

EU H2020 funding after Brexit

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H2020UK National Contact Points



Innovate UK

EU H2020 funding after Brexit– 24th April, Edinburgh 2019

National Contact Points are an Innovate UK resource to assist UK Business to engage with EU Research & Innovation Funding opportunities

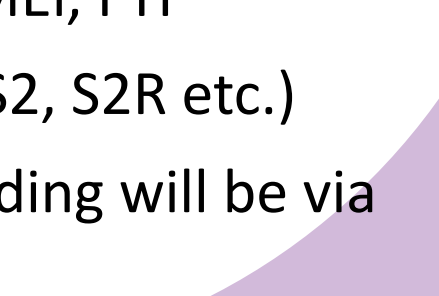
Withdrawal Agreement: Horizon 2020?

“Following withdrawal from the Union, the UK will continue to participate in the Union programmes financed by the MFF 2014-2020 until their closure.”

- **UK-based individuals and organisations would remain eligible to bid for funding, participate in and lead consortia** including for calls in 2019 and 2020 on the same basis as now
- If an agreement is reached, projects approved during this period will be able to continue with an uninterrupted flow of EU funding
- But, **‘nothing is agreed until everything is agreed’**



UK Eligibility to participate in H2020 post Brexit (no deal)

- Free to participate as a third country across most of H2020
 - Can continue to coordinate projects and distribute EU funds
 - Not automatically eligible for funding
 - Unless essential for action
 - Or provision made in workprogramme/call
 - Article-9 of GA – ‘Implementation of action tasks by beneficiaries not receiving EU funding’ will be introduced
 - Some obligations under GA don’t apply
 - UK not eligible for some actions – ERC, MSCA, SMEi, FTI
 - Potential issues with some joint undertakings (CS2, S2R etc.)
 - For most ongoing projects and new projects, funding will be via the UK Government underwrite guarantee
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What happens at exit – ‘EU side’?

(in-flight projects)



- **In theory, TBC...**
- Amendment to project grant agreement
 - Triggered by Commission
 - Introduce article-9 (implementation of action tasks by beneficiaries not receiving EU funding)
 - Amend maximum project grant amount
- Interim/break report (technical & financial) to end of ~~March, April~~, October...
- Agree financial balance – payment or recovery from UK participant
- UK partner still a signatory to the GA and bound by most obligations
- Project internal consortium agreement may require changes (payments, redistribution of budget...)
- UK coordinators will still receive funding for other EU consortium members



What happens at exit – ‘EU side’?

(in-flight projects)



Potential Impacts/issues

- Some projects won't now meet eligibility conditions (i.e. not MS/AC or not minimum number of EU partners)
- Financial balance not likely to be agreed until months after exit
- Any payments from EU are not made until next scheduled periodic report, but
- Any pre-financing may be recovered within 30 days (of agreed break report)
- 5% participant guarantee fund not returned until end of project
- Extra work for project partners & coordinators (submission of amendment, agreement of work done...)
- UK partners may still have financial reporting for non-UK linked third parties
- UK linked third parties also not eligible for funding.



Underwrite Guarantee

HMT Underwrite Guarantee Statement 13 August 2016

- **Guarantees EU Funding for UK researchers beyond the date the UK leaves the EU:** *"where UK organisations bid directly to the European Commission on a competitive basis for EU funding projects while we are still a member of the EU, for example universities participating in Horizon 2020, the Treasury will underwrite the payments of such awards, even when specific projects continue beyond the UK's departure from the EU"*

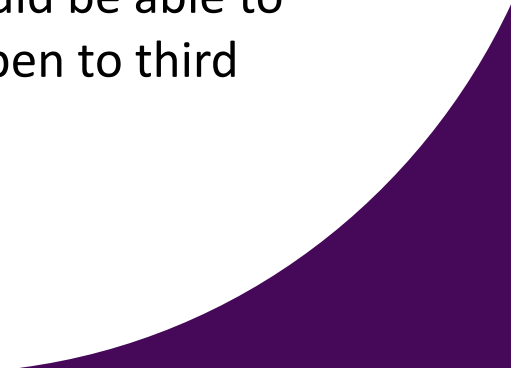
- The **UK Government has committed to underwrite Horizon 2020 funding for all successful UK bids submitted before exit**, even if they are notified of their success after exit, for the lifetime of the projects
- This will **support UK participants to continue to take part in Horizon 2020 projects in no deal scenario**, subject to continued eligibility. The Government is seeking discussions with the European Commission on this issue



