strategically sensitive areas would be the creation of a **high-level political negotiating group**. Its purpose would not be to reopen the entire relationship, but to identify shared interests and develop realistic landing zones in areas where cooperation is strategically necessary but politically difficult.

This could help avoid a repeat of the failed SAFE negotiations, where politically sensitive discussions unfolded in an ad hoc and reactive way, causing misunderstandings and public fallout. A more structured mechanism could help avoid this. At the same time, such a group would push forward on the new strategic agenda outlined above.

Ultimately, the significance of the summit will depend less on any single agreement than on whether it establishes a credible direction of travel and a stronger mechanism for strategic coordination and delivery. The logic for closer cooperation is evident. The challenge now is to translate it into a more durable political framework.

Annex: A menu of options for the upcoming summit

Economic and societal resilience

A resilience and crisis preparedness partnership

What problem would it solve?

Pandemics, wars and climate emergencies like floods, wildfires and severe storms are increasingly common, and cannot be contained in one country. These externalities create precisely the kind of rationale that underpins cooperation among neighbours. What is more, the effects of these crises are increasingly visible to citizens. In 2025, Portugal and Spain experienced the worst wildfires since records began, and across England 6.3 million properties are based in areas at risk of flooding. And most of us have first-hand experience of a global pandemic. This should make crisis preparedness and response an uncontroversial area for cooperation.

And there is a global dimension to this. The Trump administration is pulling the US out of the multilateral global health and climate security systems, with significant cuts to domestic and international crisis prevention programmes. On the day of his inauguration, President Trump ordered the US' withdrawal from the World Health Organisation, and a year later he announced the US would withdraw from another 66 international organisations, treaties and agencies, many of which are climate-related. This creates a clear need for Europeans to fill the vacuum bilaterally and globally.

What would it look like?

Part of the response could be a 'Resilience Partnership' to enhance collective resilience and preparedness. This could have several components. The two sides might

want to set up a dedicated 'Health and Climate Security Dialogue' to both share information and explore how to build on existing cooperation, including the UK's association to the EU's Critical Medicines Alliances and medical research and innovation under the Horizon Programme.

The UK-EU Security and Defence Partnership from May 2025 encourages closer cooperation in these areas, but without going into specifics. The EU and Canada are already a step ahead, with a dedicated 'Health Dialogue' set up in 2021, and the promise of a 'Climate Security Dialogue' to share climate data and analysis. Given the global dimension, there could be an incentive to create links between the EU's various dialogues with like-minded partners.

A dedicated EU-UK dialogue could be a launching pad for more formalised ties. For instance to consider whether to include the UK in the activities of the European Climate and Health Observatory. The observatory was set up in 2021, is managed by the Commission and European Environment Agency, and supports 38 members and cooperating countries in preparing for and adapting to the impacts of climate change on human health.

Another possibility would be UK association to the EU Civil Protection Programme. This helps to mobilise resources (like response teams and equipment) and knowledge to support countries affected by war and natural disasters. The largest operation to date has been in support of Ukraine, and the mechanism has also recently been used to coordinate consular support for citizens stranded in the Middle East.

The UK used to be an active and reliable member of the Civil Protection Programme and contributed to 14 emergency operations between 2014 and 2020. Post-Brexit, it could seek association. The programme is open to non-EU member states and includes ten

participating countries ranging from Moldova to Norway to Ukraine.

EU-UK cooperation track on democratic resilience

What problem would it solve?

The EU and the UK face shared and growing challenges to democratic resilience, including foreign information manipulation and interference, declining public trust, and pressures on democratic participation. Yet cooperation remains fragmented, with no structured framework for joint situational awareness, exchange of best practice or coordinated response. At the same time, the EU is developing a more integrated approach through the European Democracy Shield and related initiatives, while the UK remains largely outside these structures—creating a gap in the wider European response. Beyond defensive measures, both sides also face the need to strengthen democratic systems proactively, including through citizen participation and the use of digital tools, where existing cooperation remains ad hoc.

What would it look like?

