

PARLIAMENTARY DEBATES

HOUSE OF COMMONS
OFFICIAL REPORT

Sixth Delegated Legislation Committee

DRAFT EUROPEAN UNION (DEFINITION OF
TREATIES) (ASSOCIATION AGREEMENT)
(CENTRAL AMERICA) ORDER 2018

DRAFT EUROPEAN UNION (DEFINITION OF
TREATIES) (POLITICAL DIALOGUE AND
COOPERATION AGREEMENT) (CUBA)
ORDER 2018

Wednesday 11 July 2018

No proofs can be supplied. Corrections that Members suggest for the final version of the report should be clearly marked in a copy of the report—not telephoned—and must be received in the Editor’s Room, House of Commons,

not later than

Sunday 15 July 2018

© Parliamentary Copyright House of Commons 2018

This publication may be reproduced under the terms of the Open Parliament licence, which is published at www.parliament.uk/site-information/copyright/.

The Committee consisted of the following Members:

Chair: SIR HENRY BELLINGHAM

- | | |
|--|---|
| † Bradshaw, Mr Ben (<i>Exeter</i>) (Lab) | Hoey, Kate (<i>Vauxhall</i>) (Lab) |
| † Brereton, Jack (<i>Stoke-on-Trent South</i>) (Con) | † Killen, Ged (<i>Rutherglen and Hamilton West</i>) (Lab/
Co-op) |
| † Courts, Robert (<i>Witney</i>) (Con) | † Morris, Anne Marie (<i>Newton Abbot</i>) (Con) |
| † Debbonaire, Thangam (<i>Bristol West</i>) (Lab) | † Rowley, Danielle (<i>Midlothian</i>) (Lab) |
| † Double, Steve (<i>St Austell and Newquay</i>) (Con) | † Sobel, Alex (<i>Leeds North West</i>) (Lab/Co-op) |
| † Duncan, Sir Alan (<i>Minister for Europe and the
Americas</i>) | † Stewart, Iain (<i>Milton Keynes South</i>) (Con) |
| † Freer, Mike (<i>Finchley and Golders Green</i>) (Con) | † Swire, Sir Hugo (<i>East Devon</i>) (Con) |
| Gethins, Stephen (<i>North East Fife</i>) (SNP) | Claire Cozens, <i>Committee Clerk</i> |
| † Goodman, Helen (<i>Bishop Auckland</i>) (Lab) | |
| † Grant, Bill (<i>Ayr, Carrick and Cumnock</i>) (Con) | † attended the Committee |

Sixth Delegated Legislation Committee

Wednesday 11 July 2018

[SIR HENRY BELLINGHAM *in the Chair*]

Draft European Union (Definition of Treaties) (Association Agreement) (Central America) Order 2018

2.30 pm

The Chair: It is certainly in order for right hon. and hon. Members to remove their jackets if they so desire. I will now call the Minister to move the first motion and then to speak to both draft orders. At the end of the debate, I will ask the Minister to move the second motion formally.

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) (Association Agreement) (Central America) Order 2018.

The Chair: With this it will be convenient to consider the draft European Union (Definition of Treaties) (Political Dialogue and Cooperation Agreement) (Cuba) Order 2018.

Sir Alan Duncan: It is a pleasure to serve under your chairmanship, Sir Henry. I thank all right hon. and hon. Members for attending the Committee, particularly my right hon. Friend the Member for East Devon, who I think was the first Minister to visit Cuba after a gap of more than a decade and is therefore well informed for the purposes of our deliberations.

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. Each agreement provides an enhanced framework for regular political dialogue at ministerial, official and expert level. The EU-central America association agreement will enhance co-operation in areas of common interest, including counter-terrorism, human rights and migration. It also makes extensive provision for future trade relations, with an estimated net benefit to the UK of between £714 million and £1.1 billion. Increased exports by UK manufacturers are expected to account for 80% of that projected benefit, with the remaining 20% coming from increased agricultural exports and reduced tariffs on UK exports to central America.

