



Department for
International Trade



Department for
Business, Energy
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My Lords,

I would like once again to thank you all for the valuable discussion of the UK-Ukraine Credit Agreement during the debate in the Moses Room on Wednesday, 5 January. As promised, I have set out some additional information in response to questions that were raised during the debate, and which I was unable to address in full in my response.

Lord Foulkes, Baroness Liddell and Baroness McIntosh all raised the issue of the serious impact of cybercrime and cyberattacks, and asked what the government is doing to protect the UK from the threat it poses. Ransomware is a growing international issue and the UK is at the forefront of international coordination to tackle this issue, including hosting the G7 Interior and Security Senior Officials' Extraordinary Forum on Ransomware on 15 and 16 December 2021.

The new National Cyber Strategy published in December 2021 aims to make the UK a stronger, more resilient place to better protect UK citizens and businesses. Ransomware and cybercrime is a key component of the NCS Threats Pillar which commits HMG to implement sustained and tailored deterrence campaigns that leverage the full range of UK capabilities (including diplomatic, economic, covert and overt levers) to influence the behaviour of malicious and criminal cyber actors. In particular we will improve our signalling to adversaries of our capability and willingness to impose meaningful costs, including through sanctions, law enforcement and NCF operations. And through NCA's Cyber Choices programme we will divert individuals from becoming involved in cybercrime, working with industry and academia to offer potential offenders better alternatives such as apprenticeships and work placements.

The National Cyber Security Centre (NCSC) works closely with industry and government to ensure that the UK is the hard a target as possible for our adversaries. A range of advice and guidance on cyber security best practice for organisations of all sizes is available on the NCSC website. We are working with international partners to deter these attacks through a number of tools including sanctions to demonstrate that this activity has costs.


With specific reference to malicious cyber activity from Russia, the UK is working in coordination with our allies to hold Russia to account for their malicious cyber activities and impost costs for this activity. I would advise you that in 2020, in coordination with our European partners, we have imposed asset freezes and travel bans against Russian intelligence (GRU) units 26516 and 75544 and six GRU operatives responsible for carrying out cyber-attacks against the UK and our allies under the UK cyber sanctions regime. Since 2018, we have been exposing the GRU's destructive cyber unit's activities so they can no longer hide with impunity in the shadows.

Lord Purvis asked about the relationship between the £1.7bn of support referenced in the Framework Agreement and the £2.5bn announced in October 2020. The latter was a reference to UKEF's overall cover appetite for Ukraine and in fact this was subsequently increased to £3.5bn in December 2021. The £1.7bn referred to in the Framework would be within, rather than in addition to, this £3.5bn figure.

Lord Purvis also questioned the aspect of UK content in the contracts within the UNCEP. It has been long standing UKEF policy to permit up to 80% non-UK content in the contracts that it supports. This reflects the reality of contracting for large projects – that they are often a multinational affair. Although the main contractor may be UK, they are likely to have a global supply chain. Plainly we like to see more UK content, particularly when direct lending is involved and therefore for the UNCEP we have set an overall requirement for 50% UK content. There comes a point at which seeking further amounts of UK content would undermine the UK's competitiveness. I would also reiterate the point made in my speech that UKEF support is priced to risk and thus should not be considered a subsidy.

I hope that you find this response helpful. I am placing a copy of this letter in the House Libraries.

Yours ever,

A handwritten signature in black ink, appearing to read 'Grimstone', written in a cursive style.

Lord Grimstone of Boscobel, Kt
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