



HOUSE OF LORDS

International Agreements Committee

1st Report of Session 2021–22

**Scrutiny of international
agreements:
Interim Partnership
Agreements with Ghana
and Cameroon**

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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:

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Declaration of interests

See Appendix 1.

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Committee staff

The current staff of the Committee are Jennifer Martin-Kohlmorgen (Clerk), Andrea Ninomiya (Policy Analyst), and Robert Cocks (Committee Operations Officer).

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CONTENTS

	<i>Page</i>
Summary	2
Chapter 1: Agreements reported for information	3
Interim Trade Partnership Agreement, done at London on 2 March 2021, between the United Kingdom of Great Britain and Northern Ireland, of the one part and the Republic of Ghana, of the other part (CP 393, 2021)	3
Entry into force	4
The UK's trading relationship with Ghana	4
Consultation	5
Substantial divergences from the underlying EU Agreement	5
Interim Agreement establishing an Economic Partnership Agreement, done at London on 9 March 2021, between the United Kingdom of Great Britain and Northern Ireland, of the one part and the Republic of Cameroon, of the other part (CP418, 2021)	7
The UK's trading relationship with Cameroon	8
Human rights	8
Consultation	8
Substantial divergences from the underlying EU Agreement	9
Appendix: List of Members, declarations of interest and Committee staff	11

SUMMARY

This report addresses the following Agreements, laid before Parliament in accordance with section 20 of the Constitutional Reform and Governance Act 2010 (CRAG), and considered at the meeting of the Committee on 26 May 2021, which we report for information:

- Interim Trade Partnership Agreement, done at London on 2 March 2021, between the United Kingdom of Great Britain and Northern Ireland, of the one part and the Republic of Ghana, of the other part (CP 393, 2021)
- Interim Agreement establishing an Economic Partnership Agreement, done at London on 9 March 2021, between the United Kingdom of Great Britain and Northern Ireland, of the one part and the Republic of Cameroon, of the other part (CP 418, 2021)

Scrutiny of international agreements: Interim Partnership Agreements with Ghana and Cameroon

CHAPTER 1: AGREEMENTS REPORTED FOR INFORMATION

Interim Trade Partnership Agreement, done at London on 2 March 2021, between the United Kingdom of Great Britain and Northern Ireland, of the one part and the Republic of Ghana, of the other part (CP 393, 2021)¹

1. The Interim Trade Partnership Agreement between the UK and the Republic of Ghana (the UK-Ghana Agreement) was laid on 20 April 2021, and the scrutiny period is scheduled to end on 10 June 2021. It was considered by the Committee on 26 May 2021.
2. The precursor agreement to the UK-Ghana Agreement is the EU-Ghana Stepping Stone Economic Partnership Agreement (the EU-Ghana Agreement),² which came into effect on 15 December 2016. It was meant to be a ‘stepping stone’ towards a regional EU-West Africa Economic Partnership Agreement, covering the 15 members of the Economic Community of West African States (ECOWAS) plus Mauritania, though this regional agreement has yet to be brought into effect.³ Nevertheless, at Ghana’s request, the UK-Ghana Agreement uses some of the language of the EU-West Africa Agreement where it is consistent with the effect and substance of the EU-Ghana Agreement. It is unclear whether the UK will seek to use its agreement with Ghana as a stepping stone for an agreement with ECOWAS.
3. **We call on the Government to spell out whether it plans to seek a future trade agreement with the Economic Community of West African States to support regional integration in West Africa.**
4. The UK-Ghana Agreement provides:
 - duty and quota-free access to the UK for goods originating in Ghana;⁴

1 Interim Trade Partnership Agreement, done at London on 2 March 2021, between the United Kingdom of Great Britain and Northern Ireland, of the one part and the Republic of Ghana, of the other part, CP 393, 2021: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/978684/CS_Ghana_1.2021_UK_Ghana_Interim_Trade_Partnership_Agreement.pdf [accessed 30 April 2021]

2 Stepping Stone Economic Partnership Agreement between Ghana, of the one part, and the European Community and its Member States, of the other part [OJ L 287/3](#) (21.10.2016)

3 The regional agreement has been signed by the EU Member States and 15 of the 16 West African states, but the largest West African economy, Nigeria, has yet to sign it. See: European Parliament, ‘Economic Partnership Agreement (EPA) with West Africa’, (April 2021): <https://www.europarl.europa.eu/legislative-train/theme-a-balanced-and-progressive-trade-policy-to-harness-globalisation/file-epa-with-west-africa> [accessed 27 May 2021]

4 As Ghana is classified as a Lower-Middle Income Country by the World Bank, it is eligible for tariff reductions under the UK’s Generalised Scheme of Preferences (UK GSP) but not duty-free and quota-free access, which is provided for by this Agreement.

