



The primary purpose of the House of Lords European Union Select Committee is to scrutinise EU law in draft before the Government take a position on it in the EU Council of Ministers. This scrutiny is frequently carried out through correspondence with Ministers. Such correspondence, including Ministerial replies and other materials, is published where appropriate.

This edition includes correspondence from 15 October 2019 – 31 January 2020

EU EXTERNAL AFFAIRS SUB-COMMITTEE

CONTENTS

Joint Report to the European Parliament and the Council on the implementation of the Action Plan on Military Mobility (9863/19).....4

Joint Communication: European Union, Latin America and the Caribbean: Joining Forces for a Common Future (8765/19).....5

Proposal for a COUNCIL DECISION on the position to be taken on behalf of the European Union within the Administrative Committee for the International Convention on the Harmonization of Frontier Controls of Goods (12550/19).....5

Recommendation for a COUNCIL DECISION updating the negotiating directives for the negotiations of Economic Partnership Agreements (EPAs) with African, Caribbean and Pacific (ACP) countries and regions (14670/19).....6

COUNCIL DECISION amending the negotiating directives for the negotiation of Economic Partnership Agreements with the African, Caribbean and Pacific countries and regions, to the extent that they fall within the competence of the Union (14899/19)6

DECISION OF THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES, MEETING WITHIN THE COUNCIL authorising the European Commission to negotiate, on behalf of the Member States, Economic Partnership Agreements between the European Union and its Member States, of the one part, and the African, Caribbean and Pacific countries and regions, of the other part, to the extent that they fall within the competences of the Member States (14900/19) ...6

Proposal for a COUNCIL DECISION on the position to be adopted by the European Union within the ACP-EU Committee of Ambassadors, with regard to the adoption of a decision to adopt transitional measures pursuant to Article 95(4) of the ACP-EU Partnership Agreement (13463/19)7

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulation (EU) No 654/2014 of the European Parliament and

of the Council concerning the exercise of the Union's rights for the application and enforcement of international trade rules (15088/19).....	8
REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL Review of the scope of the Regulation No 654/2014 of the European Parliament and of the Council of 15 May 2014 (15090/19).....	8
Council Decision (CFSP) 2019/... Amending Decision 2010/788/CFSP Concerning EU Restrictive Measures Against The Democratic Republic Of The Congo (OTNYR)	10
Council Regulation (EU) 2019/... implementing Article 9 of Regulation (EC) No 1183/2005 imposing certain specific restrictive measures directed against persons acting in violation of the arms embargo with regard to the Democratic Republic of the Congo (OTNYR)	10
Council Decision (CFSP) 2019/2110 of 9 December 2019 on the European Union CSDP Advisory Mission in the Central African Republic (EUAM RCA) (UNNUMBERED)	10
Council Decision in Support Of Ukraine's Efforts to Combat Illicit Trafficking in Weapons, Ammunition and Explosives, in cooperation with the OSCE (Unnumbered)	11
Council Decision in support of a global reporting mechanism on illicit conventional arms and their ammunition to reduce the risk of their diversion and illicit transfer (iTrace IV) (OTNYR)	11
Council Decision (CFSP) 2019 in support of Strengthening Biological Safety and Security in Latin America in line with the Implementation of United Nations Security Council Resolution 1540 (2004) on Non-Proliferation of Weapons of Mass Destruction and their means of delivery (OTNYR)	12
Council Decision and Council Implementing Regulation Concerning Restrictive Measures against ISIL (Da'esh) and persons, groups, undertakings and entities associated with them (OTNYR).....	12
Council Decision (CFSP) 2019/XXX of XX September 2019 amending Decision (CFSP) 2015/778 on a European Union military operation in the Southern Central Mediterranean (EUNAVFOR MED operation SOPHIA) (OTNYR).....	13
Proposal of the High Representative of the Union for Foreign Affairs and Security Policy to the Council for a Council Decision in support of strengthening biological safety and security in Ukraine in line with the implementation of United Nations Security Council Resolution 1540 (2004) on non-proliferation of weapons of mass destruction and their means of delivery (OTNYR)	14
COUNCIL DECISION AMENDING DECISION 2016/2382/CFSP Establishing A European Security and Defence College (ESDC) (OTNYR)	16
Council Decision (CFSP) 2020/20 of 13 January 2020 updating the list of persons, groups and entities subject to Articles 2, 3 and 4 of Common Position 2001/931/CFSP on the application of specific measures to combat terrorism and repealing Decision (CFSP) 2019/1341 (Unnumbered)	16

Council Implementing Regulation (EU) 2020/19 of 13 January 2020 implementing Article 2(3) of Regulation (EC) No 2580/2001 on specific restrictive measures directed against certain persons and entities with a view to combating terrorism, and repealing Implementing Regulation (EU) 2019/1337 (Unnumbered) 16

GENERAL CORRESPONDENCE..... 17

Department for International Trade (DIT): EU Trade Policy Update – January 2020 17

JOINT REPORT TO THE EUROPEAN PARLIAMENT AND THE COUNCIL ON THE IMPLEMENTATION OF THE ACTION PLAN ON MILITARY MOBILITY (9863/19)

Letter from the Chairman to the Rt Hon Christopher Pincher, Minister of State, Minister for Europe and Americas, Foreign & Commonwealth Office

Thank you for your predecessor's comprehensive letter on the above document. This was considered by the External Affairs Sub-Committee on 17 October.

Based on the information provided, we have decided to clear the Joint Report from scrutiny. We would, however, welcome clarification on three points.

The first question relates to the remaining 6% that the gap analysis has found to be incompatible with military requirements. Is there any information you can provide on the 6%, e.g. the level of incompatibility, or whether the 6% is concentrated in a specific geographical area?

Second, we understand that the former Defence Secretary declined to sign certain proposals, pending greater clarity over the UK's relationship with the EDA after Brexit. However, what was the specific reason for the divergent approach taken on joining the customs procedures programme vs. the Cross-Border Movement Permissions?

Third, the EM states that while most NATO Allies are supportive, tensions between some non-EU and non-NATO countries "have acted as a brake". We would be grateful if you could spell out in more detail what is meant by this.

18 October 2019

Letter to the Chairman from the Rt Hon Christopher Pincher, Minister of State, Minister for Europe and Americas, Foreign & Commonwealth Office

Thank you for your letter of 18 October, confirming that the House of Lords European Union Committee considered the above document and decided to clear it from scrutiny. You also raised some questions about the accompanying Explanatory Memorandum.

The European Commission have not released detailed analysis on which elements of the Trans-European Transport Network (TEN-T) it found to be incompatible with the Military Requirements, or to what extent. It has advised however that it will be up to EU Member States to fund upgrades to the 6% of infrastructure that it has identified as not meeting the military requirements. Our expectation is that these parts of the TEN-T fail to meet NATO or EU requirements on vehicle weight or dimensions. Though the European Commission plans to include EUR6.5bn for infrastructure related to military mobility in the next Multiannual Financial Framework, this funding will be for "dual use" – civilian and military - upgrades so will not necessarily contribute towards closing the 6% gap.

