

## Briefing for Lords report stage of the Trade Bill

7 December 2020

### Summary

#### **Greener UK and the Aldersgate Group's priority amendment for Lords report stage of the Trade Bill is:**

- Parliamentary approval of trade agreements **(6)**

#### **Greener UK and the Aldersgate Group also support:**

- Conditions for trade deals: environmental obligations **(21)**

#### **This briefing also contains information about the following government amendments:**

- Trade and Agriculture Commission **(31)**
- Trade and Agriculture Commission: advisory functions **(34)**
- Trade and Agriculture Commission: further provision **(35)**
- Trade and Agriculture Commission: repeal **(36)**
- Trade and Agriculture Commission: public authorities legislation **(49)**

Greener UK and the Aldersgate Group's priority for the Trade Bill is to ensure that robust scrutiny measures are put in place so that constituents, businesses, and civil society can work with parliamentarians to actively engage in the negotiation of trade deals. If not carefully managed, new trading relationships could potentially undermine both the UK's progress against existing environmental and climate targets and the competitiveness of its industries seeking to innovate in the provision of new low carbon goods and services.

Ministers have on several occasions [repeated](#) the 2019 Conservative manifesto commitment that the government will not compromise on the UK's high environmental protection, animal welfare and food standards in trade negotiations. However, there has been no detail on how this commitment will be upheld in practice. This is why the Trade Bill needs amending to ensure greater transparency and opportunities for parliamentary scrutiny and public participation into the future.

Greener UK and the Aldersgate Group also support amendments to ensure the government's trade policy is aligned with its climate and environmental commitments, such as the 2015 Paris Climate Agreement.

Furthermore, Greener UK and the Aldersgate Group support amendments that would strengthen the government's Trade and Agriculture Commission (TAC) so that it is a more independent, representative and expert body, whose recommendations are taken into account by the government when setting standards for imports and negotiating new trade deals.

Whilst the powers in this bill exclude new trade deals, the government seemingly does not intend to introduce primary legislation formalising comprehensive processes for negotiating and ratifying future free trade agreements (FTAs). This means that there are

no adequate mechanisms to provide scrutiny of future trading negotiations and insufficient guarantees that environmental standards will be protected against deregulatory pressure from trade deals. The Trade Bill should therefore inform future deals, so that the development of the UK's trade policy can be both democratic and aligned with its ambitions for global green leadership. The government has accepted the principle that this bill should influence future deals, as it has tabled amendments relating to the Trade and Agriculture Commission, which will look at future trade deals rather than rollover deals.

## Parliamentary scrutiny of trade agreements

### **Greener UK and the Aldersgate Group support amendment 6 'Parliamentary approval of trade agreements'**

We support this cross party **amendment 6**, which would significantly improve the level of parliamentary scrutiny of new trade agreements. We welcome the fact that during the Commons stages, previous amendments relating to parliamentary scrutiny received wide cross party support.

In the 2017-2019 Trade Bill, the House of Lords passed an amendment which aimed to increase Parliament's role on the scrutiny of trade deals. **Amendment 6** would achieve the same policy effect and ensure:

- **Before negotiations:** a debate and vote for MPs on the government's negotiating objectives, and mandatory sustainability impact assessments on the impact of the new trade deal on the environment, public health, human rights and global development
- **During negotiations:** additional scrutiny through relevant updates to relevant parliamentary committees
- **After negotiations:** a vote in both Houses on a final deal, prior to ratification
- **Throughout:** consultation with devolved authorities.

The pursuit of new trading relationships will have implications for almost all spheres of public policy, including the UK's progress towards its net zero and Environment Bill targets. In order to meet the government's ambitions of international environmental leadership it is vital that Parliament's role in trade deals is strengthened. A weak scrutiny process increases the risks of environmentally damaging trade agreements being agreed, which is highly concerning given that trade deals can lead to environmental deregulation, undermine high standards and low carbon UK industries, and expose environmental regulations to legal challenge.

Currently, the UK Parliament's role in the negotiation and ratification of FTAs is [considerably weaker](#) than systems in the US, EU and Japan, and this framework was formalised when the UK was still a member of the EU. Parliamentarians do not have a guaranteed debate or vote on trade agreements or a legal right to see negotiating objectives, and there are no legal requirements on the government to provide updates on trade negotiations.

Strengthening Parliament's role would enable businesses, NGOs, unions and the public to take part in shaping the government's trade policy, making it more likely for environmental

and climate voices to be heard and for opportunities in low carbon and environmentally-friendly trade to be realised.

For further details, see a joint briefing on scrutiny and the environment from Greener UK and the Aldersgate Group [here](#).

See also a briefing from the Trade Justice Movement [here](#).

## Aligning trade policy with the UK's climate and environmental commitments

### **Greener UK and the Aldersgate Group support amendment 21 'Conditions for trade deals: environmental obligations'**

We support **amendment 21**, which would ensure rollover deals are implemented only if they are consistent with the UK's climate and environmental commitments. It would also ensure that no new deals could be signed or ratified that were inconsistent with these commitments. Commitments include the Paris Agreement, the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), and the government's commitment to achieving net zero greenhouse gas emissions by 2050. The amendment also requires the government to lay a report before Parliament outlining the environmental impacts of an agreement before it can be ratified.