- a gradual liberalisation of tariffs on UK imports to Ghana—although tariffs are maintained on a small number of, mostly, sensitive agricultural goods;
- safeguards allowing the Parties to re-introduce duties or quotas in specified circumstances;
- sanitary and phytosanitary measures; and
- trade facilitation measures.

Entry into force

5. The UK-Ghana Agreement has been provisionally applied since 5 March in accordance with Article 83 of the Agreement, pending completion of full ratification procedures by the Parties.
6. We regret that goods entering the UK from Ghana were temporarily subject to import tariffs because of the absence of a bridging mechanism to cover the gap between the end of the post-Brexit transition period and provisional application of the Agreement. Exporters of Fairtrade bananas were particularly affected. The UK is a substantial export market for Ghana's banana producers, accounting for approximately 25% of the country's total banana exports by value.⁵ For two months bananas from Ghana were subject to a substantial tariff import duty of £95 per tonne, with some Ghanaian companies reporting, as a consequence, over £20,000 of additional weekly costs.⁶
7. **We regret the Government's failure to put in place a bridging mechanism from 1 January until the Agreement's provisional application, which would have avoided costly duties for Ghana's banana exporters.**

The UK's trading relationship with Ghana

8. An overview of UK-Ghana trade is provided in Box 1.

Box 1: UK trade with Ghana

Ghana is the UK's 75th-largest trading partner, accounting for 0.1% of total UK trade. In 2019, trade in goods and services between the UK and Ghana was worth £1.2 billion.

Trade in goods

The UK exports more goods to Ghana than it imports, with £421 million worth of exports, compared to £291 million of imports in 2019.

5 UN Comtrade Database, 2019 period: <https://comtrade.un.org/data/> [accessed 27 May 2021]

6 This issue was raised by Lord Purvis of Tweed during the Report Stage debate on the Trade Bill on 6 January (HL col 185) and reported widely in the press. See, for example: 'Brexit: £100,000 of tariffs slapped on Fairtrade bananas from Africa threatening farmers with ruin', *Independent*, (23 January 2021): <https://www.independent.co.uk/news/uk/politics/brexit-tariffs-bananas-africa-farmers-b1791225.html> [accessed 27 May 2021]; Bloomberg, 'Supply Lines:Ghana's Costly Wait for Its Post-Brexit Trade Deal With U.K', (4 January 2021): <https://www.bloomberg.com/news/newsletters/2021-01-04/supply-chains-latest-ghana-s-costly-wait-for-a-u-k-trade-deal> [accessed 27 May 2021] and BBC, 'Brexit: Five surprising consequences', (13 January 2021): <https://www.bbc.co.uk/news/55633632> [accessed 27 May 2021]

Top goods exports to Ghana were worn clothing and textile materials, machinery and mechanical appliances, and chemical products. Top imports from Ghana were mainly mineral fuels and oils, followed by preparations of meat and fish, edible fruit and nuts, and cocoa and cocoa preparations.

Trade in services

In 2019, the UK exported more services than it imported from Ghana, exporting £301 million in services and importing £207 million.

The Parliamentary Report states that a detailed breakdown of types of services traded was not available for the UK's trade with Ghana.⁷

Consultation

9. The Explanatory Memorandum (EM) to the Agreement explains that Ministers and officials engaged with the Devolved Administrations (DAs) on a regular basis throughout the Trade Agreement Continuity Programme and invited them to “highlight international agreements of importance or concern”. We welcome the Minister’s specific confirmation that “HMG has shared the stable text of the Agreement with the DAs, the Crown Dependencies and Gibraltar”.
10. **We repeat our previous recommendation that the Government’s EM should include information about any significant issues of concern raised by the Devolved Administrations (and others) and how they have been addressed, or alternatively confirm that no significant concerns have been expressed.**

Substantial divergences from the underlying EU Agreement

11. While most provisions in the EU-Ghana Agreement have been replicated, the UK-Ghana Agreement includes the following notable changes:
 - The Agreement introduces an extended cumulation of origin, allowing both Parties to recognise processing in and content from the EU as originating in the UK or Ghana in exports to one another. The extended cumulation of origin, however, does not apply to UK goods or materials exported to the EU, which, subsequently, may be exported to Ghana (or in reverse). 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. Some UK businesses trading with Ghana may be adversely affected by this.
 - The origin quota for tuna, which allows a specified volume to be exported under a more lenient rule of origin, has been resized to reflect the UK’s smaller market size compared to the EU.
 - The EU-Ghana Agreement allowed the Parties to apply a bilateral safeguard if there was a disturbance in the sugar market. Following a fall in the price of sugar below a certain level, the bilateral safeguard could be triggered. This safeguard has been transitioned, but the Parties agreed to suspend the trigger price mechanism for five years, as there are difficulties in determining the appropriate trigger price level at this time. The mechanism will be reviewed once the Agreement has entered into force. The Parliamentary Report notes that the EU

⁷ Parliamentary Report, p 9

has not previously made use of the trigger price mechanism and the Government does not expect the suspension to have any impact.