The former Defence Secretary declined to sign onto the Programme Arrangement for Cross-Border Movement Permissions until the UK was able to sign an Administrative Arrangement (AA) as a third party with the EDA. The Customs programme has been administered in a different way: it was not established with a formal Programme Arrangement and therefore the question of the United Kingdom formally signing onto the programme did not arise. The Customs programme is effectively a working group looking at amendments for military mobility purposes to the Union Customs Code (UCC), in particular around use of the NATO 302 customs clearance form (which facilitates the import, export and transit of goods for NATO forces).

In countries that have acted as a brake on EU-NATO cooperation, we refer here in particular to Turkey and Cyprus. Although both countries are nominally supportive of EU-NATO cooperation, their concerns, in particular on information security, have led to resistance to effective joint working between the two institutions, including blocking information sharing and NATO International Staff attendance at EU meetings. We continue to try to resolve obstacles to effective EU-NATO cooperation on military mobility

30 October 2019

JOINT COMMUNICATION: EUROPEAN UNION, LATIN AMERICA AND THE
CARIBBEAN: JOINING FORCES FOR A COMMON FUTURE (8765/19)

**Letter from the Chairman to the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

Thank you for your letter to the Committee on the above item, dated 8 August. This was considered by the External Affairs Sub-Committee on 17 October.

We are now content and have decided to release this from scrutiny. You do not need to respond to this letter.

18 October 2019

PROPOSAL FOR A COUNCIL DECISION ON THE POSITION TO BE TAKEN ON
BEHALF OF THE EUROPEAN UNION WITHIN THE ADMINISTRATIVE COMMITTEE
FOR THE INTERNATIONAL CONVENTION ON THE HARMONIZATION OF
FRONTIER CONTROLS OF GOODS (12550/19)

**Letter from the Chairman to the Rt Hon Jesse Norman MP, Financial Secretary, HM
Treasury**

Thank you for your Explanatory Memorandum on the above item, dated 16 October. This was considered by the External Affairs Sub-Committee on 31 October.

We note that despite supporting the European Commission's recommendation to reduce the frequency of the reporting requirement from two years to five years, you state that "the UK will determine its independent position" if the decision is made after the UK leaves the EU. Could you outline what criteria the Government will use to determine its position?

We are content to clear this item from scrutiny, and would welcome a response by Tuesday 5 November due to the expected dissolution of Parliament, if possible.

4 November 2019

RECOMMENDATION FOR A COUNCIL DECISION UPDATING THE NEGOTIATING DIRECTIVES FOR THE NEGOTIATIONS OF ECONOMIC PARTNERSHIP AGREEMENTS (EPAS) WITH AFRICAN, CARIBBEAN AND PACIFIC (ACP) COUNTRIES AND REGIONS (14670/19)

COUNCIL DECISION AMENDING THE NEGOTIATING DIRECTIVES FOR THE NEGOTIATION OF ECONOMIC PARTNERSHIP AGREEMENTS WITH THE AFRICAN, CARIBBEAN AND PACIFIC COUNTRIES AND REGIONS, TO THE EXTENT THAT THEY FALL WITHIN THE COMPETENCE OF THE UNION (14899/19)

DECISION OF THE REPRESENTATIVES OF THE GOVERNMENTS OF THE MEMBER STATES, MEETING WITHIN THE COUNCIL AUTHORISING THE EUROPEAN COMMISSION TO NEGOTIATE, ON BEHALF OF THE MEMBER STATES, ECONOMIC PARTNERSHIP AGREEMENTS BETWEEN THE EUROPEAN UNION AND ITS MEMBER STATES, OF THE ONE PART, AND THE AFRICAN, CARIBBEAN AND PACIFIC COUNTRIES AND REGIONS, OF THE OTHER PART, TO THE EXTENT THAT THEY FALL WITHIN THE COMPETENCES OF THE MEMBER STATES (14900/19)

**Letter to the Chairman from the Rt Hon Conor Burns MP, Minister of State,
Department for International Trade**

On 28 November 2019, during the dissolution of Parliament, the European Commission published a recommendation to amend the EU EPA negotiation directives. In accordance with ongoing EU Parliamentary Scrutiny requirements during this time, the Department for International Trade (DIT) submitted an interim draft Explanatory Memorandum (EM) and has since prepared a signed EM dated 7 January 2020, which includes the UK's policy position on the file.

Unfortunately, the Finnish Presidency of the Council had a very tight timetable to agree adoption of this Decision and as detailed in the EM, the file was adopted by a common accord vote at the Environment Council on 19 December 2019. Whilst legally, the Council Decision is a Qualified Majority Voting (QMV) file, the future EU EPA negotiations will touch on areas of shared competence (covering investment protection matters), and therefore a Decision of the Representatives of the Governments of the Member States meeting within the Council is also required (as published by the EU on 16 December 2019), and is to be adopted by common accord. The Presidency decided to put both Decisions as one item for vote by common accord. While the UK is able to abstain on a QMV vote, an abstention on a vote by common accord has the effect of blocking the file. The requirement for the UK to vote was clarified at a late stage by the EU on 16 December 2019 (prior to which we were intending to abstain).

Giving the timetabling of this file by the EU and given that your committee has not yet had the opportunity to meet following the election, it was not possible to obtain scrutiny clearance ahead of the Council vote in Brussels.

On the basis that a common accord vote requires the approval of all Member States, and that in the circumstances, an abstention would block the proposal in the EU, I concluded that it was in the UK's interest to vote in favour of the decision at the Ministerial meeting on 19 December 2019. I am therefore writing to advise you that the Government overrode scrutiny on this occasion.

The proposed Decision concerns efforts to update the EU's existing Economic Partnership Agreement (EPA) negotiation directives to take account of more recent EU priorities and policies. The original negotiating mandate was authorised on 17 June 2002 and has since been made public. The updated negotiation directives seek to broaden the existing EPAs. For a range of reasons, the EPAs currently being applied mostly cover trade in goods rather than a broader range of areas responding to current trade challenges. The updated directives contain mainly technical updates to the mandate in line with the Eastern and Southern Africa (ESA) EPA "rendez-vous" clause on areas to deepen the EPA.

As mentioned in the EM, negotiations to deepen the ESA EPA commenced in October 2019 and are set to formally start on 15 January 2020 and any delay or blocking the approval of the amended mandate would have impacted on this timescale.

In 2019, the UK has only overridden and voted in favour of an EU trade file on WTO commerce, so this was deemed to be exceptional circumstances. The UK's failure to support the proposed Council Decision would likely have been perceived as obstructive of EU business as usual on the EU EPAs, particularly as the UK prepares to leave the EU. Whilst it is clearly the Government's policy to leave the EU on 31 January 2020, it also remains Government policy to be a constructive partner on EU trade policy, and therefore it is in the national interest to support this Decision in Council. The file relates to the EU's future trade and development with developing countries, on which the UK may seek continued cooperation with the EU.

