



Department for
Business, Energy
& Industrial Strategy

UK PARTICIPATION IN THE RESEARCH FUND FOR COAL AND STEEL

Questions and answers

March 2019



OGL

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Contents

| | |
|----------------------------------|----|
| Summary | 4 |
| Withdrawal Agreement | 5 |
| Underwrite Guarantee | 7 |
| Post EU Exit Guarantee Extension | 11 |
| International collaboration | 13 |

Summary

The UK government is committed to ensuring that UK and EU researchers, universities and businesses will be able to continue to collaborate after EU exit.

The government's priority remains ensuring the [Withdrawal Agreement](#) is ratified. This would ensure that UK entities' right to participate in the Research Fund for Coal and Steel (RFCS) would be unaffected by the UK's withdrawal from the EU for the lifetime of projects financed by the current Multiannual Financial Framework (MFF).

However, as a responsible government, we are planning for every eventuality to ensure cross-border collaboration in science and innovation can continue after EU Exit.

This Q&A sets out how the UK government will seek to ensure collaboration continues through a variety of measures, the following of which are detailed below:

- Ratifying the **Withdrawal Agreement**;
- The **Underwrite Guarantee** and the **Post EU Exit Guarantee Extension**, should this be required.

Definitions in this document

Implementation Period

The **Withdrawal Agreement** covers the terms of the UK's withdrawal from the EU. This includes the UK's involvement in activities under the EU's multiannual financial framework (2014-2020) and the UK's involvement in EU Programmes (like RFCS) until the end of 2020

Post Implementation Period

Beyond 2020, the UK is looking for a far-reaching relationship on **science and innovation** with the EU.

Withdrawal Agreement

What's the Withdrawal Agreement?

The Withdrawal Agreement sets out the terms of the UK's smooth and orderly exit from the EU. It reflects agreement between the UK and EU negotiating teams on the full legal text.

How will the Withdrawal Agreement be implemented?

The UK government has published a white paper titled '[Legislating for the Withdrawal Agreement between the United Kingdom and the European Union](#)', which sets out the government's plans for legislating for the Withdrawal Agreement. This will include the implementation period.

Regarding participation in the EU budget, the white paper notes:

*“Under the financial settlement, the UK will contribute to the EU's budget in 2019 and 2020, which covers the implementation period following the UK's withdrawal. The UK will also benefit from the implementation of the budget as if it had remained a Member State over this period. **This means that the UK will continue to draw advantages from the normal management of projects and programmes funded through the current Multiannual Financial Framework until their closure, whether they are managed by the UK government (such as the European Regional Development Fund) or directly allocated to beneficiaries from EU institutions (such as Horizon 2020).**”*

What does the Withdrawal Agreement say about RFCS?

The Withdrawal Agreement and Political Declaration on the future relationship between the UK and EU were endorsed by leaders at a special meeting of the European Council on 25 November 2018. This includes the following Articles concerning participation in Union programmes such as RFCS.

Article 127 (6) states:

“Unless otherwise provided in this Agreement, during the transition period, any reference to Member States in the Union law applicable pursuant to paragraph 1, including as implemented and applied by Member States, shall be understood as including the United Kingdom.

Article 135 (1) states:

“For the years 2019 and 2020, in accordance with Part Four, the UK shall contribute to and participate in the implementation of the Union Budgets.”

Article 137 (1) states:

“...the Union programmes and activities committed under the MFF 2014-2020 or previous financial perspectives shall be implemented in 2019 and 2020 with regard to the United Kingdom on the basis of the applicable Union law.”

Article 138(1) states:

“In respect of the implementation of the Union programmes and activities committed under the MFF 2014-2020 or previous financial perspectives, applicable Union law, including the rules on financial corrections and on clearance of accounts, shall continue to apply to United Kingdom after 31 December 2020 until the closure of those Union programmes and activities.”

Article 145 states:

“The Union shall be liable to the United Kingdom for its share of the net assets of the European Coal and Steel Community in liquidation on 31 December 2020.

“The Union shall reimburse the United Kingdom for the relevant amount in five equal annual instalments on 30 June of each year, starting on 30 June 2021.”

RFCS is a programme committed under the MFF 2014-2020. The intention is that, when ratified, the Withdrawal Agreement would allow for continued UK participation in RFCS.

Will UK beneficiaries in existing projects continue to receive EU funding?

The Withdrawal Agreement envisages that existing projects will continue to receive an uninterrupted flow of EU funding for the lifetime of the project.

Will UK participants continue to be able to bid for RFCS funding after the UK's withdrawal from the EU?

The Withdrawal Agreement envisages that UK participants will be eligible to bid for programme funding until the end of 2020, including after the UK's withdrawal from the EU.