12. **We report the interim Trade Partnership Agreement between the UK and Ghana to the House for information.**

Interim Agreement establishing an Economic Partnership Agreement, done at London on 9 March 2021, between the United Kingdom of Great Britain and Northern Ireland, of the one part and the Republic of Cameroon, of the other part (CP418, 2021)⁸

13. The Interim Agreement establishing an Economic Partnership Agreement between the UK and Republic of Cameroon (the UK-Cameroon Agreement) was laid on 20 April 2021, and the scrutiny period is scheduled to end on 10 June 2021. It was considered by the Committee on 26 May 2021.
14. The precursor agreement to the UK-Cameroon Agreement is the Interim Agreement with a view to an Economic Partnership Agreement between the European Community and its Member States, of the one part, and the Central Africa Party, of the other part (the EU-Central Africa Agreement).⁹ Although negotiated between the EU and the whole Central Africa region, Cameroon is the only Central African signatory to date.¹⁰ The UK-Cameroon Agreement seeks to maintain the effects of the EU-Central Africa Agreement by replicating it with only minor amendments. The UK Agreement is open to other Central African states, who can join at any time by making an accession request to the EPA Committee, the Agreement's governance body.¹¹
15. The UK-Cameroon Agreement provides:
 - duty and quota-free access to the UK for goods originating in Cameroon;¹²
 - a gradual liberalisation of tariffs on UK imports to Cameroon—although tariffs are maintained on a small number of, mostly, sensitive agricultural goods;
 - safeguards allowing the Parties to re-introduce duties or quotas in specified circumstances;
 - sanitary and phytosanitary measures; and
 - trade facilitation measures.
16. The Agreement is being provisionally applied, pending the completion of ratification procedures. To bridge the gap between the end of the post-Brexit transition period and provisional application, the UK and Cameroon had agreed via a Memorandum of Understanding to maintain the effects

8 Interim Agreement establishing an Economic Partnership Agreement, done at London on 9 March 2021, between the United Kingdom of Great Britain and Northern Ireland, of the one part and the Republic of Cameroon, of the other part, CP 418, 2021: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/978691/MS_2.2021_UK_Cameroon_Interim_Agreement_Economic_Partnership.pdf [accessed 30 April 2021]

9 Interim Agreement with a view to an Economic Partnership Agreement between the European Community and its Member States, of the one part, and the Central Africa Party, of the other part [OJ L 057](#) (28 February 2009)

10 European Commission, 'Trade Policy: Central Africa': https://ec.europa.eu/trade/policy/countries-and-regions/regions/central-africa/index_en.htm [accessed 27 May 2021]

11 Article 101

12 As Cameroon is classified as a Lower-Middle Income Country by the World Bank, it is eligible for tariff reductions under the UK's Generalised Scheme of Preferences (UK GSP) but not duty-free and quota-free access, which is provided for by this Agreement.

of the EU-Central Africa Agreement from 1 January and apply the tariff preferences contained in the UK Agreement.¹³

The UK's trading relationship with Cameroon

17. An overview of UK-Cameroon trade is provided in Box 2.

Box 2: UK trade with Cameroon

Cameroon is the UK's 120th largest trading partner, accounting for less than 0.1% of total UK trade. In 2019 trade in goods and services between the UK and Cameroon was worth £200 million.

Trade in goods

Top goods exports to Cameroon include machinery and mechanical appliances, vehicles, and mineral fuels and oils. Top goods imports include fruit and nuts, and wood and articles of wood.

Trade in services

The Parliamentary Report states that a detailed breakdown of services exported to and imported from Cameroon is not available.¹⁴

Human rights

18. Like its predecessor, the UK-Cameroon Agreement includes provisions on respect for democratic principles, human rights and fundamental freedoms, which are classed as an 'essential element' of the Agreement. In the case of a material breach, the Agreement may be suspended. We note that the ongoing conflict between Anglophone separatists and government forces in Cameroon has fuelled serious human rights abuses on both sides and that, as a result, on 1 January 2020 the US terminated Cameroon's trade preferences under the African Growth and Opportunity Act.¹⁵
19. **The human rights situation in Cameroon should be kept under review in relation to this Agreement. We call on the Government to set out the process it plans to monitor human rights compliance, including where allegations of human rights violations are raised that could put Cameroon in material breach of the 'essential element' provision in the Agreement.**

