

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Seventh Delegated Legislation Committee

DRAFT EUROPEAN UNION (DEFINITION OF
TREATIES) (STRATEGIC PARTNERSHIP
AGREEMENT) (CANADA) ORDER 2018

DRAFT EUROPEAN UNION (DEFINITION OF
TREATIES) (FRAMEWORK AGREEMENT)
(AUSTRALIA) ORDER 2018

DRAFT EUROPEAN UNION (DEFINITION OF
TREATIES) (PARTNERSHIP AGREEMENT ON
RELATIONS AND COOPERATION) (NEW
ZEALAND) ORDER 2018

Thursday 12 July 2018

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Monday 16 July 2018

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The Committee consisted of the following Members:

Chair: MR VIRENDRA SHARMA

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| † Courts, Robert (<i>Witney</i>) (Con) | † Merriman, Huw (<i>Bexhill and Battle</i>) (Con) |
| † Duncan, Sir Alan (<i>Minister for Europe and the Americas</i>) | † Rowley, Danielle (<i>Midlothian</i>) (Lab) |
| † Farrelly, Paul (<i>Newcastle-under-Lyme</i>) (Lab) | † Seely, Mr Bob (<i>Isle of Wight</i>) (Con) |
| † Freer, Mike (<i>Finchley and Golders Green</i>) (Con) | † Siddiq, Tulip (<i>Hampstead and Kilburn</i>) (Lab) |
| † Goodman, Helen (<i>Bishop Auckland</i>) (Lab) | † Smith, Nick (<i>Blaenau Gwent</i>) (Lab) |
| † Harper, Mr Mark (<i>Forest of Dean</i>) (Con) | Thomas, Gareth (<i>Harrow West</i>) (Lab/Co-op) |
| † Johnson, Dr Caroline (<i>Sleaford and North Hykeham</i>) (Con) | † Turley, Anna (<i>Redcar</i>) (Lab/Co-op) |
| † Jones, Mr Marcus (<i>Nuneaton</i>) (Con) | † Villiers, Theresa (<i>Chipping Barnet</i>) (Con) |
| Kendall, Liz (<i>Leicester West</i>) (Lab) | |
| | Peter Stam, <i>Committee Clerk</i> |
| | † attended the Committee |

Seventh Delegated Legislation Committee

Thursday 12 July 2018

[MR VIRENDRA SHARMA *in the Chair*]

Draft European Union (Definition of Treaties) (Strategic Partnership Agreement) (Canada) Order 2018

11.30 am

The Minister for Europe and the Americas (Sir Alan Duncan): I beg to move,

That the Committee has considered the draft European Union (Definition of Treaties) (Strategic Partnership Agreement) (Canada) Order 2018.

The Chair: With this it will be convenient to consider the draft European Union (Definition of Treaties) (Framework Agreement) (Australia) Order 2018 and the European Union (Definition of Treaties) (Partnership Agreement on Relations and Cooperation) (New Zealand) Order 2018.

Sir Alan Duncan: It is a pleasure to serve under your chairmanship today, Mr Sharma. The international agreements under consideration have all been negotiated between the European Union and its member states on the one hand, and third countries on the other. Those third countries are of course some of our closest partners. Each agreement provides an enhanced framework for regular political dialogue at ministerial, official and expert level.

The EU-Canada strategic partnership agreement will enhance political co-operation on foreign and security policy. The agreement has been negotiated alongside the EU-Canada comprehensive economic and trade agreement, the order for which was debated in the House on 25 and 26 June this year. The EU-Australia framework agreement and the EU-New Zealand partnership agreement on relations and co-operation will consolidate and strengthen co-operation in a range of sectors of mutual interest and mark the first step towards EU-Australia and EU-New Zealand free trade agreements for which negotiations have recently been launched.

The agreements are an important tool for promoting British and European values and standards. They have been under negotiation for a number of years, so successive UK Governments have all been involved in shaping the EU's approach to the negotiations. The EU has numerous similar agreements with other third countries around the world, all of which have passed through the same ratification process in the House. Although this is an unusual time in our relations with the EU, this is a case of business as usual and is in the UK's and the EU's interests.

Approval of the draft orders is a necessary step towards the UK's ratification of these agreements, through designating them as EU treaties under section 1(3) of

the European Communities Act 1972. The third countries concerned have all chosen to pursue closer ties with the European Union and its member states, which the Government welcome. We believe that, by building on our shared western values, and also our shared Commonwealth values with Canada, Australia and New Zealand, these agreements are firmly in our national interest.