The summit could launch a structured EU-UK cooperation track on democratic resilience, aimed at connecting the UK to the EU's emerging architecture. This could include regular exchanges on threat assessment and countering foreign information manipulation, building on EEAS work on information integrity, as well as practical links to initiatives such as the [European Centre for Democratic Resilience](#) through workshops, expert exchanges and stakeholder networks.

In addition, the cooperation track could include a proactive pillar focused on strengthening democratic participation, including collaboration on citizen engagement, deliberative formats and the use of digital tools for democracy (“civic tech”), building on existing links between EU and UK institutions and civil society actors.

The objective would be to embed the UK in a wider European ecosystem for democratic resilience in a pragmatic and flexible way, strengthening collective capacity while avoiding new institutional complexity.

Structuring EU-UK cooperation on economic security

What problem would it solve?

EU-UK engagement on economic security is already frequent and substantive, with regular exchanges across issues such as supply chains, industrial policy and economic coercion. However, this engagement remains dispersed, largely informal and driven by immediate policy concerns rather than a shared strategic framework. This limits its ability to address more structural challenges and to position EU-UK cooperation within the wider effort among like-minded partners to respond to growing geoeconomic pressures.

What would it look like?

The summit could establish a more structured framework for EU-UK cooperation on economic security, aimed at providing greater continuity, strategic direction and political visibility to existing exchanges. As a first step, the two sides should establish more regular discussions of their respective economic security policies in order to assess shared risks, compare regulatory developments and coordinate responses to global challenges. While some exchanges already take place within specialised committees under the Trade and Cooperation Agreement (TCA), there is currently no dedicated forum for such discussions.

Building on the shared interest in safeguarding an open global economy and strengthening the resilience of the “economic West”, the summit could launch a [dedicated EU-UK Economic Security and Resilience Dialogue](#). Operating at both political and technical levels, and complementing existing G7 and minilateral formats, the dialogue could bring together the UK Business and Trade Secretary and the EU Trade and Economic Security Commissioner for regular policy exchanges.

The framework could include regular political stock-takes, technical coordination mechanisms and clearer prioritisation of key areas such as critical raw materials, supply chain resilience, energy security, sanctions, export controls, FDI screening and responses to economic coercion. It could also facilitate closer coordination on climate- and trade-related measures, including the implementation of carbon border adjustment mechanisms.

Initially operating on an informal and non-binding basis, the dialogue would not need to be enshrined in a treaty from the outset, but could gradually evolve into a more formal mechanism within the TCA framework as relations deepen over time. In parallel, it could serve as a platform for more coordinated approaches with other like-minded partners where interests align, thereby supporting the gradual development of joint initiatives in areas of shared strategic importance.

Technology and Innovation

Structuring EU–UK cooperation on technology and innovation ecosystems

What problem would it solve?

The EU and the UK have highly complementary technology and innovation ecosystems. The EU offers market scale, regulatory capacity and growing investment in infrastructure, while the UK has strong venture capital markets, leading universities and strengths in sectors such as fintech and artificial intelligence.

Yet cooperation remains fragmented. Firms and researchers face barriers to scaling across borders, access to funding and infrastructure is uneven, and both sides risk remaining too small to compete effectively with the United States and China in critical technologies. At the same time, deeper cooperation raises legitimate concerns around technological sovereignty, asymmetric dependencies and exposure to third-country influence.

The challenge is therefore not simply to cooperate more, but to do so in a way that strengthens resilience, preserves openness and ensures balanced benefits on both sides.

What would it look like?

The summit could launch a more structured EU–UK cooperation track on technology and innovation aimed at improving connectivity between existing ecosystems rather than creating new institutions.

This could include stronger coordination on emerging technology regulation and standards, joint pilot projects in areas such as AI and advanced computing,

and closer links between research, venture capital and innovation clusters. Both sides could also explore ways to improve access to infrastructure, talent and funding, including UK participation in European scale-up financing instruments such as the proposed Scaleup Europe Fund and relevant EU innovation programmes.

To ensure trust and balanced risk-sharing, cooperation could include reciprocity requirements, safeguards against one-sided dependencies, and proportionate transparency around significant third-country ownership in jointly supported projects.