The EU-Cuba political dialogue and co-operation agreement commits the EU and Cuba to co-operate on a range of issues, and promotes trade through enhanced exchanges of information and technical assistance to reduce non-tariff barriers. The agreements are an important tool for promoting British and European values and standards. Some have been under negotiation for a number of years, meaning that successive UK Governments have 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 this 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 continuing in the UK's and the EU's interest.

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 bringing countries closer to the orbit of European values and standards, these agreements are firmly in our national interest.

The provisions of each agreement covered by the draft orders are not entirely identical. They are the result of years of negotiation and reflect the differing priorities that we share with each partner country and the varying depth and maturity of the relationship that the EU and its member states already enjoy with them. For example, EU-third country agreements with emerging democracies include a significant focus on supporting reforms and democratic institutions, whereas agreements with long-term partners focus to a much greater extent on international co-operation to address broader global challenges.

I am conscious that right hon. and hon. Members may have questions about the impact of our departure from the EU on the status of these agreements and our ratification of them. I will briefly clarify the process. As 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 has left 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 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 would 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, I believe that the impact of our departure from the EU is a peripheral issue for us today. I urge hon. Members to focus on why implementation of these agreements is firmly in our national interest. First, the agreements formalise hugely positive relationships on which the EU is embarking with third countries across the world. They seek to strengthen democratic values, the rule of law and environmental protections, and make trade and investment more predictable for businesses, including our own.

Mr Ben Bradshaw (Exeter) (Lab): If the Minister has the time and the inclination, could he address the means by which the agreements can help to enforce human

rights in Nicaragua, for example, which are a great concern to a number of hon. Members at the moment? Nearly 300 people have recently been murdered by the regime there, and a delegation in Parliament this week raised concerns with us. It would be helpful if the Minister could explain that point.

Sir Alan Duncan: The right hon. Gentleman is absolutely right to raise the issue of Nicaragua. The manner in which we can diplomatically do as he suggests is much more through our bilateral day-to-day relations and the representations we make at a diplomatic level through our excellent embassy in Nicaragua, and the sort of efforts and dialogue we have on all levels, working with our international partners, be that in the United Nations, the EU or anywhere else. Although there is a general climate of improvement, which I hope these agreements will enhance, when it comes to specific immediate issues—it is absolutely right to raise them today—that is much more me talking to a fellow Minister, officials talking to officials, an ambassador making representations and us working within the United Nations to make sure that pressure is properly applied wherever there is an unacceptable display below the sort of standards we would like to see.

I cannot exaggerate how important the right hon. Gentleman's question is. Nicaragua, Venezuela, the peace process in Colombia for example and the way in which Cuba is going to step out of its past into a much more realistic future are all part of these agreements, but also of our continuing diplomatic efforts, which you, Sir Henry, will have fully appreciated from your time as a Minister in the Foreign Office. We believe very strongly that 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.

With that explanation, I very much hope that hon. and right hon. Members on the Committee will endorse the merits of these two orders.

2.39 pm

Helen Goodman (Bishop Auckland) (Lab): It is very nice to see you in the chair, Sir Henry, on this warm, sunny, summer afternoon. I am grateful to the Minister for his explanation. I have a number of questions for him about both the substance and the process.

In general, Her Majesty's Opposition welcome any arrangements that allow for the further integration of Latin American countries into the global economy. Arrangements to co-operate with them to encourage improvements in human rights, democracy, good governance and regional political relations, and to strengthen regional integration are all welcome. However, the Minister told us that the trade benefits to the United

Kingdom from the draft central America order will amount to £700 million, but it was not clear over what period we would get that benefit.

According to one civil society group, ACT Alliance EU, and the Copenhagen Initiative for Central America, some civil society organisations in central America are opposed to ratification of the association agreement. As the Minister said, it was first signed in 2012, and since then events in those countries have moved on, not all in a positive direction. As my right hon. Friend the Member for Exeter said, Nicaragua has particular problems, and recent national unrest has so far led to the deaths of 300 people. The risk is obvious.