The final outcome of the vote in Council resulted in all Member States voting in favour (including the UK) of the recommended Council Decision to amend the EPA negotiation mandates.

7 January 2020

**PROPOSAL FOR A COUNCIL DECISION ON THE POSITION TO BE ADOPTED BY
THE EUROPEAN UNION WITHIN THE ACP-EU COMMITTEE OF AMBASSADORS,
WITH REGARD TO THE ADOPTION OF A DECISION TO ADOPT TRANSITIONAL
MEASURES PURSUANT TO ARTICLE 95(4) OF THE ACP-EU PARTNERSHIP
AGREEMENT (13463/19)**

**Letter to the Chairman from Baroness Sugg CBE, Parliamentary Under Secretary,
Department for International Development**

As DFID's Minister responsible for Europe, I am writing to provide the Committee with an update on the ongoing 'post Cotonou' negotiations between the EU and the Africa, Caribbean and Pacific (ACP) Group of States.

As you are aware, the European Commission is leading these negotiations on behalf of the EU and Member States, based on a European Council mandate. Within these negotiations, discussions continue regarding the cross-cutting foundations for the new Agreement as well as the proposed regional pillars, which will be tailored for each of the three ACP regions. As of September 2019, the UK has not attended the ACP Working Party unless it was judged to be in the national interest; this reflects Government policy ahead of our exit from the EU.

Since our last letter, dated 5 June 2019, technical negotiations have continued between the EU and ACP. Currently, these negotiations are progressing at a slower than planned pace. The last senior negotiators' meeting took place in September 2019. While a number of areas of the foundation text have been finalised and agreed between the two sides, other areas remain under negotiation, including the chapter on migration. The Commission has now released a timetable for concluding the negotiations. They estimate that it will be a minimum of four months until the new Agreement can come into provisional application.

As noted in DFID's EM 13463/19, given the likelihood that the new Agreement will not come into provisional application in time, the Commission has sought the authority to work with the ACP to extend the current Cotonou Agreement in its entirety if needed, possibly until the end of December 2020. Due to the timing of the UK General Election in December and the EU's requirement for this file to be agreed at Working Party level by collective accord, the UK voted in favour of the Commission's proposal before it cleared scrutiny. To abstain on the file would have meant delaying ongoing EU business, in contravention of the Government's policy, and would have led to reputational damage among our EU partners.

The Commission is now working with the ACP to ensure the extension comes into force at the end of February. This extension will be to the benefit of the UK, providing further assurance that there will be trade continuity for the UK with existing ACP partners until our own Economic Partnership Agreements enter into legal force following the Implementation Period.

As we move into the Implementation Period, we remain hopeful that the final 'post Cotonou' Agreement will represent a modern, fit-for-purpose partnership between the EU and the ACP. For this partnership to achieve maximum effectiveness, we remain of the view that it should be open to engagement with other stakeholders, including third countries and civil society organisations. As we move towards establishing our new relationship with the EU, we will also jointly decide the UK's relationship with the future Agreement

16 January 2020

PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL AMENDING REGULATION (EU) NO 654/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL CONCERNING THE EXERCISE OF THE UNION'S RIGHTS FOR THE APPLICATION AND ENFORCEMENT OF INTERNATIONAL TRADE RULES (15088/19)

REPORT FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT AND THE COUNCIL REVIEW OF THE SCOPE OF THE REGULATION NO 654/2014 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL OF 15 MAY 2014 (15090/19)

Letter from the Chairman to the Rt Hon Conor Burns MP, Minister of State, Department for International Trade

Thank you for your Explanatory Memorandum (EM) of 5 November 2019, regarding the above documents. They were considered by the External Affairs Sub-Committee on 23 January 2020.

The future of the WTO Appellate Body, and the establishment of any alternative mechanisms for settling trade disputes, are likely to be highly relevant to the UK as it seeks to establish an independent trade policy after Brexit. We note that while this proposal is likely to be implemented after the UK has exited the EU, your Explanatory Memorandum does not elaborate on whether the Government is supportive of this proposal in principle and whether UK officials attended any meetings or working groups at which the proposed regulation was discussed. Could you provide further clarity on the Government's position and the UK's representations, if any, at relevant meetings?

We also note that the European Union has sought to establish alternative interim dispute settlement arrangements with other trading partners, and has so far only been successful with Canada and Norway. Will the Government seek to establish similar alternative interim dispute settlement arrangements with the EU, as part of the negotiations over the future relationship? Will the Government seek to establish interim dispute settlement mechanisms with other future trading partners?

We look forward to receiving your reply before 31 January. In the meantime, we have decided to keep both documents under scrutiny.

24 January 2020

Letter to the Chairman from the Rt Hon Conor Burns MP, Minister of State

Thank you for your letter dated 24 January 2020 which concerns the Explanatory Memorandum (EM) of 5 November 2019, regarding the above documents which were considered by the External Affairs Sub-Committee on 23 January 2020.

I am happy to address your specific questions as follows:

- 1. Whether the Government is supportive of this proposal in principle and whether UK officials attended any meetings or working groups at which the proposed regulation was discussed? Could you provide further clarity on the Government's position and the UK's representations, if any, at relevant meetings?*

The Government is supportive of the amended Enforcement Regulation's objectives around ensuring the Union's (and during the Transition Period, the UK's) interests under international trade agreements remain protected when third countries adopt illegal measures and simultaneously there is a block in the dispute settlement process.

The UK has attended working groups on this issue. Less than half of all EU Member States have made representations¹. The Government has yet to make any representations on the proposal to amend the Enforcement Regulation No 654/2014 at relevant meetings but the proposals regarding the amendment to the Enforcement Regulation continue to be discussed by EU Member States. The Government is following these developments closely and reserves the right to make representations as necessary.

2. *Will the Government seek to establish similar alternative interim dispute settlement arrangements with the EU, as part of the negotiations over the future relationship?*
3. *Will the Government seek to establish interim dispute settlement mechanisms with other future trading partners?*

The UK remains a strong supporter of the multilateral trading system and the World Trade Organization (WTO) dispute settlement system. A fully-functioning, compulsory, binding, and impartial dispute settlement system with an appeal function is important in providing certainty and stability to the WTO system. The UK urges Members to continue to work together to seek a resolution to the Appellate Body impasse.

The UK's focus remains on finding a permanent resolution to the Appellate Body impasse. The UK intends to engage closely in the deeper interrogation of Appellate Body issues through the consultations now being led by Director-General Roberto Azevêdo.

The UK notes that the European Union has previously established bilateral interim appeal arrangements with Canada and Norway. The UK also notes that some WTO Members, including the European Union, are now considering multi-party interim appeal arrangements. A joint statement was issued by 17 WTO Members² on 24 January 2020 committing to working with the whole WTO membership to find a permanent resolution to the Appellate Body impasse. The statement also set out that the 17 Members will work together to finalise a multi-party interim appeal arrangement whilst the Appellate Body is inquorate. The final proposal for such an interim arrangement has not yet been published. We will follow developments on this closely.

