



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

Lord Boswell  
Chair  
European Union Committee  
House of Lords  
London  
SW1A 0AA

4 October 2018

Dear Tim,

**9980/18: PROPOSAL FOR A REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL ESTABLISHING THE INVESTEU PROGRAMME AND ANNEXES**

Thank you for your letter of 13 September on the European Commission's proposals to establish the InvestEU programme, which would provide a single EU investment support mechanism for internal action in the next Multiannual Financial Framework (MFF).

It is important to note that all EU Commission proposals for programmes in the next MFF remain subject to negotiations, which are ongoing at working group level in Brussels. In line with the agreed approach to EU business, we are participating in the next MFF working group discussions on the basis that the UK is currently a full member of the European Union and we will engage where there are UK interests. Discussion on InvestEU are taking place within the Financial Counsellors Working Party and the Ad Hoc Working Party on the MFF 2021-2027, where UK Representatives are monitoring and influencing at a technical level to promote the UK's policy priorities.

As laid out in the government's white paper, *The future relationship between the United Kingdom and the European Union*<sup>1</sup>, the UK has an interest in certain programmes and policies. InvestEU is envisaged to support some of these policy

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<sup>1</sup> <https://www.gov.uk/government/publications/the-future-relationship-between-the-united-kingdom-and-the-european-union>



areas, such as Horizon Europe. However, until the regulations for all of these programmes are finalised, I am not in a position to say whether the terms of participation will be acceptable to the UK, and therefore whether an agreement covering the UK's participation in InvestEU will be necessary. The government has been clear that participation in programmes is subject to agreeing appropriate governance arrangements. These should ensure that both parties can shape the activities covered, recognising the need to respect the autonomy of the EU's decision making, and the need for adequate UK control over any financial contributions.

I am copying this letter to Sir William Cash, Chair of the European Scrutiny Committee; Philip Aylett, Clerk of the House of Commons European Scrutiny Committee; Christopher Johnson, Clerk to the Lords Committee; Matthew Manning, Clerk to the Lords Financial Affairs Subcommittee; Les Saunders, Department for Exiting the EU and to Barbara Armstrong and Daniel Jones, HM Treasury.

A handwritten signature in blue ink, which appears to read 'Elizabeth Truss'.

**RT HON ELIZABETH TRUSS MP**