



Technical Notice (20)

Getting ready for the end of the Transition Period

EU Structural Funds

14 December 2020

On 31 December 2020, the Transition Period (sometimes also referred to as the “Implementation Period”) under the EU-UK Withdrawal Agreement will come to an end. The end of the Transition Period will bring an end to the current status quo whereby Gibraltar, its citizens and its business, have enjoyed EU rights. Therefore, subject to the outcome of ongoing negotiations concerning the UK and Gibraltar’s future relationship with the EU, the end of the Transition Period will bring about important changes which Gibraltar, as a whole, will need to be ready for.

Purpose.

The purpose of this Notice is to explain what the effect of those changes are on the ability of persons and entities established in Gibraltar to continue to benefit from EU Structural Funds after 31 December 2020.

If there is no agreement with respect to the UK and Gibraltar’s future relationship with the EU by 31 December 2020.

Notwithstanding that the UK and Gibraltar left the EU on 31 January 2020, the UK-EU Withdrawal Agreement provided for the continued financing of all EU projects and programmes under the current 2014-2020 EU Multiannual Financial Framework (the “EU MFF”) as foreseen.

Gibraltar beneficiaries of EU projects and programmes, such as the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the European Territorial Cooperation Programmes (SUDOE and Med), were therefore able to continue to receive funding until their closure post-31 January 2020. HM



Government of Gibraltar can confirm that, subject to one final payment under the ESF, all outstanding payments to be made from the EU MFF with respect to Gibraltar projects and programmes have now been settled; all funding has been distributed to Gibraltar beneficiaries and therefore all EU projects and programmes in Gibraltar have now come to an end.

Since the rules governing the eligibility of persons or entities established in Gibraltar to participate in these EU projects and programmes was linked to UK membership of the EU and to Gibraltar's status in the EU, eligibility to participate in these EU projects and programmes in future will be lost.

To replace these EU projects and programmes, the UK Government has said that it will design a UK Shared Prosperity Fund (the "UKSPF"). HM Government of Gibraltar has discussed with the UK Government the possibility of extending eligibility to programmes under the UKSPF, or any other UK funds which would replace EU funds, to persons and entities established in Gibraltar. This is something which the Gibraltar Government is pursuing and further details will be provided in due course.

If there is an agreement with respect to the UK and Gibraltar's future relationship with the EU by 31 December 2020.

Negotiations with respect to the UK and Gibraltar's future relationship with the EU are ongoing. Should an agreement be reached, it is possible that this agreement may include provisions with respect to continued participation in certain EU projects and programmes.

HM Government of Gibraltar remains hopeful that such an agreement can be reached and the Government is working towards ensuring that any such arrangements are extended to Gibraltar.



Further information

This Notice is meant for guidance only.

Further information can be sought from brexit@gibraltar.gov.gi.