



Department for Transport

Baroness Sugg CBE
Transport Minister for Aviation, International and
Security

Great Minster House
33 Horseferry Road
London
SW1P 4DR

Tel: 0300 330 3000
E-Mail: baroness.sugg@dft.gov.uk
Web site: www.gov.uk/dft

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

Dear Tim,

13 November 2018

9951/18 Proposal for a Regulation of the European Parliament and of the Council establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014

Thank you for your letter of 26 October. I am writing in response to the questions raised by the EU Internal Market Sub-Committee on the proposal to establish the Connecting Europe Facility for the next EU Budgeting period (2021 to 2027), and to bring you up to date on negotiations on this proposal ahead of an expected general approach at the 3 December Transport Council.

Funding for UK projects under the current Connecting Europe Facility (CEF) programme

The UK has involvement in over 50 transport projects that have been awarded a total of over €340 million in funding. To date, ten Energy projects with UK impact have been awarded around €90 million. For telecoms the UK has involvement in over 30 projects with total awards of €8 million.

The current legislative proposal has no implications for ongoing projects. Under the draft Withdrawal Agreement, the UK will continue to participate in all EU funding programmes for the current budget period (2014-2020) including CEF, until programme closure. This means that UK projects will continue to be able to bid for CEF funding until the end of the programme in 2020. To provide greater certainty, the Chancellor has guaranteed funding for certain EU funded projects agreed before the end of 2020. This ensures that UK organisations, such as charities, businesses and universities, will continue to receive funding over a project's lifetime if they successfully bid into EU-funded programmes before the UK leaves the EU.

Future UK participation in the CEF after EU Exit

The Government continues to evaluate which funding programmes the UK would seek to participate in after we leave the EU. An important consideration in this case is that, as with the current CEF regulation, third countries may not receive financial assistance from the programme unless it is indispensable to the achievement of the objectives of EU projects of common interest.

If both sides were to agree to future UK participation, we understand that a specific agreement between the EU and a third country would be needed which would set out the conditions of any participation. During negotiations on the new CEF Regulation the UK has sought to ensure that the text does not preclude future participation, but this would need to be negotiated and no decisions have yet been taken on whether the UK should seek participation. It should be noted that in the case of transport, the largest component of CEF, UK receipts have been less than 3% of the programme funds available compared to an average UK contribution of 13% to the EU Budget.

Impact on domestic infrastructure funding

If the UK does not negotiate participation in the CEF for the next MFF period, we do not believe that this will significantly affect domestic infrastructure funding. The Government's National Infrastructure Delivery plan sets out our priorities for investment from 2016 until 2021. The next iteration of the plan will continue to address the development of our local, regional and national infrastructure. The Government is committed to deliver better infrastructure in the UK to enable economic growth and promote opportunities for people across the country.

Military mobility

The additional €6.5 billion proposed for the CEF aims to support the Commission's Action Plan on Military Mobility. It will be used for the development of dual-use transport infrastructure that meets civilian and military needs. The Commission is working to identify the areas of the trans-European Transport Network (TEN-T) suitable for military transport and the appropriate standards that will be needed. This work will be drawing to a close in 2019. Union funding will be implemented through specific work programmes that will be based on this analysis.

Update on negotiations

The current Austrian Presidency has made the CEF one of its priorities and is working to find a compromise to enable a General Approach to be agreed at the Transport Council on 3 December 2018.

I would be grateful therefore if the Committee would consider clearing the proposal from scrutiny or granting a scrutiny waiver ahead of that date.

I will inform the Committee of the outcome of the Transport Council and will continue to keep the Committee informed of progress on this proposal. The European Parliament is also considering the proposal and is expected to complete its report on it later this month.

I am copying this letter to Sir William Cash MP, Chairman of the European Union Committee, to Chris Johnson, Clerk to your Committee; Philip Aylett, Clerk to the Commons Committee; Arnold Ridout, Legal Adviser to the Commons Committee; Les Saunders, Department for Exiting the European Union and Margaret Browne, Departmental Scrutiny Coordinator.



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