Over time, closer coordination could help strengthen Europe's ability to innovate at scale, reduce critical dependencies and shape global standards in emerging technologies, including together with other like-minded partners.

Trade and Regulation

A Small Business Agreement

What problem would it solve?

Goods imported into the EU with a value of €150 or less and goods imported into the UK valued at £135 or less are currently exempt from customs duty. However, this so-called 'de minimis exemption' is about to be removed. The EU will implement a €3 flat duty on parcels under €150 from July 2026, and the UK is planning to remove its de minimis exemption from March 2029 at the latest. Both sides are also considering the introduction of an additional customs handling fee.

This follows in the footsteps of the US' decision to remove its USD800 de minimis and is primarily designed to respond to the significant increase in low value imports, such as cheap clothing and electronics, from China.

However, there will be (unintended) consequences for EU-UK trade too. For a long time, the de minimis exemption has been a key enabler of SME trade between the two sides. As pointed out in this [study](#) from Copenhagen Economics, the end of the exemption will increase complexity and costs which are expected to negatively affect (smaller) businesses and consumers.

What would it look like?

One option, which [has been suggested elsewhere](#) would be for the EU to preserve the de minimis rule as it is with its bilateral free trade agreement partners, or to negotiate a 'Small Business Agreement' that exempts SMEs from these changes. The aim should be to avoid unintended new barriers for small and medium sized companies

Business Mobility

What problem would it solve?

Business mobility has become a persistent friction point in EU-UK relations. Since Brexit, firms no longer benefit from free movement or a single set of rules for moving staff temporarily across borders. Instead, service providers and professionals must comply with the immigration, work-permit and employment rules of the individual EU member state in which they operate, even for short assignments. While the Trade and Cooperation Agreement preserves some limited mobility routes, these are narrower than the pre-Brexit position and are accompanied by reservations and exemptions. In practice, this creates legal uncertainty, higher compliance costs and delays for companies that need to move staff quickly for client work, project delivery or investment. The problem is especially acute in services and other sectors that depend on short-term postings, specialist visits and the recognition of professional qualifications. This is one of the clearest examples of how the current framework falls short of supporting a modern, integrated economic relationship.

What would it look like?

A practical next step could be an EU-UK business mobility package built around the dedicated business-travel dialogue already agreed at the 2025 summit. The aim would not be to recreate free movement, but to reduce unnecessary friction for clearly defined short-term business activity. This could include a more predictable framework for temporary business travel, clearer jointly maintained guidance on permitted activities across member states, and faster progress on sector-specific agreements for the mutual recognition of professional qualifications. It would also make sense to link business mobility discussions to the parallel

work on smoother border management and broader mobility arrangements, so that the overall relationship becomes easier to navigate for firms and professionals. This approach would be incremental and politically realistic: it would improve market access and economic cooperation without requiring a return to single-market membership or full freedom of movement.

Enhanced Regulatory Dialogue

What problem would it solve?

Since Brexit, the UK has [made little use](#) of its regulatory freedoms, except in financial services and AI. But, while the UK has barely diverged from the EU, the same is not true in reverse. The EU has introduced vast amounts of new legislation, such as new climate, environmental and product standards, which the UK has not replicated. This 'passive divergence' is causing the gradual emergence of new technical barriers to GB-EU and GB-NI trade.

Against this backdrop, the Labour government has committed to dynamically align with EU rules on food and drinks, emissions trading, and electricity, and [has expressed an interest](#) in aligning with further areas of the Single Market 'where it is in the [UK's] national interest'. The Chancellor, Rachel Reeves, went as far as saying that UK regulatory autonomy should be 'the exception, not the norm'. Whilst extending formal EU-UK negotiations to further areas of the Single Market will likely come up against the EU's principle of no cherry picking, there is a clear opportunity for enhanced regulatory cooperation.

The appeal for the EU includes the positive impact of closer regulatory cooperation on Northern Ireland, the strengthening of the EU's regulatory impact, and the ability to better anticipate the external impacts of EU policies, such as the Carbon Border Adjustment Mechanism or the Industrial Accelerator Act. For the UK, it could offer early access to information for the civil service and UK regulatory authorities.