Sir Hugo Swire (East Devon) (Con): This would be a good opportunity for the hon. Lady, who is speaking on behalf of Her Majesty's loyal Opposition, to condemn, on behalf of Her Majesty's loyal Opposition, what is going on in Nicaragua at the moment and in Venezuela, which poisons the region.

Helen Goodman: Of course. Her Majesty's Opposition condemn all human rights abuses. I shall confine my remarks to Nicaragua, because that is what the draft order is about, but if the right hon. Gentleman is interested in my views on Venezuela, they were set out very fully in a Westminster Hall debate last September.

With Nicaragua, it is essential that the international mediation that has begun is followed through. We are extremely pleased that the United Nations is now on the ground and able to make a proper and full assessment of the problems and every single episode of violence that has taken place in the past three months. We do not, however, support calls from some parts of the American Administration to see a non-democratic change of Government. I would be interested to hear from the Minister whether he supports such calls from those parts of the American Administration.

The situation in Nicaragua is worse than it was when the documents we are considering were drafted. The situation is also extremely bad in El Salvador, where there is a lot of gender-based violence, which we are very concerned about. Hon. Members are probably aware of what Pope Francis said about what is happening in El Salvador, where, at the moment, women who have had abortions, even if as a result of being raped, are tried for murder. Some of them have consequently faced the death penalty. I am most concerned for the Minister to take seriously the human rights elements of the association agreements. No monitoring mechanisms seem to be set out to deal with violations. Will the Minister explain how violations will be monitored?

The explanatory memorandum highlights the importance of working with those countries on counter-narcotics. I remind the Minister that the value of illegal drugs smuggled into the United Kingdom peaked at £3.2 billion in 2016—more than double the imports of the previous year. Co-operation is covered in the association agreements, but what co-operation is being undertaken to address the international drugs trade, which is as much a problem for us as it is for the central American countries, with which we obviously have a shared interest?

Sir Hugo Swire: The hon. Lady makes an extraordinarily important point about the fact that the UK is the recipient of many of the drugs that are smuggled through

[*Sir Hugo Swire*]

the region. Will she take it from me, as a former Minister for the region, that the UK is involved disproportionately in trying to assist those countries, but that my right hon. Friend the Minister will be unable to go into much detail about the nature of that assistance?

Helen Goodman: The right hon. Gentleman is demonstrating what an excellent Foreign Office Minister he was, but I am directing my questions to the current Minister to see who is in charge of steering this through.

Sir Alan Duncan: Equally good, I would like to think.

Helen Goodman: We will find out whether the Minister is equally good at answering these questions, rather than seeing them deflected via Devon.

A related concern is the human rights of migrants from central America. This agreement contains a commitment to ensure the effective employment, protection and promotion of human rights for all migrants. I am interested to know from the Minister what representations have been made to the American Government with respect to the human rights of migrants from central America.

On the process, the Minister explained that if the association agreements are in force after our departure from the European Union, the United Kingdom will be bound by them during the implementation period. I want to ask him three questions about what happens once the implementation period comes to an end in December 2020, which is quite soon. These documents were drafted six years ago, and that date is only two years ahead of us. After the implementation period, if the association agreements are in place, is it the Minister's intention to roll them over for what we might call the proper post-Brexit period? If it is not his intention simply to roll them over, what is his plan? What is his plan if they have not been implemented by December 2020?

The impact assessment provided to the Committee for this afternoon is outdated, as it was prepared in 2015. Is the Minister confident that there have been no significant changes in the intervening three years that might affect the assessment of the impact on British businesses? The explanatory memorandum says that the Government have committed to agreeing a transitional arrangement to ensure continuity in trade. Will he produce a new explanatory memorandum with a new impact assessment in 2019, once we have left the EU?

We are extremely pleased that Cuba is making progress in being integrated into the global economy. Again, the Cuba document was drafted and written some time ago. It would be helpful to know from the Minister how the outlook for trade with Cuba and the operation of this agreement are impacted by President Trump's decision to reinstate restrictions on Americans travelling to Cuba and United States business dealings with Cuba. At the moment we have yet another rift between the policy approach of the European Union and that of the United States. What are the Ministers intentions with respect to continuing dialogue with Cuba alongside our European partners as we move forward?