Will UK participants be eligible to participate in and coordinate RFCS consortia?

The Withdrawal Agreement envisages full UK participation in programmes, such as RFCS, for the lifetime of projects, which includes participating in and coordinating consortia.

Underwrite Guarantee

The government's priority remains ensuring the Withdrawal Agreement is ratified. This would mean that UK RFCS participants and projects would be unaffected by EU Exit.

However, as a responsible government, we are planning for every eventuality. The two major components of our planning in a scenario where the Withdrawal Agreement is not ratified (a 'no deal' scenario) are the **underwrite guarantee** and the **post EU Exit extension to the guarantee**. These mechanisms would ensure cross-border collaboration in science and innovation could continue after EU Exit in this unlikely scenario.

What is the underwrite guarantee?

In August 2016, the [UK government announced](#) that it would underwrite all competitively bid for EU funded projects submitted while we are still a member of the EU.

What is covered by the underwrite guarantee?

Under what circumstances would it be necessary to administer the underwrite guarantee?

The UK expects that the underwrite guarantee will not be needed, as we intend to successfully conclude the Withdrawal Agreement. However, in the unlikely event the Withdrawal Agreement is not ratified, the government has committed to underwrite RFCS 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.

Who will be eligible to receive the underwrite guarantee?

UK participants that receive RFCS funding from the European Commission or have submitted a bid before EU Exit and are notified of their success after exit will be covered by the underwrite guarantee, for the lifetime of the projects.

This would support UK participants to continue to take part in RFCS projects in a no deal scenario, subject to the UK entity being eligible to continue to participate in the project. The government is seeking discussions with the European Commission on this issue.

Will the underwrite guarantee cover funding for organisations from other countries who are in consortia with UK participants?

The guarantee only covers funding for UK participants. We are aware of some cases where UK participants lead a consortium and are responsible for distributing funding to the other participants; the government is seeking to discuss how this can best be addressed in a no-deal scenario with the European Commission.

Does the guarantee cover proposals where the grant agreement is signed after the UK has left the EU?

In a no deal scenario, the government has committed to ensuring all successful UK proposals submitted before EU Exit are funded. This includes projects that are only informed of their success or sign a grant agreement after the UK's withdrawal from the EU.

The government is seeking discussions with the European Commission on the details of the UK's participation in projects.

Does the underwrite guarantee cover all types of projects?

The guarantee covers any RFCS funding which was awarded to a UK participant after a successful competitive bid submitted before EU exit.

For all activities that include a match funding element, the underwrite guarantee would only apply to the EU portion of the award, any other match funding should still be provided by industry or other partners.

What has the European Commission said regarding UK participants in the case of no deal?

The European Commission have published the following disclaimer notice within the [RFCS Information Package 2018](#):

“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. This also applies to the Research Fund for Coal and Steel (RFCS). 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..”

In a no deal scenario, the government is seeking discussions with the European Commission on the details of the UK's continued participation in projects.

I am about to apply for a programme but might not get a response until after Exit. What should I do?

The provisions in the Withdrawal Agreement would mean that UK entities' right to participate in and bid for funding in current EU programmes, is ensured until the close of the programme or activities.

In a no deal scenario, the government has committed to ensuring all successful UK proposals submitted before EU Exit are funded. This includes projects that are only informed of their success or sign a grant agreement after the UK's withdrawal from the EU.

The government is seeking discussions with the European Commission on the details of the UK's participation in projects. This would need to include consideration of projects where the UK's change in status from Member State to third country could lead to concerns about ongoing compliance.

We are also considering what other measures may be necessary to support UK research in the unlikely event that the guarantee is required.

How will the underwrite guarantee work?

How will the underwrite guarantee work in practice?

Current UK recipients of RFCS funding are invited to register their details on a [dedicated portal on the GOV.UK website](#). UK Research and Innovation (UKRI)¹ will manage the information you provide and update you as the process develops.

The portal is designed to ensure that UKRI has initial information about projects and participants in order to keep you informed of the next steps regarding the implementation of underwrite payments.

Who should register?

I am a researcher in a university, should I register on the portal?

We appreciate that universities and other research institutions receive multiple grants from RFCS, often across different parts of the institution.

As an individual researcher, however, **you should not register on the portal**. To ensure that information is collected in a co-ordinated way we will be managing this at institutional level.

I am an employee in an organisation in receipt of a RFCS grant, should I register on the portal?

We appreciate that some businesses and organisations also receive multiple grants from RFCS. We would recommend that you nominate a single point of contact within your business/organisation to upload the information and manage the underwrite guarantee process. For many projects, the most appropriate person will be the Legally Entity Appointed Representative (LEAR) of each beneficiary/organisation.