What would it look like?

The EU and UK could agree to establish an enhanced framework for regulatory dialogue. While the [Trade Specialised Committee on Regulatory Cooperation](#)

appears to be a useful forum, its set-up and annual schedule does not offer the regular, in-depth exchange of information that would likely be required in a context in which the UK seeks broader (unilateral) alignment. A useful (thematic) starting point could be product safety and standards, an area where the UK government has given itself powers to replicate EU rule changes under the Product Regulation and Metrology Act.

A more regular dialogue could also serve as an early warning system to flag or discuss the (unintended) consequences of new initiatives, such as regulatory approaches to emerging technologies and innovation. In addition, an enhanced dialogue could offer opportunities to facilitate contact between EU and UK regulatory authorities.

No matter the design, this would require both the EU and the UK to commit resources. A pragmatic start could be the commitment to build on and expand the existing mechanisms under the TCA, particularly the Trade Specialised Committees on Regulatory Cooperation and Technical Barriers to Trade.

Sharing Best Practice on Better Regulation and Regulatory Learning

What problem would it solve?

The EU and the UK face similar regulatory challenges in fast-moving sectors such as AI, financial services and capital markets. While sector-specific regulatory dialogues exist, these focus on individual rules rather than how regulation is designed and evaluated. There is no structured framework for systematically exchanging best practice on regulatory methodologies or comparing outcomes across jurisdictions. This is a missed opportunity: the UK is widely recognised, including by the OECD, as a leader in evidence-based policymaking and impact assessment, while the EU is advancing its own Better Regulation agenda. Without stronger cooperation in this area, there is a risk of divergence driven by process rather than substance and of suboptimal regulatory design.

What would it look like?

The summit could launch an EU-UK initiative on Better Regulation and Regulatory Learning, building on

OECD work and aligning with the EU's forthcoming Better Regulation guidelines. This could include structured exchanges on impact assessment, consultation and ex-post evaluation, as well as targeted sectoral discussions in areas such as AI, capital markets, energy and deep tech to compare approaches and identify more effective or proportionate solutions. It could also explore coordinated regulatory pilots in selected areas, allowing both sides to test new approaches and learn from outcomes. The objective would be to foster a culture of mutual learning, improve regulatory quality, and build trust as a basis for deeper cooperation over time.

Foreign policy, security and defence

Leveraging the Security and Defence Partnership as a strategic steering mechanism

What problem would it solve?

The EU-UK Security and Defence Partnership (SDP) has become an important vehicle for strategic dialogue across a wide range of geopolitical issues and fills a gap in the formal EU-UK relationship. Its breadth is an advantage, as it allows the EU and the UK to engage on issues that cut across traditional institutional silos.

At the same time, the High Representative/Vice-President (HR/VP) has a broad mandate to engage the UK on foreign policy and security issues beyond the strictly bilateral relationship. This creates a flexible platform for strategic exchange, but also reinforces the need for clearer prioritisation.

The core challenge is therefore twofold: prioritising key areas of cooperation and translating strategic dialogue into coordinated action. While the SDP enables convergence at the political level, it does not in itself provide a clear pathway towards implementation.

This is compounded by institutional constraints on the EU side. The UK relationship is primarily managed through the General Affairs Council, rather than the Foreign Affairs Council, which oversees other EU se-

curity and defence partnerships. As a result, politically sensitive issues risk being drawn into broader horizontal processes and member state trade-offs.

In practice, this affects areas such as defence industrial cooperation, military mobility, economic security and third-country engagement. These topics risk becoming entangled in wider political negotiations, delaying or diluting outcomes. The result is a structural gap between strategic convergence and operational delivery: the SDP facilitates dialogue, but follow-through remains inconsistent.

Without a clearer approach to prioritisation and implementation, the SDP risks remaining broad but operationally thin, while the relationship as a whole remains caught between bilateral management and fragmented cooperation.

What would it look like?

The summit provides an opportunity to confirm the SDP as the main framework for EU–UK cooperation in security and defence, while placing greater emphasis on its operationalisation in a limited number of priority areas.

