

## **Introduction**

Christian Aid insists the world can and must be swiftly changed to one where everyone can live a full life, free from poverty. We work for profound change that eradicates the causes of poverty, striving to achieve equality, dignity and freedom for all, regardless of faith or nationality. We are part of a wider movement for social justice. For example, we are a member of the Act Alliance, which has 137 members in 100 countries. We provide urgent, practical and effective assistance where the need is greatest, tackling the effects of poverty as well as its root causes.

## **Responses to Inquiry questions**

### **Does the Department for International Trade (DIT) have the right objectives in respect of each Free Trade Agreement (FTA) negotiation?**

1. Implementing UK's environmental and decarbonization goals must be paramount. Without the continuing functioning of planetary systems on which all life relies, including climate and nature, society and economy will break down.
2. New trade deals are important, but the coronavirus has shown limitations to extended supply chains and the potential vulnerability even of bilateral trade in times of crisis. Climate change is likely to increase the risk of such crises. These vulnerabilities need to be considered and addressed as future trade deals are developed.
3. Trade itself has environmental impacts. ONS figures show the UK is using 1.2 billion tonnes of materials a year, including food, timber products, metals, construction materials and fossil fuels. Almost 80% come from abroad and trade does not tend to promote circular economies, which would reduce the consumption of natural materials. Trade increases greenhouse gas and particulate emissions from international transport, a sector that has proven highly challenging (and largely unwilling) to mitigate. One adverse consequence of Brexit might be, unless the UK is able to secure a sensible trade deal with the EU, that our trade with the EU reduces and is replaced with greater trade from further away, with the concomitant additional transport emissions. The UK has a train link with the European mainland, which offers a route for lower carbon trade relations, something that is not true for other potential trading partners.
4. Any new UK trade deals should offer significant safeguards on climate action and sustainable development goals, as well as on business and human rights. Therefore, it is

vital to make impact assessments concerning the potential environmental and social impacts of a trade deal and to red line any proposals that do not meet sustainability standards. This includes both regulatory alignment with countries that the UK agrees deals with, to ensure that these new trade deals have the highest levels of regulatory alignment with ambitious UK climate and environmental targets.

5. The UK should also refrain from allowing clauses permitting Investor-State Dispute Settlement (ISDS), as they have been found to jeopardise the effective implementation of environmental, health, tax and other policy areas in partner countries, and may in turn also jeopardise the implementation of these and other policy areas in the UK if a foreign multi-national corporation takes the UK to an arbitration court on these issues.
6. In particular, UK should include trade and sustainable development (TSD) chapters in its trade agreements, committing both parties to uphold standards contained in multilateral environmental agreements such as the Paris Agreement on climate change and International Labour Organisation conventions to cover trade and environment, trade and climate change, as well as trade and labour standards. Furthermore, these commitments need to be monitored, both by governments as well as open to stakeholders to provide additional and independent oversight.

**What are the potential opportunities and risks of each proposed FTA?**

7. Christian Aid sees opportunities in FTAs, if they are negotiated in a way that leads to social, environmental and animal welfare benefits for both sides, and that have pro-poor provisions to ensure that no-one is left behind, as required by the Sustainable Development Goals.
8. There is, however, considerable risk that, in the rush to agree them post-Brexit, the UK will demonstrate willingness to fall to lowest common denominator safeguarding terms in agreeing FTAs. This is not least because we see the UK is in a weak negotiating position because of its obvious desperation to reach FTAs post-Brexit. In an ideal world, the UK should put its efforts to support multilateral trade negotiation, preferably via the WTO where then safeguards and standards are implemented through negotiations. The proposed merger of the FCO and DfID is something Christian Aid regards as "an act of political vandalism", and strengthens our concerns that development finance will be subsumed into wider UK international relations, including trade, to the detriment of the basic rights of the world's poorest people.

9. We note that some MPs share some of these concerns with regard to food standards in the context of a US FTA, with their arguing for continued ban on hormone-fed beef and chlorine-washed chicken. The US, in general, has a far more dangerous laissez-faire attitude to safeguards. As one example, while the EU Cosmetics Directive (76/768/EEC) bans 1,328 chemicals from cosmetics that are known or suspected to cause cancer, genetic mutation, reproductive harm or birth defects, the U.S. FDA has banned or restricted only 11 chemicals from cosmetics. Unlike the United States, EU law requires pre-market safety assessments of cosmetics, mandatory registration of cosmetic products, government authorization for the use of nanomaterials and prohibits animal testing for cosmetic purposes. A FTA with the US without upholding existing precautionary safeguards risks harming the health of the British public.
10. Another area of concern, especially as regards climate change, are the potential for increasing transport emissions from enhanced trade with partner countries more far flung than the EU. Both international aviation and shipping have desperately poor provisions to address their climate impacts, and ICAO looks likely to weaken the already absurdly-weak baseline for its offsetting scheme CORSIA in response to COVID-19. This is reportedly with the connivance of the UK government. The UK increasing its trade miles will therefore have deleterious impacts on its climate change goals – and therefore on the planet and its people.
11. We do see opportunities for the UK to enhance environmental and social protections in other trading partner nations if it remains resolute in upholding world-beatingly high environmental and social standards and exercising resolution to raise standards in the trading partner nation.