As we head towards our departure from the EU, I am conscious that right hon. and hon. Members may have questions about its impact on the status of these agreements and our ratification of them. If I may, Mr Sharma, I will briefly clarify the process. As hon. Members will be aware, until we leave the EU on 29 March next year, the UK remains a full member state, and all the rights and obligations of EU membership remain in force. During this period, the Government will continue to negotiate, implement and apply EU legislation. I am advised that the agreements before us are unlikely to enter into force before the UK leaves the EU.

After our departure in March 2019, we will no longer be able to ratify EU third-country agreements. However, the draft withdrawal agreement includes the provision that during the implementation period, the UK will be treated as if it were an EU member state for the purposes of international agreements, with the effect that the UK will be bound by agreements that enter into force during the implementation period. If any of these agreements were to enter into force during the implementation period following UK ratification, the UK would not need to adopt further domestic legislation to ensure that it could apply and be bound by the agreement, in compliance with the terms of the withdrawal agreement.

Nevertheless, the impact of our departure from the EU is, I believe, a peripheral issue for us today, so I urge hon. Members to focus on why implementation of these agreements is firmly in our national interest. First, the agreements formalise hugely positive relations on which the EU is embarking with third countries around the world. They seek to strengthen democratic values, the rule of law and environmental protections, and to make trade and investment more predictable for businesses, including our own. It is in the UK's interests, as a leading advocate of democratic values and a rules-based international system, to support the passage of the agreements.

Secondly, it is important, including for our departure negotiations, to deliver on the Prime Minister's commitment to continue to be a supportive EU member state until we leave. Ensuring that the UK does not block, delay or disrupt EU "business as usual" is crucial to fulfilling that commitment.

Thirdly, as an EU member state, the UK has been a key driver in all these agreements. At a time when we are strengthening ties with countries around the world, it would be wholly counterproductive to be seen in any way to be hindering the aspirations of those countries to have closer relations with the EU. The timing of this discussion is particularly welcome for Australia, whose Foreign and Defence Ministers will be our guests next week for the annual AUKMIN summit.

With that explanation, I hope that hon. and right hon. Members on the Committee will endorse the merits of the three orders.

11.36 am

Helen Goodman (Bishop Auckland) (Lab): It is very nice to see you in the chair, Mr Sharma. I will begin by asking the Minister a couple of questions that apply to all the draft orders, and I will then ask him a couple of specific questions on the individual draft orders.

I asked the Minister yesterday how the Government intend to manage our foreign policy relationship with the European Union after Brexit. He did not have time to respond, but the issue has arisen again. We have raised this with the Government on several occasions. *[Interruption.]* The Minister says that this has nothing to do with the draft orders, but they are EU arrangements with third countries. We are, presumably, taking them forward because we think it is worth having such arrangements, and in the future we will presumably want to co-operate with other Europeans in conducting our relationships with other countries around the world. How does the Minister plan to do that?

My second question is why each of these countries have a different status. Why is it a strategic partnership with Canada, a framework agreement with Australia and a partnership agreement on relations and co-operation with New Zealand? I can see that they are useful for the other EU member states, but I am not clear what these European arrangements add substantively to the relationships that we already have with these Commonwealth countries.

The agreements are not free trade agreements but precursors to them. As it happens, I am sceptical about CETA. I got the impression when we were negotiating it that people who had not read it thought it was absolutely splendid, but that those of us who had read it had reservations.

The Minister may not know the answer, but on the EU-Australia framework agreement, why would Australia prioritise a free trade arrangement with the British over an arrangement with the European Union after Brexit, given that its trade with us is worth some £13 billion a year and its trade with the European Union is worth some £40 billion a year. Where are we in the queue? That is my basic question. It is interesting that there is a commitment to work to implement the agreement between the European Union and Australia, establishing a framework for the participation of Australia in European crisis management operations. There is a similar commitment in the New Zealand agreement. It is unfortunate to see that, while these two Pacific states are taking a move forward to participate in European crisis management, this comes at precisely the same time that the UK Government recently pulled out of leading the EU battlegroups.

Finally, with regard to New Zealand—a country, I remind the Committee, with an economy the size of that of Greece—it says:

“The EU is committed to taking European agricultural sensitivities fully into consideration in its negotiating strategy”.

