



# Ministry of Housing, Communities & Local Government

6 August 2018

Ministry of Housing,  
Communities and  
Local Government.

2 Marsham Street  
London  
SW1P 4DF

## To: Managing Authorities, Joint Secretariats and Commission Desk Units

Dear Colleagues,

### European Territorial Cooperation - funding guarantee for UK project partners

We have been working closely with you over recent years, not just to deliver high quality projects but also ensure continued close working in light of the UK's decision to leave the EU.

I am writing to inform you that on 24 July 2018, the Government announced an extension to the guarantee for ETC programmes. You will be aware that, to provide delivery confidence for project partners across the programme area, in 2016 the UK Government announced that it would guarantee funding to UK project partners with contracts in place before the UK leaves the EU. This has given projects certainty that they will be able to receive funding and continue to deliver.

This extension means that the Government will guarantee funding to UK beneficiaries in projects approved before the end of 2020; so applicants can continue to develop projects beyond the point the UK leaves the EU. This practical measure provides additional certainty, guaranteeing investment in ETC projects under either the preferred scenario of negotiated withdrawal or in the unlikely event that no overall agreement is reached between the UK and EU.

The announcement of the extended guarantee can be found at:

<https://www.gov.uk/government/news/funding-from-eu-programmes-guaranteed-until-the-end-of-2020>.

Agreement to the legal text of those parts of the Withdrawal Agreement relating to the financial settlement was reached by UK and EU negotiators in March, and welcomed by the European Council. This means that, subject to the conclusion and ratification of the Agreement, the UK will continue to participate in all EU programmes during the remainder of the 2014-2020 Multiannual Financial Framework, including ETC programmes.

The extension to the guarantee is welcome news to us, to the Member States that we work with, and to organisations within the UK and in other Member States who want to continue working with UK project partners. I hope that you will be able to communicate this good news through your normal channels, particularly where it is relevant to open and planned project calls.

We know that in the unlikely event that no deal is reached between the UK and the EU, we would have to work with you to enable the guarantee to be delivered. We would all need to agree how projects could continue, to ensure that organisations across EU Member States could continue to deliver results and receive funding.

Recognising that this outcome is not in the interests of either party, we think there are benefits to starting contingency planning for this now, to ensure everything is in place in the unlikely event the guarantee is needed. The June European Council “renewed its call upon Member States, Union institutions all stakeholders to step up work on preparedness at all levels and for all outcomes”; the Commission’s subsequent communication on 19 July confirmed “everyone must now step up preparations for all scenarios and take responsibility for their specific situation”. The UK Government agrees with this and would like to work with you on this.

We have recently raised this issue with the Commission through the Brexit Preparedness Group, and we are looking forward to further conversations with them. We are ready and willing to start speaking to you about the practicalities of this for your programmes over the summer.

I understand you may have questions about this. If so, please either take this up with your normal MHCLG contact, or feel free to contact me directly to discuss further. We look forward to hearing your views on this.

Yours sincerely,



**Sam Lucas**  
**Head of European Territorial Cooperation programmes**