This is a tricky issue. We have still not heard how the Government intend to co-ordinate common, foreign and security policy with the European Union post Brexit, which is highly relevant to what the rollover arrangements will be for both statutory instruments. It would be extremely welcome if the Minister updated us and gave some insight into that issue.

2.51 pm

Sir Hugo Swire: I was not seeking to refer back to my time as the Minister in the area or to laud myself, but merely to point out some pretty obvious facts: that the Minister cannot go into detail on much of the security support we are providing in the region. I would have thought that was patently obvious.

I welcome this set of agreements, particularly in relation to Cuba. The hon. Member for Bishop Auckland makes a valid point about the relationship between the United States and Cuba, which I believe is currently regrettable, there having been much progress made in the last few years, before President Trump. Will my right hon. Friend the Minister say what progress we are making on trying to undertake bilateral trade with Cuba? Is there still any reluctance to get involved, on the part of the banks in particular, because they are worried about the wide reach of the Americans? I believe Cuba is on a path—perhaps not a path to democracy, but certainly a better path than it has been on. It has been held back for the best part of the last century by a repressive, totalitarian left-wing regime, which is unfortunately replicated elsewhere in the region.

Lord Hague of Richmond, when he was Foreign Secretary, made a speech at Canning House about British re-engagement with the region. I am particularly pleased that my right hon. Friend the Minister has been there so often. The Opposition spokesperson talked about El Salvador. During my time, we opened a small embassy there—when I say “small”, I think it was one room in San Salvador. The hon. Member for Bishop Auckland is absolutely right to draw attention to the human rights abuses in El Salvador, but she will be equally aware of the terrible gang culture that emanates in Los Angeles and the rest of the west coast of America of Salvadorians coming back to El Salvador, and the disruption that that is causing in that country. They are due as much support and assistance as they can possibly ask for, in my opinion.

I hope that after the United Kingdom has exited the EU we will give a priority to bilateral treaties with the region, to continue the work that many of us have undertaken there. With that in mind, I hope that the Minister will update us on where we are with organisations such as the Community of Latin American and Caribbean States and the Organisation of American States, which is still run by Luis Almagro.

The situation in Nicaragua is deteriorating. I hope that the British Government will also talk to the OAS in particular about what is going on there, as well as in Venezuela. The Committee will be aware that in April the Guatemalans finally held a referendum on the border dispute with Belize. Belize is close to us, as a Commonwealth country. That was hugely supported by the British Government—with some opposition, I would say, from our EU partners—because we of course care passionately about that part of the world. I wondered whether there

was any update on bilateral relations between Her Majesty's Government and Belize, in terms of trying to persuade Belize where we go next after the referendum, encouraging Belize to do its bit and ensuring funding if the EU is not there.

The region views the EU with, I am sure, a certain degree of interest, but it views the British with a historical emotion, really. Countries there are keen for better bilateral relations, for more visits and for British business and British goods to do more there. We have a huge opportunity to do so, and I very much hope that my right hon. Friend the Minister will continue the good work he has started and the cracking pace at which he is conducting our affairs in the region.

2.55 pm

Sir Alan Duncan: I am grateful to the right hon. and hon. Members who have contributed this afternoon. As I outlined in my opening speech, these agreements will support our values and objectives long after we have left the European Union. By ratifying them, we are demonstrating our good will as a loyal and supportive partner of the European Union and to each of these countries seeking to expand their relations with the EU. These 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 vision to have a global Britain.

In response to the question from the hon. Member for Bishop Auckland about the financial benefits that we hope will ensue from these agreements, a figure of between £700 million and £1.1 billion was quoted. In answer to her question over what period, the trade benefits of the EU-central America association agreement are expected to be realised over a 10-year period. That is the calculation that has been applied, but that means by 2023, following the start of the provisional application of all this in 2013. That is set out in the impact assessment attached to the order. We are working to transfer the agreement to a UK-central America association agreement, which will result in our gaining equivalent benefits once we have left the EU.