Post EU Exit Guarantee Extension

Post EU Exit Guarantee Extension 24 July 2018

- Through the extension to the guarantee, the government has committed to fund UK participants' funding in all Horizon 2020 calls open to third country participants from the date of exit. The guarantee would cover the lifetime of their projects, even if they last beyond 2020.
- In a no deal scenario, UK researchers and businesses would be able to apply to and participate in all those Horizon 2020 calls open to third country participants from the date of exit



Ongoing Eligibility – no-deal scenario

- Ongoing projects
 - Funded by EU to end ~~March~~, April, October, UK underwrite thereafter.
 - Participation as a third country,
- Pre-exit applications, successful after exit
 - Eligibility unchanged at point of application,
 - Participation as third country with UK underwrite.
- Post-exit applications
 - As above, funding via UK extended underwrite
 - But, UK not eligible for some actions (ERC, some MSCA, SMEi, FTI), but other measures are being considered for these
- Specific issue
 - UK linked third parties not eligible for funding, but likely to be covered by underwrite (TBC).

Above assumes no 'accommodations' agreed with EU.



What happens at exit – ‘UK side’?

(in-flight projects)



- **In broad terms...**
- UK participants register their grants with UKRI (ongoing)
- Entity sets-up underwrite arrangements with UKRI
 - Submit proof of EU grant agreement
 - Submit proof of outstanding grant balance (break report)
 - Agree offer (GB£), monitoring arrangements and T&Cs
 - Assigned a UK monitoring officer
- Similar process for any new projects post-exit.

- Official guidance being prepared
 - The underwrite process
 - Participating as a third country

N.B. ALL TO BE FINALISED!



Timescales

- ??????????????????
- Some decisions on aspects of the underwrite implementation won't be made until late April
- There can't be any official discussions with the EU side until after exit – and lots of unknowns around how they will manage the change
- However – there isn't necessarily a 'day one' cliff edge!
 - Break reports and amendments will take some months
 - Any cashflow considerations will be to do with return of prefinancing, transition to UK underwrite, timing of EU reporting cycles
 - But, for projects that become ineligible at the point of exit – largely unknown how these will be treated.



Underwrite portal

- As part of the underwrite commitment, current UK recipients of Horizon 2020 funding are invited to provide data about their projects on a portal managed by UK Research and Innovation (UKRI). The portal is designed to ensure that UKRI has the information about projects and participants in order to underwrite guarantee payments if required.
- The website is for UK participants who are in receipt of Horizon 2020 funding. It is also for UK participants in a Euratom Research and Training project or an ongoing Framework Programme 7 project.
- Register your project on the portal at: <https://apply-for-innovation-funding.service.gov.uk/eu-grant/overview>



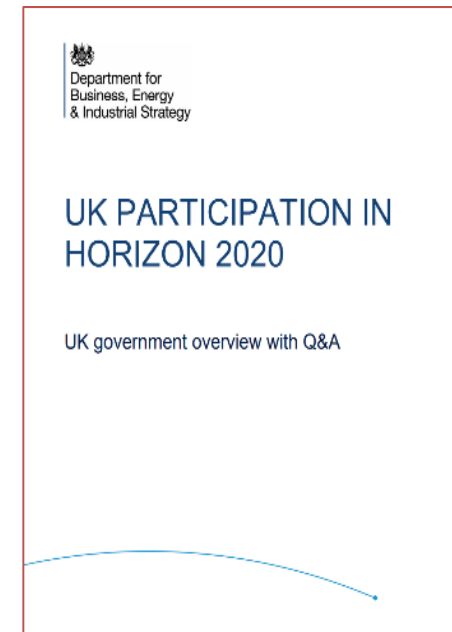
UK Government key messages and Q&A

- Government Horizon 2020 Q&A published in March 2018, updated in December 2018
<https://www.gov.uk/government/publications/uk-participation-in-horizon-2020-uk-government-overview>
- [Technical notice on Horizon 2020](#) (23 August 2018)
- Key messages:

Until the date when the UK leaves the EU, it remains a Member State, with all the rights and obligations that entails. This means that UK entities are eligible to participate in all aspects of the Horizon 2020 programme while we remain a member of the EU.

The Government's priority remains ensuring the draft Withdrawal Agreement is finalised. This would mean that UK Horizon 2020 participants and projects would be unaffected by EU exit.

The Government's Underwrite Guarantee and the Post EU Exit Guarantee Extension remain in place in the event that commitments made in the Joint Report are not met.



Contact

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and on the rules for participation:

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