



HOUSE OF LORDS

International Agreements Committee

6th Report of Session 2019–21

**Scrutiny of international
agreements:
Partnership, Trade and
Cooperation Agreement
with Albania**

Ordered to be printed 11 March 2021 and published 11 March 2021

Published by the Authority of the House of Lords

International Agreements Committee

The International Agreements Committee is appointed by the House of Lords in each session to consider matters relating to the negotiation, conclusion and implementation of international agreements, and to report on treaties laid before Parliament in accordance with Part 2 of the Constitutional Reform and Governance Act 2010.

Membership

The Members of the International Agreements Committee are:

<u>Lord Foster of Bath</u>	<u>Lord Morris of Aberavon</u>
<u>Lord Gold</u>	<u>Lord Oates</u>
<u>Lord Goldsmith</u> (Chair)	<u>Lord Risby</u>
<u>Lord Kerr of Kinlochard</u>	<u>Lord Robathan</u>
<u>Lord Lansley</u>	<u>Lord Sandwich</u>
<u>Baroness Liddell of Coatdyke</u>	<u>Lord Watts</u>

Declaration of interests

See Appendix 1.

A full list of Members' interests can be found in the Register of Lords' Interests:

<http://www.parliament.uk/mps-lords-and-offices/standards-and-interests/register-of-lords-interests>

Publications

All publications of the Committee are available at:

<https://committees.parliament.uk/committee/448/international-agreements-committee/publications/>

Parliament Live

Live coverage of debates and public sessions of the Committee's meetings are available at:

<http://www.parliamentlive.tv>

Further information

Further information about the House of Lords and its Committees, including guidance to witnesses, details of current inquiries and forthcoming meetings is available at:

<http://www.parliament.uk/business/lords>

Committee staff

The current staff of the Committee are Jennifer Martin-Kohlmorgen (Clerk), Moriyo Aiyeola (Assistant Clerk), Andrea Ninomiya (Policy Analyst), Alexander Horne (Legal Adviser) and George Stafford (Committee Assistant).

Contact details

All correspondence should be addressed to the International Agreements Committee, Committee Office, House of Lords, London SW1A 0PW. Telephone 020 7219 5791. Email HLIntlAgreements@parliament.uk

Twitter

You can follow the Committee on Twitter: [@HLIntlAgreements](https://twitter.com/HLIntlAgreements).

CONTENTS

	<i>Page</i>
Summary	2
Agreement reported for information	3
Partnership, Trade and Cooperation Agreement, done at Tirana on 5 February 2021, between the United Kingdom of Great Britain and Northern Ireland and the Republic of Albania (CP 395, 2021)	3
The UK's trade relationship with Albania	4
Territorial scope and consultation	4
Substantial divergences from the EU-Albania Agreement	5
Appendix: List of Members, declarations of interest and Committee staff	6

SUMMARY

This is the International Agreements Committee's sixth report on treaties, or international agreements, laid before Parliament in accordance with section 20 of the Constitutional Reform and Governance Act 2010 (CRAG). On 28 January 2021, the International Agreements Committee succeeded the EU International Agreements Sub-Committee, which from April 2020 had responsibility for scrutinising all international agreements laid before Parliament under CRAG.¹

This report addresses one Agreement, considered at the Committee's meeting on 10 March 2021, which we report for information:

- Partnership, Trade and Cooperation Agreement, done at Tirana on 5 February 2021, between the United Kingdom of Great Britain and Northern Ireland and the Republic of Albania (CP 395, 2021)

¹ Previous reports on treaties considered by the International Agreements Sub-Committee can be found on the Treaty page of the Parliament website at: <https://treaties.parliament.uk/>

Scrutiny of international agreements: Partnership, Trade and Cooperation Agreement with Albania

AGREEMENT REPORTED FOR INFORMATION

Partnership, Trade and Cooperation Agreement, done at Tirana on 5 February 2021, between the United Kingdom of Great Britain and Northern Ireland and the Republic of Albania (CP 395, 2021)²