**How robust is DIT's approach to determining the potential impacts of its proposed FTAs?**

12. Christian Aid has the impression that in the context of Brexit, DIT is prioritizing the UK agreeing FTAs over maintaining high sustainability standards within the UK and the traded goods it consumes. While we have no intel on the scope of the impacts of different proposed FTAs and what depth of analysis DIT has done beyond purely economic considerations, we would urge the Department to make upholding (or improving) strong standards and safeguards as red lines for the UK in trade negotiations.

13. Christian Aid has also proposed that a gender impact assessment of trade and investment relationships and Free Trade Agreements (FTAs) be conducted, so that we can better understand who in both the partner country and in the UK is likely to benefit from increased trade and if these sectors benefiting are male-dominated. Female-dominated sectors, such as largely unpaid care and domestic work, may experience increased burdens as a result of an FTA. Feminist economics, including time-use studies are a tried and tested way to test this impact.
14. Economic impact assessments, in terms of revenue mobilisation efforts, should be conducted, including a 'spillover' analysis regarding the tax revenue mobilising efforts in the partner country as a result of a FTA that lowers not only tariffs, but may introduce ISDS protection for investors. Such a situation would make power dynamics more asymmetric as communities and States have lowered access to business and human rights accountability measures.

**What consideration should DIT give to the sequencing of its proposed FTAs, particularly with respect to the simultaneous negotiations being undertaken with the EU by the Cabinet Office?**

15. DIT should refuse to engage in trade talks with any country that is not a signatory to the Paris climate Agreement, or to any country that has not substantially enhanced its 'Nationally Determined Contribution' (climate action pledge) under that Agreement concomitant with the goals of at least halving global emissions by 2030 and limiting heating to a global average of 1.5°C. This would mean that a trade deal with the US should not be pursued until the US is prepared to behave as a responsible member of the global community, together facing the unprecedented long term existential crisis of climate change.
16. DIT should also take due consideration of transport greenhouse gas emissions resulting from any trade deal, prioritizing near neighbours over distant countries, in recognition of the limited efforts of ICAO and IMO to agree effective mitigation efforts, respectively for international aviation and shipping. The proposed trade deals with antipodean New Zealand and Australia are of potential concern in this regard, depending on the envisaged scale of trade. Conversely, the trade deal with the EU should be a priority, not least as trade can take place by land routes and short cross-channel shipping.
17. The DIT should sequence negotiations especially with vulnerable countries first, in such a way that their needs are considered first. One opportunity might be to use

Commonwealth relationships with East African countries, to agree a FTD that ensures increased market access to the UK market for East African agriculture, garments, and other key exports. With rigorous impact assessment this could create a blueprint for what a 'sustainable development' trade deal would look (lower barriers for agriculture and infant industries, and with good protection on labour rights and climate change). Once such a blueprint is established, the UK could engage with countries (mostly developed) where sustainability is of a higher concern, rather than deciding standards between the strongest economies first and cascading standards onto developing countries.

**In respect of each negotiation, how effectively is the Government representing the interests of, and communicating with, devolved nations, local government, businesses, consumers and civil society groups?**

18. We note that DIT has published documents on the UK's "strategic approach" to an in-progress UK-Japan free trade deal negotiation and that they had a public consultation on this approach. Similarly, the UK's 'approach' to UK-US, UK-Australia and UK-New Zealand trade deals have been published on the departmental website.
19. Our experience of international negotiations leads us to have strong concerns about the transparency of the future negotiations. While the UK may be able to talk a good talk on its strategic approach, there is no way that it would be revealing its red lines, to Parliament or civil society, and where it is prepared to negotiate away important sustainability provisions. In any such deal, the devil is in the detail and we do not anticipate such transparency in the negotiations as to be able to input concerns where they arise.
20. It is important to actually involve internal stakeholders in trade negotiations, as one cannot assume that it is simply a fact that everyone will be better off automatically unless different interest groups are consulted, and trade-offs are then politically discussed and openly reflected. A GDP growth forecast is no replacement for an impact assessment on multiple dimensions of social, environmental and economic dimensions of sustainable development. Also, GDP forecasts resulting from trade treaties have many times been incorrect in predictive capacity, while gender and environmental and safeguards assessments tend to be more accurate.

**Is Parliament able to effectively scrutinise ongoing negotiations?**

21. While we are not familiar with the arrangements being made for Parliamentary scrutiny as the UK enters into trade talks, trade negotiations are generally notorious for their lack of transparency. We understand that Parliament does not have a veto, and thus it does not have full participation at committee level, and seeing drafts of the negotiations as they progress. This is unacceptable, as parliamentary scrutiny at all stages is vital for participation in decision making and consultation as a human rights principle in line with good practices in international treaty making, and also public scrutiny (via parliament or directly) is vital in understanding the wider impacts of trade treaties in different sectors, and sections of society.
  
22. For example, the TTIP negotiations for an EU-US trade deal involved transparency negotiations whereby the Commission and US agreed that MEPs could only see the draft text in a closed room for no more than two hours, by appointment – and this was after a big fight over how transparent the process should be. Expert advisors were not able to help MEPs discern the implications of the reams of bracketed text could mean for vitally – literally - important issues. MEPs were expected to accept “You recognise and accept that in being granted access to the TTIP texts you are being extended an exceptional degree of trust.” The implication being that democratic scrutiny should be exceptional, rather than imperative.
  
23. Parliament should require that any trade deal entered into by the UK is subject to adequate and effective on-going Parliamentary and civil society scrutiny throughout the process.