The added value of the SDP lies not in expanding its scope, but in ensuring that areas of clear strategic convergence are followed through more consistently. This requires moving from broad political dialogue towards more structured follow-up and clearer prioritisation.

One potential avenue would be closer engagement with the European Defence Agency (EDA), particularly in areas such as capability development and defence planning, where coordination could generate tangible benefits for both sides.

Another key area is cooperation on Common Security and Defence Policy (CSDP) missions and operations, in particular civilian missions. These are a core element of the EU’s external action and one of the few areas where structured third-country participation is both possible and established. While the SDP provides a basis for closer engagement, cooperation in this area has so far remained largely at the level of general intent.

Focusing on civilian missions offers a pragmatic entry point. Compared to military missions—where UK par-

ticipation is more constrained by EU decision-making rules, questions of operational control and the UK’s own resource prioritisation—civilian missions are often more flexible and politically accessible. Expanding cooperation in this area would therefore allow both sides to translate strategic alignment into concrete joint action within existing frameworks.

In practical terms, this could involve identifying specific missions where UK participation would be mutually beneficial, using SDP formats to facilitate early coordination and information exchange, and ensuring continuity between political discussions and operational follow-up.

A further challenge concerns initiative and ownership. UK participation in EU missions formally depends on EU invitations, but in practice neither side consistently takes the initiative: the EU is cautious about extending invitations in politically sensitive areas, while the UK is unlikely to seek participation in EU-led structures. This creates a structural tendency towards inaction.

Addressing this requires a more proactive and systematic approach to identifying cooperation opportunities—using the SDP to anticipate and prepare participation rather than relying on ad hoc invitations.

Taken together, these steps would help strengthen the SDP as a more effective steering mechanism, capable of translating strategic convergence into operational outcomes in a targeted and politically feasible way.

An MoU on (cyber) sanctions

What problem would it solve?

Cyberattacks are a growing threat to the EU and the UK. Attacks by hostile state and non-state actors can disrupt critical services and infrastructure and cause severe economic and societal damage. Over the last years, both the EU and the UK [have developed](#) their own cyber sanctions regimes to deter and respond to these incidents through targeted measures such as travel bans and asset freezes.

While the EU’s cyber sanctions framework benefits from the EU’s market size and global reach, the number of EU listings has been relatively low. One reason

for this is that EU sanctions require a unanimous Council decision. Another reason is that member states have different technical and intelligence capabilities to attribute an incident to an attacker and the exchange of relevant information on the EU level is still limited. This can lead to incoherent or contradictory attributions across the EU which, in turn, make it more difficult to agree on EU-level sanctions.

The British cyber sanctions framework is more agile and benefits hugely from the UK's intelligence capabilities, financial sector expertise, and well-developed offensive cyber capacities. Since 2020, the UK has designated over four times as many individuals and entities as the EU.

While EU and UK frameworks differ slightly, their underlying foreign policy objectives are similar. This has led to close cooperation, with sanctions teams working closely together in response to Russia's war in Ukraine. Cyber sanctions, more specifically, are a topic of discussion at the annual EU-UK Cyber Dialogue, which was set up under the TCA in 2023. While cooperation has been close, it is mostly ad hoc, and more could be done to leverage the combination of the EU's market size and deep expertise in the UK.

What would it look like?

Part of the solution could be a Memorandum of Understanding (MoU), similar to the [enhanced partnership](#) between the UK's Office of Financial Sanctions Implementation (OFSI) and the US Department of the Treasury's Office of Foreign Assets Control (OFAC). Under the previous US administration, OFSI and OFAC [agreed](#) to quarterly virtual and in-person exchanges at all levels, joint engagement with industry, and a reciprocal secondment programme. They also renewed a MoU on information sharing.

While there is no EU-wide equivalent to OFSI, there could be an agreement on structured cooperation with the Commission's DG for Financial Stability, Financial Services and Capital Markets Union and the European External Action Service. The secondment of experts could also be considered (and is encouraged in the EU-UK Security and Defence Partnership).