31 January 2020

¹ Representations have been made by Sweden, France, Italy Portugal, Poland, Spain, Germany, Denmark the Czech Republic and Austria, Latvia and the Netherlands.

² Australia, Brazil, Canada, China, Chile, Colombia, Costa Rica, European Union, Guatemala, Republic of Korea, Mexico, New Zealand, Norway, Panama, Singapore, Switzerland, Uruguay

COUNCIL DECISION (CFSP) 2019/... AMENDING DECISION 2010/788/CFSP
CONCERNING EU RESTRICTIVE MEASURES AGAINST THE DEMOCRATIC REPUBLIC
OF THE CONGO (OTNYR)

COUNCIL REGULATION (EU) 2019/... IMPLEMENTING ARTICLE 9 OF REGULATION
(EC) NO 1183/2005 IMPOSING CERTAIN SPECIFIC RESTRICTIVE MEASURES DIRECTED
AGAINST PERSONS ACTING IN VIOLATION OF THE ARMS EMBARGO WITH
REGARD TO THE DEMOCRATIC REPUBLIC OF THE CONGO (OTNYR)

**Letter to the Chairman from the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

I am writing with regard to the EU Council Decision and Council Implementing Regulation concerning restrictive measures in response to the obstruction of the electoral process and the related human rights violations in the Democratic Republic of the Congo (DRC). The Council Decision and Council Implementing Regulation renew the measures for 12 months until December 2020, de-list Roger Kibelisa and Lambert Mende and amend the statements of reasons relating to the 12 remaining listed individuals.

The measures would have lapsed had they not been renewed in advance of their renewal date. Unfortunately the draft Council Decision and Council Implementing Regulation were written so close to the renewal date that they needed to be agreed very quickly. Therefore I regret that I find myself in the position of having to agree to the adoption of these Council Decisions and Implementing Regulations before your Committee has had an opportunity to scrutinise the documents.

Your Committee has previously expressed concern that renewals of this type are not considered earlier in the EU, reducing the possibility of the documents being scrutinised. This is something I am very aware of and I have instructed my officials to continue to raise these concerns with colleagues in the EU.

As you know, the responsibility to keep your Committee informed on issues concerning DRC sanctions is something I take seriously and the need for the override of scrutiny on this occasion is regrettably unavoidable.

5 December 2019

COUNCIL DECISION (CFSP) 2019/2110 OF 9 DECEMBER 2019 ON THE EUROPEAN
UNION CSDP ADVISORY MISSION IN THE CENTRAL AFRICAN REPUBLIC (EUAM
RCA) (UNNUMBERED)

**Letter to the Chairman from the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

I am writing with regard to the EU Council Decision establishing a CSDP advisory mission in CAR (EUAM CAR).

As detailed in the attached Explanatory Memorandum, the deployment of a CSDP advisory mission (EUAM CAR) will support progress on Security Sector Reform and contribute to the reorganisation and deployment of CAR's Internal Security Forces (ISF) in light of the deteriorating security situation.

The mission's strategic objectives include supporting rule-based governance and management capacities within the CAR Ministry of Interior (MOI) as well as developing integrated support to the ISF through close coordination and complementarity of efforts with other relevant international actors on the ground. In addition, EUAM RCA will promote the implementation of international humanitarian law and human rights, as well as the protection of civilians, gender equality and the prohibition of discrimination based notably on ethnic origin or religious belief by the ISF.

The Council Decision will be adopted at the Foreign Affairs Council on 9 December. Unfortunately the draft Council Decision and Budget Impact Statement were written so close to the Foreign Affairs Council that they needed to be agreed very quickly. Under the dissolution of Parliament, it will

therefore not be possible for your Committee to have considered it before. Therefore I regret that I find myself in the position of having to agree to the adoption of this Council Decision before your Committee has had an opportunity to scrutinise the documents.

As you know, the responsibility to give your Committee the opportunity to scrutinise EU Council Decisions ahead of adoption is something I take seriously and the need for the override of scrutiny on this occasion is regrettably unavoidable.

9 January 2020

**COUNCIL DECISION IN SUPPORT OF UKRAINE'S EFFORTS TO COMBAT ILLICIT
TRAFFICKING IN WEAPONS, AMMUNITION AND EXPLOSIVES, IN COOPERATION
WITH THE OSCE (UNNUMBERED)**

**Letter to the Chairman from the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

I am writing with regard to the EU Council Decision in support of Ukraine's efforts to combat illicit trafficking in weapons, ammunition and explosives, in cooperation with the OSCE.

As detailed in the attached Explanatory Memorandum (EM), the objectives of the Council Decision will enhance Ukraine's capability to combat the illicit trafficking in Weapons, Ammunition and Explosives, thereby contributing to security and stability in the region.

The EU adopted the draft Council Decision at the Foreign Affairs Council meeting of 2nd December 2019. As we were in an election period until Friday 13th December, there was no opportunity for this item to be reviewed by your Committee before its adoption by the EU. Therefore, I regret that I find myself in the position of having had to agree to the adoption of the draft Council Decision and Budget Impact Statement before your Committee had an opportunity to scrutinise the documents.

As you know, the responsibility to keep your Committee informed on issues concerning EU Council Decisions is something I take seriously and the need for the override of scrutiny on this occasion is unavoidable.

9 January 2020

**COUNCIL DECISION IN SUPPORT OF A GLOBAL REPORTING MECHANISM ON
ILLICIT CONVENTIONAL ARMS AND THEIR AMMUNITION TO REDUCE THE RISK OF
THEIR DIVERSION AND ILLICIT TRANSFER (ITRACE IV) (OTNYR)**

**Letter to the Chairman from the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

I am writing with regard to the above EU Council Decision.

As detailed in the attached Explanatory Memorandum (EM), the Council Decision will approve funding for further work on the 'iTrace' Project, to which the EU has previously contributed funding through three previous, successive Council Decisions. This Decision will continue and enhance the work of the project, supporting the international community in combatting diversion and trafficking of conventional arms and ammunition.

Having finalised the text, the EU adopted the draft Council Decision at the Environment Council meeting of 19th December 2019. As we were in an election period until Friday 13th December and your Committee did not convene before the EU adopted the Decision, there was unfortunately no opportunity for your Committee to review it. Therefore, I regret that I found myself in the position of having to agree to the adoption of the draft Council Decision and Budget Impact Statement before your Committee had an opportunity to scrutinise the documents.

As you know, the responsibility to keep your Committee informed on issues concerning EU Council Decisions is something I take seriously and the need for the override of scrutiny on this occasion was unavoidable.