1. The Partnership, Trade and Cooperation Agreement between the UK and Albania (the UK-Albania Agreement) was laid on 19 February 2021, and the scrutiny period is scheduled to end on 25 March 2021. It was considered by the Committee on 10 March 2021.
2. The precursor agreement to the UK-Albania Agreement is the 2009 Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and the Republic of Albania, of the other part (the EU-Albania Agreement).³ The UK-Albania Agreement seeks to maintain the effects of the EU-Albania Agreement by replicating it with only minor amendments.
3. The UK-Albania Agreement covers:
 - trade in goods;
 - trade in services;
 - intellectual property, including geographical indications; and
 - government procurement.
4. It also replicates the provisions on human rights, democratic principles, and the rule of law contained in the underlying EU Agreement.
5. As the UK-Albania Agreement was not signed until 5 February, UK trade with Albania has operated on WTO terms since the end of the transition period. The Government's Explanatory Memorandum (EM) published alongside the Agreement explains that the Government is discussing with Albania the possibility of provisional application,⁴ but this has not yielded

2 Partnership, Trade and Cooperation Agreement, done at Tirana on 5 February 2021, between the United Kingdom of Great Britain and Northern Ireland and the Republic of Albania, CP 395, 2021: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/962903/CS_Albania_1.2021_UK_Albania_Partnership_Trade_and_Cooperation_Agreement.pdf [accessed 1 March 2021]

3 Stabilisation and Association Agreement between the European Communities and their Member States, of the one part, and the Republic of Albania of the other part, [OJ L 107](#) (28 April 2009)

4 Foreign, Commonwealth and Development Office, *Explanatory Memorandum on the Partnership, Trade and Cooperation Agreement between the United Kingdom of Great Britain and Northern Ireland and the Republic of Albania* (19 February 2021), p 3: <https://www.gov.uk/government/publications/ukalbania-partnership-trade-and-cooperation-agreement-cs-albania-no12021> [accessed 1 March 2021]

results to date. Until the Agreement is provisionally applied or fully ratified, trade between the Parties will continue to be on WTO terms.

The UK's trade relationship with Albania

6. An overview of UK-Albania trade is provided in Box 1.

Box 1: UK trade with Albania

Albania is the UK's 168th largest trading partner, accounting for less than 0.1% of total UK trade. In 2019, trade in goods and services between the UK and Albania was worth £44 million.⁵

Trade in goods

Total trade in goods with Albania was worth £25 million. Top UK goods exports to Albania were machinery and mechanical appliances, printing industry products, and electrical machinery and equipment. The UK mainly imported aluminium, iron, steel, beverages, spirits, and vinegar.⁶

Trade in services

Total trade in services with Albania was worth £19 million. Transportation was the top services export to Albania. The Parliamentary Report explains that a detailed breakdown of the types of services imported from Albania is not available due to the low level of services Albania exports.⁷

Territorial scope and consultation

7. The Agreement applies to the Crown Dependencies and Gibraltar in the same way as the underlying EU Agreement, and the EM explains that they have been consulted. The Government is working with Gibraltar and the Crown Dependencies to ensure that any necessary changes to legislation to implement the Agreement are made.
8. The EM also indicates that the Government has consulted the Devolved Administrations (DAs) and shared the draft legal text with them once stable.⁸
9. We approached the Devolved Administrations for comment on the extent of the Government's consultation. At the time of publication of this report, we had received a response from Welsh Government officials who confirmed that they were kept updated on progress via "official sensitive reports" and that draft legal text was shared once an agreement in principle had been reached. They also told us that they did not have any substantial concerns relating to the UK-Albania Agreement.
10. **We reiterate our previous recommendation that the Government's EM should include information about any significant issues of concern raised by the DAs (and others), or alternatively confirm that no significant concerns have been expressed.**

5 Foreign, Commonwealth and Development Office, *Continuing the United Kingdom's Trade Relationship with the Republic of Albania* (February 2021), p 7: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/965922/albania-trade-relationship-parl-report.pdf [accessed 11 March 2021]

