

Funding for British Overseas Territories if there's no Brexit deal

Summary

How British Overseas Territories, including Gibraltar, would be affected by the government's guarantee for EU-funded programmes if the UK leaves the EU with no deal.

Detail

If the UK leaves the EU in March 2019 without a deal, find out how this would affect governments and other organisations in our Overseas Territories that receive EU funding.

A scenario in which the UK leaves the EU without agreement (a 'no deal' scenario) remains unlikely given the mutual interests of the UK and the EU in securing a negotiated outcome.

Negotiations are progressing well and both we and the EU continue to work hard to seek a positive deal. However, it's our duty as a responsible government to prepare for all eventualities, including 'no deal', until we can be certain of the outcome of those negotiations.

For two years, the government has been implementing a significant programme of work to ensure the UK will be ready from day 1 in all scenarios, including a potential 'no deal' outcome in March 2019.

It has always been the case that as we get nearer to March 2019, preparations for a no deal scenario would have to be accelerated. Such an acceleration does not reflect an increased likelihood of a 'no deal' outcome. Rather it is about ensuring our plans are in place in the unlikely scenario that they need to be relied upon.

This series of technical notices sets out information to allow businesses and citizens to understand what they would need to do in a 'no deal' scenario, so they can make informed plans and preparations.

This guidance is part of that series.

Also included is an [overarching framing notice](<https://www.gov.uk/government/publications/uk-governments-preparations-for-a-no-deal-scenario/>) explaining the government's overarching approach to preparing the UK for this outcome in order to minimise disruption and ensure a smooth and orderly exit in all scenarios.

We are working with the devolved administrations on technical notices and we will continue to do so as plans develop.

Purpose

This notice provides an overview of how the UK government's guarantee for EU-funded programmes applies to the British Overseas Territories, if the UK leaves the EU with no deal.

It covers all British Overseas Territories governments and organisations that are eligible to bid into the following EU funding programmes:

- European Development Fund
- Horizon 2020
- Erasmus+
- Voluntary Scheme for Biodiversity and Ecosystem Services in EU Outermost Regions and Overseas Countries and Territories (BEST)

For Gibraltar, it also covers:

- EU Structural Funds, specifically the European Regional Development Fund (ERDF)
- the European Social Fund (ESF)
- European Territorial Cooperation programmes

This notice should be read in conjunction with the notices relating to individual funding programmes.

Before 29 March 2019

Until the UK leaves the EU, the UK remains a member state, with all the rights and obligations that includes. The UK and our Overseas Territories, including Gibraltar, will continue to participate in EU programmes while the UK remains a member of the EU.

As agreed as part of our financial settlement with the EU, we will continue to take part in all EU programmes after 29 March 2019 for the rest of the [2014 to 2020 Multiannual Financial Framework](http://ec.europa.eu/budget/mff/index2014-2020_en.cfm). The financial settlement has been agreed by both UK and European Commission negotiators in a [draft Withdrawal Agreement](<https://www.gov.uk/government/publications/draft-withdrawal-agreement-19-march-2018>) and welcomed by the other 27 EU countries at the March European Council.

After March 2019 if there's no deal

In the unlikely event of a no deal, the UK will leave the EU Budget in March 2019. Without further action, this would mean governments and other organisations in our Overseas Territories could lose future funding for existing projects under EU programmes. However, the Chancellor has agreed that the UK government will guarantee funding for specific EU projects. This will provide certainty for British Overseas Territories governments and participating organisations over the course of our EU exit.

This guarantee covers:

- Full territorial allocations to the British Overseas Territories governments from the European Development Fund (EDF) that have been agreed while we remain in the EU. It also includes projects agreed under the EDF regional and humanitarian allocations. The exceptions are the finance interest subsidies and technical assistance through the European Investment Bank's Overseas Countries and Territories Investment Facility, which are not covered by this guarantee.
- Paying awards under the Horizon 2020, Erasmus+, and BEST, where Overseas Territory participants successfully bid on a competitive basis while we remain a member of the EU.
- Funding successful bids where Overseas Territory organisations are able to participate as a third country in competitive grant programmes from exit day until the end of 2020. This would only apply to programmes that Overseas Territory organisations already participate in, and if the European Commission agrees that the Overseas Territories are eligible to participate from exit day until the end of 2020 in a particular programme.
- As set out in the notices on the [Horizon 2020](<https://www.gov.uk/government/publications/horizon-2020-funding-if-theres-no-brex-it-deal>) and [Erasmus+ programmes](<https://www.gov.uk/government/publications/erasmus-in-the-uk-if-theres-no-brex-it-deal>), the government is seeking discussions with the European Commission to agree how consortia and projects with UK participants can continue after our exit. These discussions would also cover the UK's and Overseas Territories' continued participation in these programmes, for example as a third country.

- EU Structural Funds that Gibraltar receives as part of the 2014-20 Multiannual Financial Framework allocation – the European Regional Development Fund (ERDF) and the European Social Fund (ESF), and European Territorial Cooperation programmes (a sub-fund of Structural Funds that involves cross-border projects). The [notices issued by BEIS](<https://www.gov.uk/government/collections/how-to-prepare-if-the-uk-leaves-the-eu-with-no-deal#applying-for-eu-funded-programmes>) provide further detail.

Implications

The government's guarantee ensures that British Overseas Territory participants, such as governments and organisations, will continue to receive funding over a project's lifetime if they successfully bid into EU-funded programmes while the UK remains a member of the EU, and, where access (for example as a third country) is available, before the end of 2020.

Over the coming months we will set out the precise arrangements for how our guarantee will operate for British Overseas Territories for the specific programmes outlined in this notice. These will include administrative and governance arrangements.

More information

Contact the [Foreign & Commonwealth Office](<https://www.gov.uk/government/organisations/foreign-commonwealth-office>) if you have any questions.

This notice is meant for guidance only. You should consider whether you need separate professional advice before making specific preparations.

It is part of the government's ongoing programme of planning for all possible outcomes. We expect to negotiate a successful deal with the EU.

Norway, Iceland and Liechtenstein are party to the Agreement on the European Economic Area and participate in other EU arrangements. As such, in many areas, these countries adopt EU rules. Where this is the case, these technical notices may also apply to them, and EEA businesses and citizens should consider whether they need to take any steps to prepare for a 'no deal' scenario.