9 January 2020

COUNCIL DECISION (CFSP) 2019 IN SUPPORT OF STRENGTHENING BIOLOGICAL SAFETY AND SECURITY IN LATIN AMERICA IN LINE WITH THE IMPLEMENTATION OF UNITED NATIONS SECURITY COUNCIL RESOLUTION 1540 (2004) ON NON-PROLIFERATION OF WEAPONS OF MASS DESTRUCTION AND THEIR MEANS OF DELIVERY (OTNYR)

**Letter to the Chairman from the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

I am writing with regard to the EU Council Decision named above concerning biological security and biosafety in Latin America. The Council Decision is a proposal for a 36-month programme to deliver enhancements to domestic law and technical capability with regards to biological safety. The beneficiaries will be eight Latin American states which are all Members of the Organization of American States (OAS). The programme belongs to a series of work that the European External Action Service (EEAS) is funding as part of its objectives to promote universal adherence to the Biological and Toxin Weapons Convention (BTWC).

As detailed in the attached Explanatory Memorandum, whilst the BTWC has near universality in the Latin America region, national implementation of the Convention remains inadequate. This work seeks to address these shortfalls through capacity building on biological safety and export controls.

Unfortunately the draft Council Decision was written so close to the adoption date of 9 December that it needed to be agreed very quickly. Therefore I regret that I find myself in the position of having to agree to the adoption of these Council Decisions before your Committee has had an opportunity to scrutinise the documents.

Your Committee has previously expressed concern that Decisions of this type are not considered earlier in the EU, reducing the possibility of the documents being scrutinised. This is something I am very aware of and I have instructed my officials to continue to raise these concerns with colleagues in the EU.

As you know, the responsibility to keep your Committee informed on issues concerning counter proliferation is something I take seriously and the need for the override of scrutiny on this occasion is regrettably unavoidable.

5 December 2019

COUNCIL DECISION AND COUNCIL IMPLEMENTING REGULATION CONCERNING RESTRICTIVE MEASURES AGAINST ISIL (DA'ESH) AND PERSONS, GROUPS, UNDERTAKINGS AND ENTITIES ASSOCIATED WITH THEM (OTNYR)

**Letter to the Chairman from the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

I am writing with regard to the EU Council Decision and Council Implementing Regulation concerning restrictive measures against ISIL (Da'esh) and persons, groups, undertakings and entities associated with them. The Council Decision and Council Implementing Regulation renew the measures, which will include the designation of three individuals, imposing an EU-wide asset freeze, travel ban and arms embargo until 31 October 2020.

As detailed in the Explanatory Memorandum that was submitted to the Committee on 29 October, these sanctions were imposed by the EU in order for the EU to autonomously apply sanctions to individuals and entities associated with AL-Qaeda or Da'esh. These sanctions are an important signal of the United Kingdom's and its EU partner's continued commitment to combatting terrorism.

The measures would have lapsed had they not been renewed in advance of their renewal date. The Explanatory Memorandum with the draft legal texts were submitted to the Committee for scrutiny on 26 September but unfortunately scrutiny of these documents had not been completed before the

legal texts were adopted at the Foreign Affairs Council on 14 October. Therefore I regret that I find myself in the position of having to agree to the adoption of these Council Decisions and Implementing Regulations before your Committee has had an opportunity to complete scrutiny of the documents.

Your Committee has previously expressed concern that renewals of this type are not considered earlier in the EU, reducing the possibility of the documents being scrutinised. This is something I am very aware of and I have instructed my officials to continue to raise these concerns with colleagues in the EU.

As you know, the responsibility to keep your Committee informed on issues concerning counter-terrorism sanctions is something I take seriously and the need for the override of scrutiny on this occasion is regrettably unavoidable

29 October 2019

**COUNCIL DECISION (CFSP) 2019/XXX OF XX SEPTEMBER 2019 AMENDING
DECISION (CFSP) 2015/778 ON A EUROPEAN UNION MILITARY OPERATION IN THE
SOUTHERN CENTRAL MEDITERRANEAN (EUNAVFOR MED OPERATION SOPHIA)
(OTNYR)**

**Letter from the Chairman to the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

Thank you for your Explanatory Memorandum of 26 September. This was considered by the External Affairs Sub-Committee on 17 October 2019.

We note that the Government remains committed to UK participation in Operation Sophia, and your EM states this would continue in the event of entering the implementation period or an extension to Article 50. However, we are concerned that the EM does not address what would happen in the event of no deal. Will the UK seek to continue its participation in such case?

If the UK does remain a participant to Operation Sophia in the future, will the Government advocate for the re-introduction of naval assets for the next renewal period?

We have decided to retain this under scrutiny. We look forward to receiving your response within the usual 10 working days.

18 October 2019

**Letter to the Chairman from the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

Thank you for your letter of 18 October and the further questions you raised about Operation Sophia.

You asked about our involvement in Operation Sophia in event of a No Deal exit from the EU. Under No Deal we would be obligated to withdraw from all Common Security and Defence Policy (CSDP) operations and missions, including Operation Sophia, since the legal basis for our participation would no longer exist. Any future participation in CSDP operations and missions would require negotiation of a third country agreement with the EU.

Naval assets in Operation Sophia were temporarily suspended due to the continuing issues with disembarkation. The British Government therefore welcomes the agreement reached at the informal meeting in Valetta on 23 September, between the Italian, Maltese, French and German Interior Ministers, providing for a new arrangement on disembarkation and relocation of rescued migrants in search and rescue operations in the central Mediterranean, subject to a six month trial. Discussions continue amongst EU Member States on this new proposal. The Government is encouraged by the greater dialogue on this issue and supports progress towards a predictable disembarkation arrangement based on voluntary relocation. It is important that the risks to rescued migrants, and delays to disembarkation, are minimised.

My officials will closely monitor these discussions, the outcome of which could impact a decision on the possible return of naval assets. I would be happy to keep the Committee informed of progress.

25 October 2019

**Letter from the Chairman to the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

Thank you for your letter dated 25 October. This was considered by the External Affairs Sub-Committee on 31 October.

We are content to clear this item from scrutiny. You do not need to respond to this letter.

4 November 2019

**PROPOSAL OF THE HIGH REPRESENTATIVE OF THE UNION FOR FOREIGN AFFAIRS
AND SECURITY POLICY TO THE COUNCIL FOR A COUNCIL DECISION IN SUPPORT
OF STRENGTHENING BIOLOGICAL SAFETY AND SECURITY IN UKRAINE IN LINE
WITH THE IMPLEMENTATION OF UNITED NATIONS SECURITY COUNCIL
RESOLUTION 1540 (2004) ON NON-PROLIFERATION OF WEAPONS OF MASS
DESTRUCTION AND THEIR MEANS OF DELIVERY (OTNYR)**

**Letter from the Chairman to the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

We received the Explanatory Memorandum (EM) of 10 July 2019, written by your predecessor, Sir Alan Duncan MP, regarding the above document. This was considered by the External Affairs Sub-Committee on 17 October 2019.

We were disappointed to see that the EM was not well drafted and included a significant number of typographical errors. Regarding content, there are two areas, in particular, where we would have expected the EM to contain more information. These are set out below:

a) In 2017, the EU adopted Council Decision 2017/1252/CFSP, which relates to the strengthening of chemical safety and security in Ukraine. How does the Council Decision at hand complement that of 2017? What have been the principal achievements under the 2017 Council Decision?

b) The EM only cursorily touches on the post-Brexit implications of this Council Decision. While acknowledging that the precise mechanisms for future cooperation will be subject to negotiations, the Government must have a view on the desirability to continue to cooperate with the EU on non-proliferation matters. We would be grateful if you could provide the Committee with an update on the latest Government thinking.