We have many hill farmers in the uplands, who produce very good quality sheep. They will want to know that these sensitivities will be carried forward by the British Government post Brexit, because our upland farmers will see the much-vaunted freedoms as unfair competition, if we allow large increases in imports from countries with lower environmental and animal welfare standards.

The Chair: I ask hon. Members to limit their comments to the framework we are discussing and not to go out of that framework.

11.42 am

Mr Mark Harper (Forest of Dean) (Con): I have a short and simple question about what the Minister said in his remarks, to which I listened carefully. I think the Minister said that the three arrangements were not going to come into force until after we leave the European Union next March. I think he also said that during the implementation period, we would be bound by such agreements and they would come into force. Given that these are three Commonwealth countries—indeed, realms of which Her Majesty is Queen—may I just check that the coming into force of those frameworks during the implementation period will in no way constrain or damage our prospects of agreeing trade or other relationships with those three countries after we have left the European Union? I know that all those countries are keen to make progress with us, and I would not want to think that adoption of these measures would in any way make that a more difficult prospect.

11.43 am

Mr Bob Seely (Isle of Wight) (Con): The countries that we are discussing are very close allies, as the Minister is aware. May I ask him how the Government will seek to build on these agreements in the months and years ahead? How do they envision having a much closer relationship with these Commonwealth states, and in what fields—defence procurement, trade or visa regimes? Which fields are a priority for seeking new and deeper arrangements with these Commonwealth states?

11.43 am

Sir Alan Duncan: I am grateful for your guidance, Mr Sharma, that this is not a wide-ranging debate about the post-Brexit world, but specifically a discussion of the merits of the orders. I will, however, endeavour to answer the relevant questions that I have been asked. First, to my right hon. Friend the Member for Forest of Dean, I say that negotiations on broader trade deals are not affected by the orders. The scope for that will be affected by other aspects of our negotiations with the EU, which are raging at the moment. In themselves, as the hon. Member for Bishop Auckland said, these are precursors, not trade deals. They are frameworks, as it were, into which other discussions can fit and be enhanced.

My hon. Friend the Member for Isle of Wight asked questions that are perhaps a little broader than these specific orders, but let me endeavour to put a bit more flesh on what I have been saying these orders will do. The EU-Canada strategic partnership agreement sets out the governance and scope of political engagement and ministerial meetings. Its aims are to enhance political co-operation on foreign and security policy issues and to upgrade co-operation across the board. The agreement has been negotiated alongside the EU-Canada comprehensive economic and trade agreement. The strategic partnership agreement contains termination and cessation clauses relevant to the functioning of that trade agreement.

The EU-Australia framework agreement and the EU-New Zealand partnership agreement on relations and co-operation provide legal frameworks to consolidate

[Sir Alan Duncan]

and strengthen co-operation in a range of sectors of mutual interest, from promoting democratic principles and human rights to combating terrorism, countering the proliferation of weapons of mass destruction and bearing down on the illicit trade in small arms and light weapons. As an EU member state, the UK has been a vocal supporter of strengthening ties with Australia and New Zealand, and we have encouraged the EU to prioritise free trade agreement negotiations with them. These political agreements mark the first step towards such free trade agreements, negotiations on which have recently been launched.

I hope that the Committee sees that the orders will benefit the UK and that their merits should be properly recognised. The agreements do not detract in any way from our own prospects outside the EU. We are enhancing our co-operation with partners across Latin America as we leave the EU, in line with our ambitious “global Britain” vision. We are dealing with Latin America and, indeed, countries all over the world. Here today, we are discussing the other side of the world—New Zealand

and Australia—and Canada as well. I hope that the Committee will endorse the merits of the orders. I commend them to the Committee.

Question put and agreed to.

DRAFT EUROPEAN UNION (DEFINITION OF TREATIES) (FRAMEWORK AGREEMENT) (AUSTRALIA) ORDER 2018

Resolved,

That the Committee has considered the draft European Union (Definition of Treaties) (Framework Agreement) (Australia) Order 2018.—(*Sir Alan Duncan.*)

DRAFT EUROPEAN UNION (DEFINITION OF TREATIES) (PARTNERSHIP AGREEMENT ON RELATIONS AND COOPERATION) (NEW ZEALAND) ORDER 2018

Resolved,

That the Committee has considered the draft European Union (Definition of Treaties) (Partnership Agreement on Relations and Cooperation) (New Zealand) Order 2018.—(*Sir Alan Duncan.*)

11.47 am

Committee rose.