6 *Ibid.*

7 *Ibid.*, p 8

8 Foreign, Commonwealth and Development Office, *Explanatory Memorandum on the Partnership, Trade and Cooperation Agreement between the United Kingdom of Great Britain and Northern Ireland and the Republic of Albania* (19 February 2021), p 6: <https://www.gov.uk/government/publications/ukalbania-partnership-trade-and-cooperation-agreement-cs-albania-no12021> [accessed 1 March 2021]

Substantial divergences from the EU-Albania Agreement

11. While most provisions in the EU-Albania Agreement have been replicated, the UK-Albania Agreement includes the following notable changes:
- References requiring Albania to meet EU approximation targets and bring its domestic legislation closer to the EU *acquis* have been omitted.
 - Tariff-rate quotas have been resized to reflect the fact that the UK is a smaller market for imports and exports than the EU. They have been resized to 13.62% of the corresponding quota volume or quota increase.
 - EU products have been deleted from the list of geographical indications (GIs), with the exception of those that extend to both Northern Ireland and the Republic of Ireland (Irish Whiskey and Irish Cream), which will continue to be protected.
 - The Agreement introduces an extended cumulation of origin, allowing both Parties to recognise materials from the EU as originating in the UK or Albania in exports to one another. UK goods that have undergone processing in the EU can also be cumulated in exports to Albania. This extended cumulation of origin, however, does not apply to UK goods or materials exported to the EU, which subsequently may be exported to Albania. This is because the UK-EU Trade and Cooperation Agreement does not provide for UK content to be recognised as EU content in trade with common trade partners. This arrangement could therefore have a detrimental impact on some UK businesses. While UK businesses may benefit in other ways from our ability to conclude our own trade deals, such benefits are, as yet, unproven.
 - Provisions of the Regional Convention on pan-Euro-Mediterranean preferential rules of origin (the PEM Convention) have been copied across, with some changes to make them suitable for the bilateral context.⁹
12. **We report the Partnership, Trade and Cooperation Agreement between the UK and Albania to the House for information. In particular, we highlight our comments at paragraph 10.**

⁹ The PEM Convention is a multilateral agreement that provides for diagonal cumulation between all 23 contracting parties in the pan-Euro-Med zone, including Albania. To maintain the effects of the Convention now that the UK is no longer a signatory, a ‘snapshot’ had to be included in the UK-Albania Agreement.

APPENDIX: LIST OF MEMBERS, DECLARATIONS OF INTEREST AND COMMITTEE STAFF

International Agreements Committee Members and staff

Lord Foster of Bath

No relevant interests

Lord Gold

Director, Gold Collins Associates Ltd

Principal, David Gold & Associates LLP

Lord Goldsmith (Chair)

Partner, Debevoise & Plimpton LLP

Lord Kerr of Kinlochard

Chairman, Centre for European Reform

Deputy Chairman, Scottish Power plc

Member, Scottish Government's Standing Council on Europe

Lord Lansley

Director, LOW Associates Ltd

Chair, UK-Japan 21st Century Group

Trustee, Radix

Baroness Liddell of Coatdyke

Adviser, PricewaterhouseCoopers

Association Member, Bupa

Chair, Annington Ltd

Honorary Vice President, Britain-Australia Society Education Trust

Trustee, Northcote Educational Trust

Lord Morris of Aberavon

No relevant interests

Lord Oates

Chair, Advisory Committee, Weber Shandwick UK

Non-Executive Director, Centre for Countering Digital Hate

Director, H&O Communications Ltd

Lord Risby

No relevant interests

Lord Robathan

No relevant interests

Earl of Sandwich

No relevant interests

Lord Watts

No relevant interests

The Committee staff are Jennifer Martin-Kohlmorgen (Clerk), Moriyō Aiyeola (Assistant Clerk), Alexander Horne (Legal Adviser), Andrea Ninomiya (Policy Analyst), and George Stafford (Committee Assistant).

A full list of Members' interests can be found in the Register of Lords' Interests: <https://members.parliament.uk/members/lords/interests/register-of-lords-interests>