Additionally, the Committee would be grateful to know whether, given the wider strategic importance of the situation in Ukraine, the UK Government deems it to be in the UK's national interest to continue to attend all EU meetings affecting Ukraine.

We look forward to receiving your reply within the usual 10 working days. In the meantime, we have decided to keep the document under scrutiny.

18 October 2019

**Letter to the Chairman from the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

Thank you for your letter of 18 October on the Explanatory Memorandum (EM) regarding the Council Decision referred to above.

I am sorry to hear that the EM was not sufficient. I shall remind my officials on the importance of providing the right information in scrutiny documents; and of drafting them well.

You asked two specific questions:

- a) The proposed Council Decision complements the EU adopted Council Decision 2017/1252/CFSP in 2017. That decision related to chemical safety. The proposed decision builds on the previous decision. In particular, it provides for work on cross-boundary security for biological materials, principally Especially Dangerous Pathogens (EDPs). The 2017 Council Decision recommended a comprehensive approach including coordinated implementation of chemical security, industry standards, and enhanced legislation. The underlying aim of the Decision is to build international confidence in Ukraine's chemical security capability. Work is underway with Ukraine, including through the Ukrainian National Reference Centre, responsible for identifying controlled chemicals. The OCSE Secretariat has reported several outcomes:
- i. Implementation of Technical Regulations on secure management of hazardous chemicals
 - ii. Introduction of classifications for toxic chemicals
 - iii. Safe handling of toxic chemicals
 - iv. Aligning Ukrainian regulations with EU regulations.

We expect work to enhance Ukraine's national laboratories will be completed by the end of 2019. As a result, Ukraine's laboratories will have new capabilities in identification and handling of a broader range of toxic chemicals and will be empowered to act as an authority on the new Technical Regulations. We are expecting training for officers of the State Fiscal Service of Ukraine and the State Border Guard Service of Ukraine to conclude in 2020. These officers are responsible for enforcing chemical safety regulations at ports of entry. The biosecurity Council Decision will build on the foundation of previous work on chemical safety, extending the scope of EU technical assistance to biological safety.

- b) As the United Kingdom leaves the EU, we will maintain a close co-operative relationship on security and counter-proliferation matters. While we co-operate closely with EU partners in export control regimes and treaties, the United Kingdom's participation in these regimes is conducted in a national capacity or as a state party to the treaty in question. After we leave, we will welcome the opportunity to continue to co-operate with the EU, whilst retaining the option not to align with EU statements or EU positions. The Political Declaration reflects these facts. Our future relationship with the EU on counter-proliferation is subject to the future partnership negotiations process.

The United Kingdom will continue to engage with the EU on matters concerning security in Ukraine on a case-by-case basis, in line with wider Government engagement policy. We will continue to work closely with the Government of Ukraine to ensure effective national implementation of relevant conventions, including the Biological and Toxin Weapons Convention.

13 November 2019

**Letter from the Chairman to the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

Thank you for your letter of 13 November 2019 regarding the above document. This was considered by the External Affairs Sub-Committee on 16 January 2020.

We are now content to clear this item from scrutiny and you do not need to reply to this letter.

17 January 2020

COUNCIL DECISION AMENDING DECISION 2016/2382/CFSP ESTABLISHING A
EUROPEAN SECURITY AND DEFENCE COLLEGE (ESDC) (OTNYR)

**Letter to the Chairman from the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

I am writing with regard to the EU Council Decision to set the ESDC's 2020 Budget. The Council Decision sets the budget for 1 January to 31 December 2020.

As detailed in the attached Explanatory Memorandum, the budget has been increased by €482,493 to €1,893,598 in order to fund an additional cyber expert for the ESDC's Cyber Education, Training, Evaluation and Exercise (ETEE) Platform, related training activities and the purchase of additional IT equipment. The increase also covers additional travel and accommodation costs for Civilian Coordinators for Training to attend EU Civilian Training Group and European External Action Service meetings, conferences and workshops.

In order for the Council Decision to be adopted before the current budget expires on 31 December 2019, it will be adopted on 8 November at the ECOFIN Council. Under the dissolution of Parliament it will therefore not be possible for your Committee to have considered it before the current budget expires on 31 December 2019. Therefore I regret that I find myself in the position of having to agree to the adoption of this Council Decision before your Committee has had an opportunity to scrutinise the documents.

Your Committee has previously expressed concern that renewals of this type are not considered earlier in the EU reducing the possibility of the documents being scrutinised. This is something I am very aware of and I have instructed my officials to continue to raise these concerns with colleagues in the EU.

As you know, the responsibility to give your Committee the opportunity to scrutinise EU Council Decisions ahead of adoption is something I take seriously and the need for the override of scrutiny on this occasion is regrettably unavoidable.

5 November 2019

COUNCIL DECISION (CFSP) 2020/20 OF 13 JANUARY 2020 UPDATING THE LIST OF
PERSONS, GROUPS AND ENTITIES SUBJECT TO ARTICLES 2, 3 AND 4 OF COMMON
POSITION 2001/931/CFSP ON THE APPLICATION OF SPECIFIC MEASURES TO
COMBAT TERRORISM AND REPEALING DECISION (CFSP) 2019/1341 (UNNUMBERED)

COUNCIL IMPLEMENTING REGULATION (EU) 2020/19 OF 13 JANUARY 2020
IMPLEMENTING ARTICLE 2(3) OF REGULATION (EC) NO 2580/2001 ON SPECIFIC
RESTRICTIVE MEASURES DIRECTED AGAINST CERTAIN PERSONS AND ENTITIES
WITH A VIEW TO COMBATING TERRORISM, AND REPEALING IMPLEMENTING
REGULATION (EU) 2019/1337 (UNNUMBERED)

**Letter to the Chairman from the Rt Hon Christopher Pincher, Minister of State,
Minister for Europe and Americas, Foreign & Commonwealth Office**

I am writing with regard to EU Council Decision (CFSP) 2020/20 of 13 January 2020 and Council Implementing Regulation 2020/19 of 13 January 2020. They update the list of persons, groups and entities subject to Articles 2, 3 and 4 of Common Position 2001/931/CFSP on the application of specific measures to combat terrorism and repeal Decision (CFSP) 2019/1341 and Implementing Regulation 2019/1337. The next review is due within 6 months.

As detailed in the attached Explanatory Memorandum, the legal acts implement the outcome of the Council's review of the listings under the EU's counter terrorism sanctions regime. The Council agreed to make no changes to the list of designated persons during this review except to recognise that one listed person is deceased.

I regret that, with the need for timely adoption of the legal acts, I found myself in the position of having to agree to the adoption of this document before your Committee had an opportunity to scrutinise it.

