Dear Michael,

13579/17 European Development Fund (EDF): forecasts of commitments, payments and contributions from Member States for 2017, 2018, 2019 and non-binding forecast for the years 2020-2021

Thank you for your Explanatory Memorandum (EM) dated 13 November regarding the above document. This was considered by the External Affairs Sub-Committee on 7 December 2017.

We have four questions to which we would be grateful for your response.

First, your EM states that “in Council Working Group meetings the UK has pushed against any amended proposal that would mean the Commission holds balances in excess of forecasted spending, or that would allow payments to be made in advance of need.” It is not clear to us what the payment in advance of need refers to in this context, or how the process of Member State commitments becoming final contributions works. Please elaborate on your statement in the EM, and provide us with information about the timing and frequency of Member State contributions to the EDF, and whether instalments are paid before programmes are implemented.

Second, your EM mentions that “payments beyond our exit from the EU are subject to negotiations”. In the Communication’s attachment, UK contributions for 2017-2021 are outlined. We note that the contributions for 2020 and 2021 are not binding, and that the UK Government has set out its plan to leave the EU on 29 March 2019. What is the Government’s position on the UK’s contribution to the EDF for the remainder of 2019? Might this be part of a transitional arrangement to be agreed with the EU? What preparatory work has been undertaken by the Department for International Development to assess the UK’s interests in advance of these negotiations?

Third, we note that the Government’s Foreign policy, defence and development: a future partnership paper mentions its ambition for “close collaboration” with “European partners” on a “case-by-case basis”. In your letter of 17 February 2017, you wrote: “We have also made clear our potential interest in future partnership, working under aspects of the new EU-ACP framework.” What is the Government’s ambition for co-operation with the EDF after the UK has left the EU?
Fourth, please provide us with information on the auditing process of the European Development Fund and the main findings of its last audit.

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

I am copying this letter to Sir William Cash MP, The Chair of the House of Commons European Scrutiny Committee; Lynn Gardner, Clerk of the House of Commons European Scrutiny Committee; Arnold Ridout, Legal Adviser of the House of Commons European Scrutiny Committee; Les Saunders, at the Department for Exiting the EU; and Grace Beaumont, DfID Departmental Scrutiny Co-ordinator.

Yours sincerely,

[Signature]

The Lord Boswell of Aynho
Chairman of the European Union Committee