



Baroness Neville-Rolfe DBE CMG
Minister of State
Cabinet Office 70 Whitehall London
SW1A 2AS

The Lord Jay of Ewelme GCMG
Chair, European Affairs Sub-Committee on The Windsor Framework
House of Lords
London
SW1A 0PW

15 December 2023

Dear Michael,

PUBLIC PROCUREMENT IMPLICATIONS OF UK WITHDRAWAL FROM EU

Thank you for your letter of 30 November 2023 asking for a summary and explanation of the public procurement implications of the UK withdrawal from the EU for Northern Ireland businesses, including the extent to which they can or cannot apply for participation in public projects on the island of Ireland and in the wider EU Member States.

An implication of the UK withdrawal from the EU for Northern Ireland businesses is that the UK Government becomes free to undertake significant procurement reform. The new Procurement Act 2023 will introduce a quicker, simpler and more transparent procurement regime, boosting economic growth and making it easier for Small and Medium Enterprises in Northern Ireland to bid for public contracts. This means Northern Ireland businesses can continue to benefit from consistency of procurement rules when they are tendering for public contracts awarded by UK contracting authorities whose procurements are covered by the Act. This reduces the costs of bidding for our businesses.

The UK withdrawal from the EU also changed the basis of our public procurement relationship with the EU from the single market governed by EU law to a free trade arrangement. UK membership of the WTO Agreement on Government Procurement (GPA) provides Northern Ireland businesses with certainty that they will be able to continue to bid for global public sector contracts worth £1.3 trillion each year. This includes access to the EU's public procurement market. The UK-EU Trade and Cooperation Agreement (TCA) builds on the market access provided by the GPA by going further with additional business opportunities in the gas and heat utilities sector and where private utilities act as a monopoly. It also provides additional market access for a range of hospitality services, real estate, telecommunications and education services.

As part of the TCA, the UK has become a country formally associated with the Horizon Europe programme, and participates in the Copernicus programme. The UK Government is also, of course, committed to the PEACE PLUS programme along with the Northern Ireland Executive, the Government of Ireland and the EU. This has a valuable impact in funding activities that promote peace and prosperity in Northern Ireland and the Border Region of Ireland.

Where we participate in these programmes, the process of applying for and receiving grant funding remains similar to that which Northern Ireland businesses experienced in the previous programmes. Northern Ireland businesses interested in bidding for funding can check the EU website or contact National Contact Points for call details. We would expect any contract opportunity for EU programmes to be advertised in the EU's Tender Electronic Daily. Adverts can also be published on the UK's Find a Tender portal.

By way of an example of a contract placed as part of an EU programme in which the UK participates, individual projects could apply and if successful, be awarded a grant towards total project costs. If contracting for the project was being managed by a UK contracting authority, it would ask suppliers to request to participate on the UK's Find a Tender or the EU's Tender Electronic Daily portals or indeed both. In any case we would expect contract awards associated with an EU programme involving UK funding to be advertised in such a way as to allow Northern Ireland businesses to bid.

Please let me know if you have any further questions.

Warm regards

Lucy Neville-Rolfe

Baroness Neville-Rolfe DBE CMG
Minister of State, Cabinet Office