Your Committee has previously expressed concern that renewals of this type are not considered earlier in the EU, reducing the possibility of the documents being scrutinised. This is something I am very aware of and I have instructed my officials to continue to raise these concerns with colleagues in the EU.

As you know, the responsibility to keep your Committee informed on issues concerning sanctions is something I take seriously and the need for the override of scrutiny on this occasion is regrettably unavoidable.

28 January 2020

GENERAL CORRESPONDENCE

DEPARTMENT FOR INTERNATIONAL TRADE (DIT): EU TRADE POLICY UPDATE – JANUARY 2020

Letter to the Chairman from the Rt Hon Conor Burns MP, Minister of State, Department for International Trade

Given the long gap in the EU scrutiny committees meeting during the pre-election period and also in the post-election period prior to and after Christmas, I thought that it would be timely to provide you and your committee members with a summary of the progress of both EU trade negotiations and ongoing legislative files.

This update also encompasses an overview of the new Croatian Presidency's priorities on trade

ANNEX to EU Trade Policy Scrutiny Update – January 2020

New EU Commission

President-elect Ursula von der Leyen presented her proposed College of Commissioners in early September 2019, nominating the former Commissioner for Agriculture, Ireland's Phil Hogan, as Commissioner for Trade. Commissioner-designate Hogan appeared in front of the European Parliament's Committee on International Trade on 30 September 2019, where he presented the new Commission's priorities for EU trade policy. These included WTO reform, building new trade relationships especially in Africa, implementing and enforcing current trade agreements, ensuring the EU has tools to enable open, fair trade and a level playing field and making trade sustainable. Hogan was subsequently approved in his post by the European Parliament.

The new Commission took office from 1 December 2019.

EU ongoing business in terms of trade matters continues to be high profile, as demonstrated by the recent interest in September 2019 in the EU-Mercosur trade negotiations which reached the political conclusion stage of negotiations on 28 June 2019. There are a number of important live issues, including developments relating to the Airbus/Boeing disputes, wider EU-US trade relations, EU-China relations, WTO reform, steel safeguards, trade dispute matters and the conclusion of EU free trade and investment agreements.

Croatian Presidency

Croatia took over the Presidency of the EU Council as of 1 January 2020 until 31 June 2020. This is the first time Croatia has held the Presidency since it became the EU's most recent Member State in 2013.

The slogan for the Croatian Presidency period is “A strong Europe in a world of changes” which is built on four aspects – a Europe that grows, a Europe that connects, a Europe that protects and an influential Europe. Croatia’s priorities in relation to trade matters include the WTO, US/China issues, as well as continuing to progress ongoing EU FTA negotiations. In terms of the legislative agenda, the Croatian presidency will work on finalising the EU Dual-Use trilogues and on proposed changes to the EU’s Enforcement Regulation.

In terms of wider priorities beyond trade, the Croatian Presidency is focused on the EU’s long term budget, the multiannual financial framework (MFF), and preserving the percentage of the EU’s budget allocated to cohesion funds (which is currently set at 15% but which some Member States want to increase to 30%).

Croatia is the last of the current trio of three Presidency’s in conjunction with Romania and Finland. Following on from Croatia, Germany will then take up the Presidency for the second half of the year from July to December 2020.

WTO Appellate Body

On 11 December 2019, following the failure to appoint new members to the WTO’s Appellate Body and the reduction of the number of members to one, the Appellate Body became inquorate and it has therefore ceased to hear any new appeals and most current appeals. The UK continues to be a strong supporter of the WTO dispute settlement system, while recognising that there is room for its improvement. The UK continues to engage other countries both within the WTO and in other multilateral fora such as the G7 and G20 on finding a resolution to the impasse.

In light of the ongoing issues surrounding the WTO Appellate Body, the EU have now published a proposed Council Decision to amend the EU’s Enforcement Regulation. DIT has published an Explanatory Memorandum which explains the EU’s proposed amendments and the UK’s policy position in this area.

Airbus/Boeing

On 2 October 2019, the World Trade Organization (WTO) issued its ruling on US retaliation rights in the Airbus dispute. It stated that the US can be authorised to apply tariffs worth \$7.497 billion (£6.827 billion) annually on the UK, France, Germany, Spain (‘the Airbus nations’) and the wider EU. The US introduced additional tariffs on a wide variety of EU products. The list includes 10% tariffs on large EU civil aircraft and 25% tariffs on a variety of other agricultural and industrial products. UK goods facing these tariffs include: single malt Irish and Scotch Whiskies, textiles, stilton cheese, pork, wine, butter, fruit and seafood.

On 2 December 2019, the WTO compliance panel for the Airbus dispute released their report concluding that the steps taken by the UK, France, Germany and Spain in 2018 aimed at bringing their support fully in line with WTO’s earlier ruling in the dispute are not sufficient to achieve compliance. We maintain that the UK has now complied with the earlier ruling with regard to the Airbus dispute. On 6 December the EU appealed the findings of the WTO panel. However, as the appellate body is not operating a definitive decision will not be forthcoming in the near future. The UK is continuing to work closely with the US, EU and Airbus Nations to support a negotiated settlement on this issue. We are clear that tariffs are in nobody’s interest.

In response to the findings of the Compliance Panel Report, the US Trade Representative (USTR) launched a public consultation on 9 December to assess whether to increase the tariff rates on current EU products as well as add other EU products to the retaliatory duty list. UK stakeholders have been alerted to the consultation and encouraged to collaborate with their US-based customers and likeminded US trade associations to ensure their views are fed in.

EU-US Trade

The EU and US have engaged in trade discussions across a number of areas since President Trump and then-President Juncker agreed a Joint Statement in July 2018. This statement was aimed at avoiding further escalation of trade tensions and included a potential industrial goods agreement.

Although formal negotiations have not yet launched, there has been some progress on a number of trade issues, including: an agreement on amendments to the EU's tariff rate quota for imports of high-quality beef; an exchange of draft texts on mutual recognition of conformity assessment bodies; and some progress in discussions on standards.

The US administration conducted a Section 232 investigation into automotive imports in early 2019. The report was not published, but we understand that it concludes that present quantities of automotive imports threaten to impair US national security. In response, President Trump issued a proclamation announcing a 180-day delay to any decision on whether to impose tariffs on automotive imports. The President's proclamation expired in November 2019, however there has been no formal announcement on whether the US administration intends to impose tariffs or not. The EU has always been clear that if the US does decide to impose tariffs, the EU will respond with countermeasures.

EU-China relations

Trade relations with China continue to be a priority for DG Trade. The Commission is taking a noticeably harder position towards China following the ambitious EU-China Summit in April 2019. The summit's Statement included language on ensuring "reciprocity" in trade and investment with China, challenging market distortions from China's economic practices, including within the European procurement market, and with greater willingness to use stronger measures to address these concerns. The EU-China Summit statement also included ambitious language on WTO reform, focusing in particular on strengthening international rules on industrial subsidies, and acknowledged issues around forced technology transfer – the first time this has been included in a communiqué agreed by China.

