



Llywodraeth Cymru
Welsh Government

Welsh Government

Dear Project Sponsor

Welsh Government Rural Communities – Rural Development Programme 2014-2020 (WGRC-RDP14-20) - Funding Agreements – Article 50 Negotiations

As you know the United Kingdom (UK) Government has confirmed that the formal process for negotiating the terms of the UK's exit from the European Union (EU) has commenced. This action has been taken following the referendum vote of 23 June 2016, when the UK voted to leave the EU and has been done in accordance with Article 50 of the Treaty on European Union, which outlines the mechanism by which a Member State may withdraw from the EU.

Prior to the above, the UK Government informed the Devolved Administrations and other stakeholders that administer/ implement European funding:

- That there will be a lifetime guarantee of funding for all approved operations at the point of the UK's exit from the EU – thereby providing assurance to all beneficiaries that they can continue to contribute to delivery of the 2014-20 Programmes as planned.
- Of its intention to introduce the Great Repeal Bill, whereby the body of existing EU law will be transposed into domestic law and/ or some elements will be addressed via the withdrawal agreement – thereby providing clarity, legal certainty and consistency to all during the negotiating period and potentially beyond.

The HM Treasury letter confirming this guarantee can be found at:

<http://www.assembly.wales/deposited%20papers/dp-1601-16-21.pdf/dp-1601-16-21.pdf>

The First Minister's statement on this letter can be found at:

<http://gov.wales/newsroom/firstminister/2016/58646153/?skip=1&lang=en>

The Welsh Government has identified the need to manage any transition period in a phased/ structured manner. This will involve consideration of any impact upon the terms and conditions of WGRC-RDP 14-20 funding approval

letter and terms and conditions of grant (hereinafter the 'funding approval') issued the under the authority of the Welsh Ministers, to beneficiaries, particularly in respect of their continued applicability.

We will seek to ensure minimal changes to the wording of the terms and conditions contained within funding approvals, so enabling operations to continue to deliver and providing beneficiaries (project sponsors) with the reassurance that all conditions they have accepted will remain in situ until the UK's exit from the EU.

At some point in the future, and at the appropriate time, we may need to amend all funding approvals in order to capture any transposition of EU Regulations into domestic law and therefore ensure continued/ seamless provision of approved operation activity/ results. For the WGRC-RDP 14-20 we have the right to implement such amendments as set out in clause 28 of the funding approval.

Please be assured that all conditions you have accepted within the funding approval, issued by us in respect of your WGRC-RDP 14-20 funded operation, remain and continue in full force and effect.

We will inform you of any necessary amendments to the funding approval by notice in writing. Such notices will need to be signed in the same manner as the original funding agreement in respect of the operation in accordance with conditions 3, 4 and 31 of the funding approval.

If you should have any queries concerning this letter and/ or your funding approval, please do not hesitate to contact your assigned Project Development Officer who will be able to assist.

Yours sincerely,

Charlotte Cosserat/Neil Howard
Head of Scheme Management Unit

