



Department of

Finance

An Roinn

Airgeadais

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Máirtín Ó Muilleoir MLA, Minister
Clare House, 303 Airport Road West,
Belfast, BT3 9ED

Mr Steven Agnew MLA
Northern Ireland Assembly
Parliament Buildings
Stormont

18 October 2016

AQW 4986/16-21

Mr Agnew has asked:

To ask the Minister of Finance to publish, or place in the Assembly Library, a copy of the letter he received from the Chief Secretary to the Treasury outlining Treasury guarantees over EU funding.

ANSWER

I am happy to place a copy of this letter in the Assembly Library.

Máirtín Ó Muilleoir

Máirtín Ó Muilleoir MLA

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HM Treasury, 1 Horse Guards Road, London, SW1A 2HQ

Máirtín Ó Muilleoir MLA
Minister of Finance
Clare House
303 Airport Road West
Belfast BT3 9ED

4th October 2016

Dear Máirtín,

EU FUNDING

1. As you know, the Chancellor announced in August that the Treasury would guarantee EU Funding for the following:
 - a. all structural and investment fund projects, including agri-environment schemes, signed before the Autumn Statement;
 - b. all direct competitively bid projects signed directly with the European Commission up until Brexit, for example universities participating in Horizon 2020; and,
 - c. the current level of direct farm payments (CAP pillar 1) until 2020.
2. The Chancellor also stated that the Treasury would put in place arrangements for assessing whether to guarantee funding for structural and investment fund projects that were signed after Autumn Statement up until we leave the EU.
3. In his conference speech yesterday the Chancellor announced that the Treasury will provide a guarantee for all structural and investment projects, signed after the Autumn Statement but before the UK leaves the EU. This will apply to:

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- The European Agricultural Fund for Rural Development - CAP Pillar 2 (EAFRD)
- The European Social Fund (ESF) (the assurance will also cover the Youth Employment Initiative which is implemented in the UK as part of ESF programmes)
- The European Maritime and Fisheries Fund (EMFF)
- The European Regional Development Fund (ERDF) including European Territorial Cooperation (ETC).

4. Projects will be guaranteed where UK Government departments are content that these projects:

- **provide value for money**, in a way that has a comparable benefit to other domestically-funded programmes;
- **support domestic strategic priorities**, specifically projects that fit with department's priorities and the Government's agenda.

5. In keeping with the devolution settlement, it will be for the Northern Ireland Executive to decide the conditions used to assess projects within your devolved competence. However, I am sure that you will wish to apply comparable levels of scrutiny to ensure the funds are used to achieve the best outcomes in Northern Ireland.

6. I have asked my officials to work closely with yours over the coming weeks on the technical implementation of the guarantees. This letter is copied to the First Minister, the deputy First Minister and the Secretary of State for Northern Ireland.

A handwritten signature in black ink, appearing to read 'David Gauke'.

DAVID GAUKE

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