FTAs should be consistent with the government's ambitions and obligations on climate and the environment. The risks to the environment from poor trade policies are considerable. FTAs can promote the import of cheaper and higher carbon goods, effectively offshoring the UK's emissions. They can [also allow](#) overseas interests and investors to challenge domestic legislation that is brought in to protect the environment or embed ambitious climate measures. There is evidence that regulatory co-operation provisions also can [create disincentives](#) for the introduction of new regulation, particularly in a transatlantic context.

Trade can also present significant opportunities for the UK economy to grow its low carbon sectors and benefit economic growth. It is [estimated](#) that the UK low carbon economy could grow by 11% every year to 2030 and that by 2030, the global market for low carbon goods will be worth more than £1 trillion a year, representing an increase of 7 to 12 times on today. Long term certainty that the UK's trade policy will be coherent with the net zero emissions target will be essential to keep attracting private investment in essential technologies and services.

Without a trade policy that is aligned with the UK's climate and environmental agenda, future trade agreements could present a significant risk to the achievement of our domestic ambitions and could [undermine](#) the competitiveness of UK businesses working hard to lower their environmental and carbon footprint.

Greener UK and the Aldersgate Group also support **amendment 14**, 'Conditions for trade agreements: climate change obligations', which requires the Secretary of State to present a report to Parliament setting out how a trade deal is compliant with the Climate Change Act 2008 and the UK's obligations under the 2015 Paris Climate Agreement, before the deal can be ratified.

## The Trade and Agriculture Commission

Environmental standards across the world must be raised to meet the looming climate and nature crises – this requires sustained ambition and accelerated progress by all governments. However, to date, the UK government has [resisted calls](#) from parliamentarians of all parties to put into primary legislation its manifesto promise of not compromising on environmental standards in trade deals.

It is essential that the UK does not offshore its environmental impacts and undermine its domestic producers by allowing goods produced to low environmental standards to be readily imported into the UK to the detriment of existing high standards. Polling shows there is [unequivocal public support](#) for maintaining our current food standards relating to a number of issues, including pesticides, antibiotics and other products. This approach must also be applied to other areas to safeguard against downward pressure on environmental standards in the UK, for example relating to chemicals and manufacturing.

Given that the UK's food standards are high on the negotiating priorities of many of our prospective trading partners, stakeholder input and scrutiny of trade deals in relation to agri-food standards is important the UK government delivers the public's expectation to maintain high standards. The government has taken a step in the right direction by putting the Trade and Agriculture Commission (TAC) on a statutory footing in the Trade Bill via **amendments 31, 34, 35, 36 and 49**.

- Paired with Section 42 of the Agriculture Act (2020), these clauses require the Secretary of State to produce a report to Parliament before any free trade agreement pertaining to trade in agricultural products is ratified
- The report must say whether measures within a trade deal are consistent with maintaining domestic statutory protections in relation to human, animal or plant life or health; animal welfare; and the environment
- In producing this report, the Secretary of State must seek advice from at least the TAC. The TAC's advice will be published alongside the report
- The members of the TAC will be appointed by the Secretary of State, who will have to have regard to the desirability of commissioners with expertise in: UK animal and plant health standards, UK animal welfare standards, UK agri-environment standards, and international trade law and policy.

However, these amendments and Section 42 of the Agriculture Act do not allow for adequate scrutiny of trade deals because:

- The government amendments do not resolve broader parliamentary scrutiny concerns as the report feeds into the CRAG process. The TAC may also have to provide advice within this curtailed timeframe unless it is granted privileged early access to texts
- Subsection (3) of Section 42 of the Agriculture Act limits the protections that are to be considered by the Secretary of State to statutory protections in place at the time the report is made. Regulatory changes for the purposes of agreeing trade agreements often take place well before agreements are ratified and deregulation of this kind would therefore fall out of scope of such a report

- The report's scope is limited in that it does not cover the international impact of imports facilitated by new trade agreements. This essentially bypasses consideration of the UK's consumption footprint. For example, liberalised imports of Brazilian beef reared on cleared Amazon rainforest may not impact domestic protections but would clearly perpetuate climate change and ecosystem collapse
- The TAC's members will be appointed directly by the Secretary of State and will advise the Secretary of State, which raises concerns about independence
- These measures may be repealed after three years, which is most likely before many of the UK's post-Brexit trade negotiations will be concluded
- The TAC's scope is limited to agricultural goods and does not address wider scrutiny of regulations and standards pertaining to other goods and services that may be impacted by trade deals, such as chemicals

The Trade Bill should instead be amended to:

- Ensure the TAC has a more representative membership, and includes trade experts, as well as environmental and farming groups
- Require the TAC to produce an annual report with recommendations on how to improve food import standards and how to incorporate changes in domestic standards into existing and future trade deals
- Require the Secretary of State to take these recommendations into account when setting trade negotiating objectives and to issue a response to the recommendations.

**We urge peers to ask for clarification from the Minister on these points.**

For more information, please contact:

Gwen Buck, Policy adviser, Green Alliance  
e: [gbuck@green-alliance.org.uk](mailto:gbuck@green-alliance.org.uk); t: 020 7630 4524

Kate Young, Senior public affairs officer, Aldersgate Group  
e: [kate.young@aldersgategroup.org.uk](mailto:kate.young@aldersgategroup.org.uk); t: 07399329927

## GREENER UK