I say to my right hon. Friend the Member for East Devon, a former Minister, that Cuba is very important. It is going through a significant transition and is a country with which we wish to develop a close association, to help it to transfer from being the preserve of the Castros into a country that looks more widely across the world and therefore serves the economic interests of its citizens. My right hon. Friend is absolutely right to say that one of the major obstacles to that is the constraint on dollar transactions that is applied to any kind of business in or around the country. That is a problem that we would like to see overcome, because a prosperous Cuba is more likely to be a free and co-operative Cuba. We hope that we can, in a benign way, without being over-didactic or instructive, help Cuba to move from the past into the future in a way that is of benefit to everybody.

As for what we have heard otherwise today, I hope, Sir Henry, that it is not inappropriate for me to point out that we are discussing a pair of very specific orders, rather than having a debate on the current affairs of the region, notwithstanding important issues in Guatemala,

Nicaragua and, perhaps more than anywhere else, Venezuela, where many people are fleeing the country, because the President has basically destroyed its economy and people are being forced away for fear of being unable to buy the most basic goods, in a climate of hyper-inflation. This is not a debate about current events; it is a debate about these two orders. The agreements will do things such as enhance political dialogue and further co-operation in areas such as climate change, the environment, counter-narcotics, counter-terrorism, human rights and migration.

In the context of Cuba, which has been raised specifically, five annual dialogues are being established, on human rights, sustainable development, non-proliferation, the illicit trade in arms and unilateral coercive measures. The agreements are a framework within which good can be achieved, rather than a day-to-day narrative, which is more the preserve of the Foreign and Commonwealth Office and our diplomacy.

To conclude, I note that the hon. Member for North East Fife, the Scottish National party spokesperson, is absent. In a parallel Delegated Legislation Committee this morning, in which we considered three similar orders on EU-third country agreements, the SNP Member tried to vote no. When I inquired why, they said that they did so on the grounds that the devolved Administrations had not been consulted. I would like to put it on record that although the UK's foreign affairs policy is totally a reserved matter, the devolved Administrations were consulted during the preliminary stages of consultation on each of these agreements. All the devolved Administrations confirmed that they did not anticipate any legislative changes as a result of the agreements, and no specific concerns were expressed, so the argument put by the SNP in relation to this morning's Committee was utterly erroneous, specious and unmerited.

Helen Goodman: On the issue of Scotland, I notice that the trade section of the impact assessment for the order relating to central America shows that one of the benefits that will flow to us is that our geographical indications on Scotch whisky will be protected in central American markets. In return, there will be a reduction in the tariffs that they impose on Scotch whisky. I have already asked the Minister how the rollovers will operate, but it is not clear how geographical indications on food and drink will be preserved post Brexit. Will that not be an issue in this context, as well as more widely?

Sir Alan Duncan: May I apologise to the hon. Lady? I did not properly answer her point about process, although I meant to. We are content that the orders will come into force within the implementation period, so her concerns will not apply.

I am grateful to the hon. Lady for pointing out the strength of the logic that I have put to the Committee, because what we are proposing will benefit Scotland. It is ironic, not to say illogical and absurd, that the Scottish National party should consider voting against something such as this, when its primary industry of Scotch whisky is likely to benefit. We find that the SNP is anti-Scotch whisky exports and that, had it been here, it would have perhaps voted against these orders, as it tried to this morning, on the grounds that it was not consulted, when it has been. The irony of the SNP position, added to its absence today, will not be lost on either side of the

[Sir Alan Duncan]

Committee. I thank you again, Sir Henry, for presiding over our proceedings, and I commend the orders to the Committee.

Question put and agreed to.

Resolved,

That the Committee has considered the draft European Union (Definition of Treaties) (Association Agreement) (Central America) Order 2018.

DRAFT EUROPEAN UNION (DEFINITION OF TREATIES) (POLITICAL DIALOGUE AND COOPERATION AGREEMENT) (CUBA) ORDER 2018

Resolved,

That the Committee has considered the draft European Union (Definition of Treaties) (Political Dialogue and Cooperation Agreement) (Cuba) Order 2018.—(*Sir Alan Duncan.*)

3.4 pm

Committee rose.