

Beat: Politics

## “no-deal“<sup>[?]</sup> contingency measures

### European Commission Brexit Preparedness

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#### USPA NEWS - European Commission

Brexit Preparedness: European Commission adopts final set of “no-deal“<sup>[?]</sup> contingency measures for Erasmus+ students, social security coordination rules and the EU budget

Given the increasing risk that the United Kingdom may leave the EU on 30 March this year without a deal (a “no-deal“<sup>[?]</sup> scenario), the European Commission has today adopted a final set of contingency proposals in the area of the Erasmus+ programme, social security coordination and the EU budget.

This follows the calls by the European Council (Article 50) in November and December 2018 to intensify preparedness work at all levels, and the adoption on 19 December 2018 of the Commission's Contingency Action Plan, including several legislative measures, and last week's contingency proposals for EU fisheries. They are in addition to the extensive preparedness work that the Commission has been engaged in since December 2017, as set out in previous preparedness Communications.

Today's measures would ensure that in the event of a “no-deal“<sup>[?]</sup> scenario:

- Young people from the EU and the UK who are participating in the Erasmus+ programme on 30 March 2019 can complete their stay without interruption;
- EU Member State authorities will continue to take into account periods of insurance, (self) employment or residence in the United Kingdom before withdrawal, when calculating social security benefits, such as pensions;

UK beneficiaries of EU funding would continue to receive payments under their current contracts, provided that the United Kingdom continues to honour its financial obligations under the EU budget. This issue is separate from the financial settlement between the European Union and the United Kingdom.

It is important to note that these measures will not ““ and cannot ““ mitigate the overall impact of a "no-deal" scenario, nor do they in any way compensate for the lack of preparedness or replicate the full benefits of EU membership or the favourable terms of any transition period, as provided for in the Withdrawal Agreement.

Today's proposals are temporary in nature, limited in scope and will be adopted unilaterally by the EU. They take into account discussions with Member States. The Commission will continue to support Member States in their preparedness work and has intensified its efforts, for example by organising visits to all EU27 capitals.

#### Protecting the rights of Erasmus+ participants

Erasmus+ is one of the EU's flagship programmes. On 30 March, there will be 14,000 young people from the EU27 (including students, trainees in higher education and vocational education and training, youth learners, and educational staff) in the United Kingdom thanks to the Erasmus+ programme and 7,000 such UK participants in the EU27. In a “no-deal“<sup>[?]</sup> scenario, they would not be able to complete their Erasmus+ term and may no longer be eligible for grants. Today's proposal aims to remedy this by ensuring that in such a scenario, students and trainees abroad participating in Erasmus+ at the time of the UK's withdrawal can complete their studies and continue to receive the relevant funding or grants.

#### Protecting citizens' social security rights

The Commission has consistently made clear that the rights of EU citizens in the United Kingdom and UK nationals in the EU are our priority. They should not pay the price for Brexit. Today's proposal aims to ensure that in a “no-deal“<sup>[?]</sup> scenario, the entitlements of those people who exercised their right to free movement before the UK's withdrawal are safeguarded. These entitlements include periods of insurance, (self) employment or residence in the United Kingdom before withdrawal. For example, this means that if an

EU27 citizen worked for 10 years in the United Kingdom before Brexit, this period should be taken into account when his/her pension rights are calculated by the competent authorities in the EU Member State where he/she retires.

The proposed Regulation ensures that Member States continue applying the core principles of EU social security coordination, namely the principles of equality of treatment, assimilation and aggregation. Today's proposal by no means replicates the significant advantages of the Withdrawal Agreement, as agreed in 14 November. It does not cover rights accumulated after 29 March 2019, nor does it cover the exportability of cash benefits, the continuous provision of sickness benefits in kind and the rules on applicable legislation.

#### Protecting the beneficiaries of the EU budget

As highlighted on many occasions, all commitments taken by the 28 Member States should be honoured by the 28 Member States. This is also true in a "no-deal" scenario, where the UK would be expected to continue to honour all commitments made during EU membership.

Today's proposal enables the EU to be in a position, in a "no-deal" scenario, to honour its commitments and to continue making payments in 2019 to UK beneficiaries for contracts signed and decisions made before 30 March 2019, on condition that the UK honours its obligations under the 2019 budget and that it accepts the necessary audit checks and controls. This would help mitigate the significant impact of a "no-deal" scenario for a wide range of areas that receive EU funding, such as research, innovation or agriculture.

This issue is separate from and without prejudice to the financial settlement between the EU and the United Kingdom in a no-deal scenario.

#### Next steps

The European Commission will work closely with the European Parliament and the Council to ensure the adoption of the proposed legislative acts so that they are in force by 30 March 2019. The Commission also highlights to the European Parliament and the Council that it is important for delegated acts to enter into force as rapidly as possible.

#### Background

On 14 November 2018, the negotiators of the Commission and the United Kingdom agreed on the terms of the Withdrawal Agreement. On 22 November 2018, the Commission approved the completed Withdrawal Agreement. On 25 November 2018, the European Council (Article 50) endorsed the Withdrawal Agreement and invited the Commission, the European Parliament and the Council to take the necessary steps to ensure that the agreement can enter into force on 30 March 2019 to provide for an orderly withdrawal. The ratification of the Withdrawal Agreement in the United Kingdom is currently uncertain.

On 5 December 2018, the Commission adopted two proposals for Council decisions on the signature and conclusion of the Withdrawal Agreement. For the Withdrawal Agreement to enter into force the Council must now authorise the signature of the text on behalf of the Union and the European Parliament must then give its consent before being concluded by the Council. The Withdrawal Agreement will have to be ratified by the United Kingdom, in accordance with its own constitutional requirements.

The ratification of the Withdrawal Agreement continues to be the objective and priority of the Commission. As emphasised in the Commission's first Brexit preparedness Communication of 19 July 2018, irrespective of the scenario envisaged, the United Kingdom's choice to leave the European Union will cause significant disruption.

Stakeholders, as well as national and EU authorities, therefore need to prepare for two possible main scenarios:

If the Withdrawal Agreement is ratified before 30 March 2019, EU law will cease to apply to and in the UK on 1 January 2021, i.e. after a transition period of 21 months. The Withdrawal Agreement includes the possibility for a single extension of the transition period for up to one or two years.

If the Withdrawal Agreement is not ratified before 30 March 2019, there will be no transition period and EU law will cease to apply to and in the UK as of 30 March 2019. This is referred to as the "no deal" or "cliff-edge" scenario.

Over the past year, the Commission has published 88 sector-specific preparedness notices to inform the public about the consequences of the UK's withdrawal in the absence of any Withdrawal Agreement. They are available in all official EU languages.

With today's proposals, the Commission has now made 18 legislative proposals in the context of its Brexit preparedness and contingency work. The Commission has also held technical discussions with the EU27 Member States both on general issues of preparedness and on specific sectorial, legal and administrative preparedness steps. The slides used in these technical seminars are available online. The Commission has also begun visiting the 27 EU Member States to make sure national contingency planning is on track and provide any necessary clarifications on the preparedness process.

**Article online:**

<https://www.uspa24.com/bericht-14919/no-deal-contingency-measures.html>

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