



# Department for Exiting the European Union

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Lord Boswell of Aynho  
Chairman, European Union Committee  
House of Lords  
London  
SW1A 0PW

10 January 2019

Dear Lord Boswell,

Thank you for your letter of 12 December following the Lords European Union Sub-Committee's review of my letter dated 13 November.

You asked for an update on the recent Overseas Territories Joint Ministerial Council. I and the Chancellor of the Duchy of Lancaster will be writing to your Committee separately next week on this as part of our regular updates on ministerial engagement with the devolved administrations, Overseas Territories and Crown Dependencies in relation to EU Exit. As we will set out further in that letter, the fifth Joint Ministerial Council Overseas Territories (EU Negotiations), took place on 4 December at Lancaster House, chaired by Lord Ahmad of Wimbledon. I chaired a session on the OTs' Exit concerns and provided an update on negotiations with the EU since the publication of the Withdrawal Agreement and Political Declaration.

The key themes of discussion at this meeting were preparations for the UK's exit from the European Union; financial services, including beneficial ownership registers; future economic growth, focussing on trade and investment; the constitutional relationship with the UK; the Global Britain agenda; passport issues; safeguarding of vulnerable persons and natural disaster resilience management. Ministers from the Department for International Development (The Rt. Hon Lord Bates), Department for International Trade (George Hollingbery MP); Department for the Environment, Food and Rural Affairs (Thérèse Coffey MP), and HM Treasury (The Rt. Hon Mel Stride MP) attended the discussions, as did the Minister for the Constitution (Chloe Smith MP).

These talks reaffirmed the UK Government's commitment to taking the Territories' priorities into account as the UK prepares to leave the EU, including in relation to funding, trade, the environment and education.

In regards to your concerns in respect of EIB funding, as the Chancellor said at his Mansion House speech in June 2017, there may be mutual benefit in a future relationship with the

EIB. We are actively exploring options for a future relationship with the EIB Group, and these negotiations will form part of the wider UK-EU future relationship negotiations.

I note BVI's concern that OTs do not lose financing and commercial opportunities and maintain access to finance projects at concessionary rates and provide affordable credit to their small and medium-sized enterprises. As I have set out previously, decisions on post-2020 funding, including decisions affecting the OTs, will be set out in the next Spending Review. The Government is already providing considerable support to the Overseas Territories. In particular, following the 2017 hurricanes the Prime Minister committed up to £300m of loan guarantees to enable BVI to finance projects at a lower rate of interest. This was in addition to a £192m package for the Overseas Territories which included both funding for immediate response and recovery and £70m for long-term recovery.

We are aware of Gibraltar's application for an EIB loan. As noted in my previous letter, this is a matter for Gibraltar and the EIB. As you would expect, we frequently engage with the Government of Gibraltar across a wide range of policy areas, including at the regular Joint Ministerial Councils where the issue of EIB loans has previously been discussed with HM Treasury. The Economic Secretary to the Treasury and I also met the Chief Minister of Gibraltar on 14 November 2018, and we agreed to continue the ongoing dialogue between HM Government of Gibraltar and HM Treasury on this and similar issues. The next Joint Ministerial Council is set for late January.

In regards to raising the concerns of the Overseas Territories at the appropriate time, the Government has been very clear that we will negotiate the future agreements implementing the Political Declaration on behalf of all the territories for whose external relations we are responsible. This will be done at the earliest opportunity as part of the future relationship negotiations. These agreements with the EU must be appropriate and beneficial, and take into account the relationships that the Overseas Territories currently have with the EU. Sir Tim Barrow, UK Permanent Representative to the EU, set this out clearly in his letters of 24 and 25 November 2018 to the Secretaries General of the European Commission and the Council of the European Union.

The Government values the distinct and long-standing relationship the UK shares with the Overseas Territories. I thank you and your Committee for your continued interest in their future as we exit the European Union.



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