New Trade Commissioner, Phil Hogan, echoed these objectives in his European Parliament confirmation hearing in September 2019, where he said that he will seek to address unfair Chinese trade practices through more robust trade defence mechanisms such as enhanced measures to screen investments from China, and the previous Commission's proposed International Procurement Instrument. We will keep the EU scrutiny committees and other stakeholders informed of any significant developments on these files.

Commissioner Hogan has also indicated that he hopes to conclude negotiations on the EU-China Comprehensive Investment Agreement by 2020. Negotiations were launched in 2013 and there has been political commitment on both sides to conclude the negotiations quickly. Some progress has been made, such as China sharing its first market access offer in late 2018.

Trade Remedies/Trade Defence - EU steel safeguards review

The Commission has concluded its steel safeguards Tariff rate quota (TRQ) review and has now published "Commission Implementing Regulation (EU) 2019/1590 of 26 September 2019 amending Implementing Regulation (EU) 2019/159 imposing definitive safeguard measures against imports of certain steel products". The Regulation came into force on 1 October 2019.

The Regulation includes six modifications which the Commission believes will make the quotas work more effectively. These are:

- a. Reducing the pace of liberalisation of the quotas not subject to safeguard tariffs from a 5% annual increase to 3% each year.
- b. Ring-fencing category 4B (metallic coated sheets) for the exclusive use of the automotive sector.
- c. Product category I (hot rolled flat products): limiting individual countries' access to the global quota to 30%.
- d. Product categories 13 (rebars) and 16 (wire rod): limiting the access of countries with a country-specific quota for these products to the global quota in the last quarter to 30%.
- e. Removing country-specific quotas for product category 25 (large welded tubes) so that only a global quota remains.

- f. Updating the exemptions granted to developing countries from the measures in line with the latest import data.

Given our national interest in these measures, the UK attended the Commission's Safeguards Committee on 4 September 2019. The Committee voted in favour of the proposal by a qualified majority under the Examination Procedure to amend the existing safeguard measures. The Department for International Trade shared an Explanatory Memorandum with both EU Parliamentary Scrutiny Committees on 3 October 2019.

Bilateral and Multilateral EU trade negotiations

The **EU-Singapore FTA** entered into force on 21 November 2019, following the introduction of a Geographical Indications register and registration of 138 EU Geographical Indications by Singapore in September. DIT issued a letter to both committees during the dissolution recess acknowledging the FTA's entry into force.

On 25 June 2019 Council approved **the EU-Vietnam FTA and IPA** by Qualified Majority Vote (QMV), with Italy abstaining over objections to the Tariff Rate Quota (TRQ) on rice. The agreements were signed in Hanoi on 30 June 2019 and will now move on to the European Parliament stage. The European Parliament International Trade (INTA) Committee discussed the agreements at its meeting on 3 December 2019. A European Parliament plenary vote is likely to take place in February 2020 at the earliest. The FTA, as an EU-only agreement, could then enter into force during the spring or summer of 2020, with the IPA, as a mixed agreement, proceeding to Member State ratification.

Much of the modernised **EU-Mexico FTA** text has been agreed following political agreement reached on 21 April 2018, although the negotiations remain stalled due to some concerns with the procurement chapter. Outgoing Trade Commissioner Malmstrom visited Mexico as part of a visit to South America in September 2019 as part of EU efforts to come to a final agreement, but no substantial way forward was agreed. The agreement may be presented for a Council Decision on signature and conclusion by mid 2020.

On 28 June 2019 the EU announced that **EU-Mercosur FTA** had reached a political agreement. If finalised, this could establish the largest EU free trade zone with a population of over 780 million people. Following recent Parliamentary votes opposing the proposed FTA in Ireland, France and Austria and in light of concerns about Brazil's approach to fires in the Amazon rainforest, the EU will spend the next few months advocating for the deal and engaging with stakeholders with a view to presenting Council Decisions on signature and conclusion in late 2020.

Negotiations for **proposed EU FTAs with Australia and New Zealand** are still continuing. A fifth negotiation round between the EU and Australia was held in Canberra from 14 to 18 October. These were reported to have been held in a constructive atmosphere with progress made in a number of chapters including Customs and Trade Facilitation, Trade Remedies Digital Trade, Public Procurement and other areas. The sixth negotiation round is scheduled for February 2020.

At the same time progress on negotiations with New Zealand have been slightly slower. The sixth negotiation round was scheduled to take place in October 2019 but was cancelled. As of December 2019 no public announcement has been made about the date of the next negotiation round.

We are also tracking progress on other EU FTA negotiations including **EU-Chile** and **EU-Indonesia**. A sixth round of negotiations for an EU-Chile FTA took place on 25 to 29 November 2019 with a further round expected to take place in May or June 2020. The ninth round of negotiations for an EU-Indonesia FTA took place on 2 December 2019, with a clear objective to conclude negotiations by the end of 2020.

With regard to EU proposals for a Council Decision to update the **Pan Euro Mediterranean (PEM) Convention** (which was subject to an Explanatory Memorandum issued by DIT on 31 October 2019), a meeting of the PEM Joint Committee on 27 November 2019 failed to agree to modernise rules of origin across the whole region. The Commission now plan to progress with

updating rules of origin bilaterally, with a meeting in the first quarter of 2020 with those countries interested in moving forward on this basis.

Dual Use Regulation

The Finnish presidency set an ambitious timetable, aiming to deliver this recast regulation by the end of their presidency. Two trilogue sessions have taken place, one on 21 October and the other on 13 November. After the first trilogue, the Finnish presidency proposed a revision to the Council mandate which we were told addressed specific points raised by the European Parliament. We do not have a read out of the Trilogue discussions, but the changes to the Council Mandate proposed by the presidency were minor and were agreed at the Committee of the Permanent Representatives (COREPER). The UK was content with the revisions but abstained from voting given the file remains under Commons scrutiny.

After the second trilogue, and at their final Working Group meeting, the Finnish presidency proposed further amendments to the Council Mandate. Member States were invited to provide their comments by 29 November 2019 so that the Presidency could prepare a revised Council mandate for further negotiations with the European Parliament.

On 19 December 2019 the Finnish Presidency sent out further revisions for comments. As these did not have a response date we presume they will be picked up by the incoming Croatian Presidency.

A more substantial update on the progress of the dossier is being prepared which will also address the questions posed by the House of Commons European Scrutiny Committee at the Committee's 73rd meeting.

Trade for Development - Withdrawal of GSP preferences from Cambodia

In February 2019 the Commission initiated the procedure that could lead to the temporary withdrawal of Cambodia's trade preferences if countries fail to respect core human and labour rights. Following a six months monitoring and evaluation period, in November the Commission sent its monitoring report to Cambodia. The full reinstatement of the political rights of the opposition leader Kern Sokha and of the opposition members banned from political activity has been declared a priority by the Commission. If the Commission considers that the findings of its report justify temporary withdrawal, it must publish by 12 February 2020 a Delegated Act which could withdraw all or some of Cambodia's preferential access

7 January 2020