



## **Brexit: Questions and Answers**

The list of questions and answers below were posed by our project community during the Brexit process. They mainly relate to the implications for project partnerships including UK lead beneficiaries and/or UK project partners.

**Q1:** Is there a possibility for a current UK lead beneficiary to continue managing the overall day to day delivery of the project on behalf of the new lead beneficiary? This means that the new lead beneficiary will not have so much administrative, financial and technical activity (and steep learning curve) to take on although of course they will have the legal responsibilities of a Lead Beneficiary. The UK guarantee would then have to cover the continuing project management of a UK led project as well as the UK beneficiary's activities in delivering the core objectives.

**A1:** According to article 13 2.b (EC regulation 1299/2013), the lead beneficiary is responsible for implementing the entire operation and is the organisation receiving funding from the programme. Project coordination and project management are, however, very often shared within partnerships; therefore, it is not only the lead beneficiary that carries out the coordination and management tasks for a project.

On the other hand, we do not have any detailed information on precisely what the UK guarantee is going to cover and what their interpretation of article 13 is. Your partnership also needs to discuss whether the new lead beneficiary and the partnership would accept such an allocation of tasks. The lead beneficiary will submit progress reports on behalf of the project and will receive ERDF/Norwegian funding from the programme.

Our conclusion is that we will not interfere with your proposed setup, provided that you comply with Article 13 of the ETC regulation (the regulation is quite flexible) and that the UK Ministry of Housing, Communities and Local Government (the MHCLG) agrees that the activities you intend to undertake will be covered by the UK guarantee.

*Answer provided 17 September 2019*

**Q2:** It would be really helpful if the Secretariat could offer a process for UK lead beneficiaries to follow to ensure that we are all taking the same steps in considering the options available to the projects for which we are lead beneficiaries. Some of our partners will be involved in more than one UK-led project and it would help to avoid further confusion. If the Joint Secretariat are minded to arrange a UK lead partner workshop, then we would be able to host it.

**A2:** A UK lead beneficiary workshop is a good idea. It is, however, important that we coordinate this with the MHCLG and the UK contact point, so we will get back to on this as soon as we know more. *Answer provided 17 September 2019*



**Q3:** If UK leaves on 31 October without a deal, does the UK guarantee take effect from 31 October? If so, would Interreg still accept UK costs up to 31 October, or would any unclaimed costs be expected to fall under the UK government guarantee?

**A3:** It is not clear at this stage exactly when and how the cut-off date will work. Our point of departure is that any claims received before 31 October will be processed and paid, and we expect that this will cover all activities carried out and paid by a UK beneficiary until that date, but this is a bit less certain. So far there is no guidance from the Commission on this, so we will need to find our own way on this one. *Answer provided 17 September 2019*

**Q4:** If a no deal Brexit happens 31 October 2019, will Interreg pay a valid claim to the lead beneficiary for a period ending before 31 October under any circumstances or would the claim have to be either submitted agreed or paid before that date to enable that to be done? If not, then unless we find a new non-UK lead to take over, then none of the partners are getting any payment from the recent period?

**A4:** For the first part of the question, see answer #3. For the second part: We have to follow article 13 (regulation 1299/2013), which requires that ERDF payments go via a lead beneficiary in a member state or an eligible third country, e.g. Norway. *Answer provided 17 September 2019*

**Q5:** What form of communication will be issued by the Joint Secretariat (?) to outline that UK lead beneficiaries will no longer be able to receive funding?

**A5:** We will follow the information provided by the relevant institutions. We will try to be as transparent as possible about the steps we are taking. Some of the procedures may, however, change as the situation develops. *Answer provided 17 September 2019*

**Q6:** Would a new subsidy contract be required for all other partners? Would the changes (e.g. reduction in budget and lead partner) require approval by the Steering Committee or the Monitoring Committee?

**A6:** Contracts are updated automatically after a major change and a signature of the new lead beneficiary will be required. The Programme Steering Committee decides on these changes. *Answer provided 17 September 2019*

**Q7:** Can my organisation continue to be part of a project if there is no likelihood of an EU-UK agreement?

**A7:** It is important to emphasise that the purpose of the current exercise is to *prepare* for a no-deal Brexit. As we have seen a few times before when it comes to Brexit, the future is very difficult to predict and there are no indications that this may change anytime soon. The best we can do at this point is to make plans for what we intend to do if/when a no-deal Brexit kicks in. At the same time,



we need to be ready to continue on the current path if there is an extension or Brexit with a deal. *Answer provided 30 September 2019*

**Q8:** Will the whole project have to be put on hold until the revised subsidy agreement has been agreed and signed?

**A8:** As we see it, there is no point in putting anything on hold. In case of Brexit with a deal, it will be business as usual for the remainder of the project period and in case of a no-deal Brexit, project activities will be covered by the UK government guarantee. In either event, all project-related activities will continue to be eligible regardless of the paperwork. *Answer provided 30 September 2019*

**Q9:** Will it only be the UK lead partner who will have to "stand down" and not work on the project during the transition period?

**A9:** In case of a no-deal Brexit, UK lead partners will need to change their role in the projects and become project partners. This, however, does not mean that all their activities should stop. Only tasks in relation to their role as lead partner will need to be transferred to another partner whilst all other tasks can continue as before. *Answer provided 30 September 2019*

**Q10:** In case of a no-deal scenario and assuming that my organisation will continue in the project not as a lead partner but as a project partner I expect that a budget change will prove necessary, especially in respect to the "shared costs"?

**A10:** When tasks change, the budget changes with them. Shared-costs are notoriously difficult to deal with and our advice is that you need to consult with your project advisor on a case-by case basis. *Answer provided 30 September 2019*