



Ministry of Housing,
Communities &
Local Government

Important update on ETC no-deal Brexit preparations for UK project partners

Dear project partner

We are writing to update you on the plans of the Ministry for Housing, Communities and Local Government (MHCLG) for UK project partners in European Territorial Cooperation (ETC) programmes in the case of a no-deal Brexit and steps you can take to prepare. Details of the ETC programmes this update applies to are at the end of the letter.

The Government's advice for ETC programmes in the event of a no-deal Brexit confirms that you should continue to deliver your planned activity, including making payment claims in line with your existing delivery plans.

If the UK leaves the European Union (EU) with a deal then your project can continue as planned.

If the UK leaves the EU without a deal similar to the one currently negotiated, all approved UK project partners are covered by the government's funding guarantee. However, in addition to the EU stopping payments to you in these circumstances, there are also some changes you may experience that could mean you are not able to continue delivering your project as before. This is because we are not certain that the current ETC programme structures you work within will remain in place after the UK leaves the EU in a no-deal Brexit. We want to work with you to help you prepare for this possibility and consider and plan for options that could be available to you.

What you can do to prepare for a no-deal Brexit:

If the UK leaves the EU without a deal there are a number of possible options that might be available to you, depending on what can be agreed with other parties. MHCLG wrote to ETC Managing Authorities yesterday to explain that the department will be contacting you, so that they are prepared to discuss your plans over the coming weeks.

Steps you can take:

EU Managing Authority / Joint Secretariat

- a) A good starting point for working through your options is the Managing Authority / Joint Secretariat who looks after the project you are involved in and with whom you have a contract. We would encourage you to discuss with them potential arrangements following Brexit. While they may not be able to provide definitive answers to all your questions, it will be helpful for them to hear your views to inform their plans.

EU project partners

- b) You can explore with your existing EU project partners (if you have not already) what you might be able to do to continue working together. If it is not possible for you to continue formally participating in the ETC project you are now part of, because the UK stops being part of current programme structures, you could consider scope to deliver your objectives through alternative partnership arrangements that allow you to continue collaborating with your EU partners.

This could mean you continuing to deliver your current activities, which would be funded separately by the Government's guarantee, alongside your EU partners, who could continue to be funded by the EU. While this scenario will depend on the EU agreeing it, discussions you have before the UK leaves the EU will help you to prepare and plan your options.

UK project partners

- c) Alternatively, you can consider whether the work you are delivering could be continued by collaborating with alternative partners in the UK or else operate on a standalone basis. If this was possible, your eligible costs could also be met by the funding guarantee.

It's important to understand that it may not be possible to agree anything final until the UK leaves the EU. Until then you should continue to deliver your project as now. Discussions you have at this stage are about planning your options and getting prepared in case the UK leaves the EU without a deal. These discussions would be with Member State programme bodies and project partners rather than EU institutions such as the European Commission.

Next Steps:

We appreciate that you may want further advice and support about how to take forward discussions. We will be starting to have individual conversations with all UK project partners over the coming weeks and will make sure that we have spoken to all of you before 31 October. However, in the meantime if you have any urgent enquires then please email ETCTeam@communities.gov.uk and we will respond as soon as possible.

This update covers project partners involved in the programmes listed below:

Channel

Two Seas

North West Europe

Atlantic Area

North Sea

Interreg Europe

URBACT

INTERACT

ESPON

It does not apply to:

The PEACE IV and Interreg VA programmes in Northern Ireland/Ireland and Scotland. Separate arrangements have been agreed for these programmes, which will continue as now if the UK leaves the EU without a deal, with the UK participating as a third country.

For other ETC programmes, please contact BEIS in the first instance:
enquiries@beis.gov.uk

Ireland-Wales: Welsh European Funding Office

Northern Periphery and Arctic: Scottish Government

Mediterranean/South West Europe: HMG Government of Gibraltar

Kind regards,

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