An MoU could reinforce mechanisms for early information-sharing and strategic coordination to ensure that

(cyber) sanctions are complementary and sequenced effectively. It could also enable structured cooperation on public messaging to expose hostile actors and to provide operational guidance to companies,

Beyond this, EU member states may want to consider greater use of coalitions of the willing for attribution and/or naming and shaming if unanimity requirements in the Council prevent them from taking action. These coalitions should include the UK and other willing and capable partners.

Irregular Migration Sanctions Regime

What problem would it solve?

The fight against organised crime, and in particular the fight against migrant smuggling networks, is a [pressing issue](#) for both the EU and the UK. Policy responses range from enhanced cooperation with countries of origin to the prosecution of criminal networks.

A new tool that complements the latter are targeted sanctions against smugglers. The UK has been at the forefront of testing this approach, and introduced a dedicated [Global Irregular Migration and Trafficking in Persons Sanctions Regulations](#) in July 2025. The regime enables the targeting of individuals and entities involved in smuggling and human trafficking, including network leaders, logistical and financial facilitators, and those using human trafficking to cause destabilisation.

On the EU side, Commission President Ursula von der Leyen, in her 2025 State of the Union, also [called](#) for 'a new system of sanctions specifically targeted at people smugglers and traffickers'. The development of a dedicated EU sanctions' framework in this area offers opportunities to strengthen collaboration with the UK and to learn from its experience.

What would it look like?

The [Common Understanding](#) from May 2025 underlines the commitment 'to deepen co-operation on challenges posed by irregular migration'. This makes the targeted sanctioning of smugglers an obvious area for collaboration, either as part of a wider MoU on sanctions collaboration (see above) or as a separate strand of cooperation.

This could include regular exchanges of expertise and best practices in the design of such a sanctions regime, joint engagement with the private sector, and coordinated or parallel listings where feasible.

Connectedness

A Protocol on Cultural Cooperation

What problem would it solve?

Brexit significantly disrupted EU-UK creative and cultural exchange, from restricting the movement of people and equipment to ending networking and funding opportunities. In the UK, the plight of touring artists has received a lot of media attention, however, [other UK sectors](#), including museums and galleries, the fashion industry, and independent publishers, have faced significant post-Brexit barriers too.

Although these barriers are felt less keenly in the EU, the UK's departure, including from the Creative Europe programme, also reduced opportunities for EU-based creatives. Restoring these should be a priority for both sides.

There is also a strategic dimension to this. In the 2025 [Cultural Compass](#), the EU published its vision for how to leverage art, culture and creativity to strengthen European democracy, enhance social cohesion and well-being, and improve competitiveness. The EU's international cultural relations and partnerships are a [key pillar](#) of this effort. In a fragmented geopolitical landscape, international cultural relations are becoming a strategic asset to build trust and mutual understanding and to promote shared external objectives and values. This creates a clear incentive to strengthen cultural ties with the UK - one of the EU's closest partners with a significant creative and cultural industry.

What would it look like?

Part of the solution could be a Protocol on Cultural Cooperation. There is precedent: the EU and South Korea concluded a [Protocol on Cultural Cooperation](#) in 2009/2010, as part of their Free Trade Agreement. The Protocol established a Committee on Cultural Cooperation, composed of senior officials with exper-

tise in cultural matters, as well as Domestic Advisory Group(s), composed of cultural professionals.

A dedicated EU-UK Committee on Cultural Cooperation could serve various functions.

First, it could offer a platform for dialogue on how to strengthen cross-border mobility of creative and cultural professionals. This would be in the spirit of the [Common Understanding](#) which recognises 'the value of travel and cultural and artistic exchanges, including the activities of touring artists' and claims the two sides 'will continue their efforts to support travel and cultural exchange'.

Second, it could create a formal space for sharing knowledge and information on shared challenges, such as the impact of generative AI on the creative sector. It would also allow the two sides to explore synergies between the EU Cultural Compass (including the [proposed update](#) of the EU's international strategy on international cultural relations in Q4 2027) and the implementation of the [UK's Creative Industries Sector Plan](#).