Consultation

20. The Explanatory Memorandum (EM) accompanying the Agreement indicates that the Government has consulted the Devolved Administrations (DAs), the Crown Dependencies and Gibraltar. It states that the UK Government has "regularly updated the Devolved Administrations" and

13 Department for International Trade, *Memorandum of Understanding between the UK and Cameroon*: <https://www.gov.uk/government/publications/memorandum-of-understanding-between-the-uk-and-cameroon-on-the-economic-partnership-agreement/memorandum-of-understanding-between-the-uk-and-cameroon> [accessed 19 May 2021]

14 Department for International Trade, *Continuing the United Kingdom's Trade Relationship with Cameroon* (April 2021) p 9: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/977832/continuing-the-uks-trade-relationship-with-Cameroon.pdf [accessed 18 May 2021]

15 Office of the United States Trade Representative, 'Countries & Regions: Africa: Cameroon': <https://ustr.gov/countries-regions/africa/cameroon> [accessed 18 May 2021]. See also: Human Rights Watch, 'Cameroon-Events of 2020': <https://www.hrw.org/world-report/2021/country-chapters/cameroon> [accessed 18 May 2021].

that it has “shared the stable text of the Agreement with the DAs, and the Governments of the Crown Dependencies and Gibraltar”.¹⁶ The Overseas Territories, which benefit from specific provisions on cumulation, have been consulted and the Government is assisting them to implement the relevant parts of the Agreement.¹⁷

21. We repeat our previous recommendation that the Government’s EM should include information about any significant issues of concern raised by the Devolved Administrations (and others) and how they have been addressed, or alternatively confirm that no significant concerns have been expressed.

Substantial divergences from the underlying EU Agreement

22. While most provisions in the EU-Central Africa Agreement have been replicated, the UK-Cameroon Agreement includes the following notable changes:
 - The Agreement introduces an extended cumulation of origin, allowing both Parties to recognise processing in and content from the EU as originating in the UK or Cameroon in exports to one another. The extended cumulation of origin, however, does not apply to UK goods or materials exported to the EU, which, subsequently, may be exported to Cameroon (or in reverse). 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. Some UK businesses trading with Cameroon may be adversely affected by this.
 - Although the underlying EU Agreement does not contain reciprocal rules of origin, the UK Agreement transitions the arrangements applied by the EU and Cameroon. It does this by replicating the effects of the EU’s Market Access Regulation¹⁸ and Cameroon’s decree on rules of origin. The Agreement includes a commitment to negotiate a permanent reciprocal regime “in due course”.¹⁹
 - The EU Agreement allowed the Parties to apply a bilateral safeguard duty if there was a disturbance in the sugar market. Following a fall in the price of sugar below a certain level, the bilateral safeguard could be triggered. This safeguard has been transitioned, but the Parties agreed to suspend the trigger price mechanism for five years, as there are difficulties in determining the appropriate trigger price level at this time. The mechanism will be reviewed once the Agreement has entered into

16 Department for International Trade, *Explanatory Memorandum on the Interim Agreement establishing an Economic Partnership Agreement between the United Kingdom of Great Britain and Northern Ireland, of the one part, and the Republic of Cameroon, of the other part* (20 April 2021) p 5: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/978693/EM_MS_2.2021_UK_Cameroon_Interim_Agreement_Economic_Partnership.odt [accessed 18 May 2021]

17 Department for International Trade, *Explanatory Memorandum on the Interim Agreement establishing an Economic Partnership Agreement between the United Kingdom of Great Britain and Northern Ireland, of the one part, and the Republic of Cameroon, of the other part* (20 April 2021) p 3: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/978693/EM_MS_2.2021_UK_Cameroon_Interim_Agreement_Economic_Partnership.odt [accessed 18 May 2021]

18 The EU’s Market Access Regulation provides duty-free and quota-free access to the EU single market for products originating in African, Caribbean and Pacific countries, provided the countries do not already benefit from the EU’s Everything But Arms scheme and have not yet ratified an Economic Partnership Agreement.

19 Article 13.2

force. The Parliamentary Report notes that the EU has not previously made use of the trigger price mechanism and the Government does not expect the suspension to have any impact.

23. **We report the interim Economic Partnership Agreement between the UK and Cameroon to the House for information.**

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

International Agreements Committee Members and staff

Lord Astor of Hever

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 Robathan

No relevant interests

Earl of Sandwich

No relevant interests

Lord Watts

No relevant interests

The Committee staff are Jennifer Martin-Kohlmorgen (Clerk), Andrea Ninomiya (Policy Analyst), and Robert Cocks (Committee Operations Officer).

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>