



Department for  
Business, Energy  
& Industrial Strategy

## Horizon 2020 Underwrite Q&A

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The UK Government is committed to supporting research and innovation. The Horizon 2020 underwrite guarantee was announced on the 13<sup>th</sup> August 2016 and has been widely publicised, including in [this speech](#) made by Jo Johnson on 18<sup>th</sup> July 2017. The Q&A below sets out the parameters of what is covered by this guarantee.

### **What happens to Horizon 2020 proposals and projects involving UK participants when the UK leaves the EU?**

#### **What has the government guaranteed?**

Following HM Treasury's [statement](#) on 13<sup>th</sup> August 2016, the UK Government has made the following commitment:

*'UK businesses and universities should continue to bid for competitive EU funds while we remain a member of the EU and we will work with the Commission to ensure payment when funds are awarded. The Government will underwrite the payment of such awards, even when specific projects continue beyond the UK's departure from the EU.'*

#### **What happens to proposals where the grant agreement is signed only after the UK has left the EU?**

The Government's underwrite commitment guarantees awards where the application is submitted before exit and is subsequently approved after exit. This includes proposals which are informed of their success but, at the point of exit, have not signed a grant agreement, and proposals which have been submitted before exit and that are only informed of their success following exit. We will work with the Commission to ensure payment when funds are awarded.

#### **Does this include projects with a two-stage application process?**

Yes. The Government's underwrite commitment covers awards for proposals submitted through a two-stage application process, provided that the proposal for the first stage of the application is submitted before the UK leaves the EU and that the application is subsequently approved.

#### **Does this include funding applied for through non-standard application processes?**

Yes. The UK Government understands that not all Horizon 2020 projects are applied for and funded in the same way. The Government's underwrite will therefore cover those schemes not directly administered by the Commission but that award Horizon 2020 funding. UK Horizon 2020 participants should continue to apply for competitive EU funds while we remain a member of the EU, including

those awarded through non-standard application processes. We will work with the Commission and other partners to ensure payment when funds are awarded.

### **What has the European Commission said about UK participants?**

Commissioner Moedas reinforced in a [speech](#) that "for as long as the UK is a member of the European Union, EU law continues to apply and the UK retains all rights and obligations of a Member State. This of course includes the full eligibility for funding under Horizon 2020."

In the same speech, Commissioner Moedas reasserted that "Horizon 2020 projects will continue to be evaluated based on merit and not on nationality. So I urge the European scientific community to continue to choose their project partners on the basis of excellence."

The European Commission [guidance for evaluators](#) of Horizon 2020 proposals clearly outlines:

*Until the UK leaves the EU, EU law continues to apply to and within the UK, both when it comes to rights and obligations. This includes the eligibility of UK legal entities to participate and receive funding in Horizon 2020 actions. Experts should not evaluate proposals with UK participants any differently than before.*

The European Commission published a notice on the Horizon 2020 Participant Portal on 6th October 2017 stating the following:

*For British applicants: Please note that until the UK leaves the EU, EU law continues to apply to and within the UK, when it comes to rights and obligations; this includes the eligibility of UK legal entities to fully participate and receive funding in Horizon 2020 actions. Please be aware however that the eligibility criteria must be complied with for the entire duration of the grant. If the United Kingdom withdraws from the EU during the grant period without concluding an agreement with the EU ensuring in particular that British applicants continue to be eligible, you will cease to be eligible to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of Article 50 of the grant agreement.*

### **Under what circumstances would UK participants be required to leave a project?**

UK applicants still have the same rights and obligations as all other EU member states until the UK leaves the EU. The Commission statement simply refers to the existing terms and conditions of the EU research and innovation framework programme agreements. Termination of projects is not automatic or obligatory.

Article 50.3 of the Model Grant Agreement, which pre-dates the UK's decision to leave the EU, contains a number of possible circumstances under which the Commission would have grounds to directly terminate a project or the participation of a beneficiary. These include the beneficiary being declared bankrupt, the research no longer being relevant and other circumstances which call into question the decision to award the grant.

Even if UK partners cannot continue to receive funding from the European Commission because the UK has become a third country, the UK Government has guaranteed funding for successful bids submitted by UK participants before departure, including those that are successful afterwards. Third country participation is routine in Horizon 2020.

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The UK would like to have a full and open discussion with the EU about the shape of a future science and innovation agreement, including options for participation in Framework Programmes, as part of the negotiations on our future partnership.

If you have further questions regarding UK participation in Horizon 2020, please contact the relevant UK [National Contact Point](#) (NCP).