Third, it could be a launching pad for exploring more formalised cooperation, for example UK association to the EU's Creative Europe Programme in 2027 and its successor programme within AgoraEU from 2028 - 2034 (see next row).

Creative Europe

What problem would it solve?

The Creative Europe programme was launched in 2014 to provide support to the creative, cultural and audiovisual sectors. The UK left the programme as part of its wider departure from the EU and did not seek association as a third country.

This resulted in a loss of funding for the UK sector, and organisations on both sides lost opportunities for collaboration and partnership (from 2014-16, the UK was involved in [44%](#) of Cooperation Projects) as well as support with accessing each other's markets and audiences.

Association is [possible](#): in addition to the EEA countries, there are agreements in place for the full or par-

tial participation of candidate countries and potential candidate countries, and Tunisia and Armenia have agreed to join parts of the programme as ‘non-EU participating countries’.

Stakeholders on both sides have expressed an interest in seeking UK participation. In the UK, this includes the [Culture, Media and Sport Committee in the House of Commons](#), and the [Scottish](#) and [Welsh](#) governments. On the EU side, the Commission mentioned the possibility at a meeting with the Parliamentary Partnership Assembly, and the [European Parliament](#) called on the Commission ‘to continue its efforts towards the re-association of the United Kingdom to the Creative Europe programme’.

What would it look like?

The EU and the UK could commit at the summit to negotiate a one-year pilot for UK participation in Creative Europe in 2027 (similar to the UK’s association to Erasmus +) before engaging in talks on the Creative Europe successor within the 2028 – 2034 [AgoraEU](#) in the Multiannual Financial Framework.

Reviewing UK affiliation to EU agencies

What problem would it solve?

When the UK left the EU, it also left [its 36 decentralised agencies](#). These agencies support the functioning of the Single Market, the Schengen zone, and the EU’s internal and external security.

EU agencies perform a variety of tasks, ranging from regulatory functions - like the safety and certification of medicines through the European Medicines Agency - to operational activities like border management and cross-border investigations to the pooling of expertise and resources.

When the UK left, it had to replicate some of these functions, for example by setting up an independent regulator for UK medicines, the Medicines and Healthcare products Regulatory Agency (MHRA). In other areas, it simply lost access to the data and information sharing functions of the agencies.

What would it look like?

The UK and the EU could use the summit to initiate a review of whether UK affiliation to certain EU agencies would be feasible and desirable.

This would have to take account of the [different models](#) for participation. Full participation in agencies linked to the single market is generally open to EEA countries. Norway, for instance, participates in 28 out of the EU’s 36 agencies. Switzerland, on the other hand, participates in six EU agencies, including in areas where it has agreed to dynamically align with EU legislation.

The Swiss precedent could open opportunities for UK participation in the European Food Safety Authority and the European Environment Agency once negotiations on a food and drinks deal and emissions trading have been finalised.

In addition, it might be possible to agree on a more informal way of cooperation via bilateral cooperation agreement. Countries like Canada have such agreements with numerous agencies. These range from agreements on the exchange of information and best practice to deeper forms of cooperation in matters of Justice and Home Affairs. For example, Canada has got a liaison officer in Europol.

Exploring similar options for the UK could contribute to the continued thickening of ties between the two sides.

Secondments

What problem would it solve?

Brexit has drastically reduced the exposure of British civil servants to the internal workings of the EU. Conversely, it also reduced the familiarity of EU officials with the UK.

This can lead to misunderstandings, lower levels of trust, and, in some cases, unintended policy impacts.

What would it look like?

Part of the solution could be an EU-UK secondment programme. The EU-UK Security and Defence Partnership recognises the importance of institutional

exchanges and raises the 'possibility of seconding staff from and to their respective institutions and collaborating on joint training initiatives'. However, so far, this has not been set up.

Staff exchanges could be established between the Foreign Office and the EEAS, and between other British

government departments and the Commission in areas such as sanctions, energy policy, and certain areas of economic security. In addition, the two sides could consider a staff exchange programme between the European Parliament and the Houses of Parliament. This could follow the example of the [Bundestag - Congress Youth Exchange](#).

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