I am in a European university/business in a consortium with a UK entity, should I register on the portal?

No, the portal is for UK organisations in receipt of RFCS funding. If you are currently partnering with a UK organisation, please direct them to the portal for them to register.

How do I register?

What are the types of data I will be asked for?

You will be asked for basic data about your organisation and your project(s). This is so UKRI has a record that you are in receipt of EU funds and can provide you with further guidance on how you can access funding via the underwrite guarantee for RFCS in a no deal scenario.

¹ [UK Research and Innovation](#) is a new body which works in partnership with universities, research organisations, businesses, charities, and government to create the best possible environment for research and innovation to flourish. We aim to maximise the contribution of each of our component parts, working individually and collectively. We work with our many partners to benefit everyone through knowledge, talent and ideas. Operating across the whole of the UK with a combined budget of more than £6 billion, UK Research and Innovation brings together the [seven Research Councils, Innovate UK and a new organisation, Research England](#).

Why do I have to provide my data?

Currently, RFCS contracts are between the European Commission and the beneficiary – this data is not held by the UK government or its partner organisations. In order to comply with the General Data Protection Rules, UKRI needs you to grant them permission to collect and then process your data for the purpose of administering the underwrite guarantee if required.

How will you use my data?

The data you provide to UKRI will be used to keep you updated with the process involved in delivering the underwrite guarantee. After uploading your data to the portal, UKRI will provide additional guidance about the next steps in the process in due course.

I receive funding from other EU sources, can I register at this portal?

This portal is for UK organisations in receipt of specific funding only.

If you receive funding from another programme, please refer to the technical notice of your programme or contact the relevant department.

What happens next?

How long will the portal be open for?

If you have a signed grant agreement with the European Commission, we recommend that you submit your details as soon as requested. This will help UKRI to keep you informed of the next steps in the process. The portal will remain open after EU Exit so that applicants who are informed of their success after exit can continue to register.

I have uploaded my data to the portal, what happens next?

UKRI are responsible for delivering the underwrite guarantee if required. They will be in touch with you in due course to set out the next stage of the process.

Post EU Exit Guarantee Extension

What is the Post EU Exit Guarantee Extension?

On 24 July 2018, the [UK government announced](#) that it would extend the guarantee to cover UK participants' funding in all RFCS calls open to third country participants from the date of exit until the end of 2020.

How is the extension to the guarantee different to the underwrite guarantee announced in August 2016?

In August 2016, the government committed to underwrite all successful UK RFCS bids submitted before EU Exit. This includes projects that are only informed of their success after EU Exit.

Through the extension to the guarantee, the government has committed to fund UK participants' funding in all RFCS 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.

The government is seeking discussions with the European Commission to agree the details of the UK's participation as a third country.

We are working with stakeholders to identify appropriate measures that could be put in place in the period immediately after EU Exit.

Can I still work with EU partners to submit bids? If yes, how would this work?

In a no deal scenario, the funding provided would support UK RFCS applicants to continue to collaborate with European partners and prepare quality bids to RFCS.

The [statement](#) laid in Parliament in July 2018 represents a commitment by the UK government to fund the UK portion of the bid in the case of a successful application to RFCS.

Funding would be provided for the lifetime of the project, even if this lasts beyond 2020.

On what basis will my bids be assessed? Will these be the same as before Exit?

The government understands that continuity in approach will be important for prospective participants. We are seeking discussions with the European Commission to agree the details of the UK's participation as a third country, and we will make more details available in due course.

We are working with stakeholders to identify appropriate measures that could be put in place in the period immediately after EU Exit.

What assurance can I provide to my European partners that my portion of the bid will be funded?

In a no deal scenario the funding provided would support UK RFCS applicants to continue to collaborate with European partners and prepare quality bids to RFCS.

The statement laid in Parliament represents a commitment by the government to fund the UK portion of the bid in the case of a successful application to RFCS.

Funding would be provided for the lifetime of the project, even if they last beyond 2020.

What aspects of the RFCS programme will I have access to?

Third country participation is established within RFCS's legal basis. Entities from third countries can participate in consortia².

The government is seeking discussions with the European Commission on the details of the UK's participation as a third country.

How will the extension to the guarantee be delivered?

Details on how the guarantee will be delivered for RFCS will be made available in due course.

² Council Decision 2008/376/EC of 29 April 2008, as amended by Council Decision 2017/955 of 29 May 2017, Article 13 (Third countries) *"Any undertaking, public body, research organisation or higher or secondary education establishment, or other legal entity, including natural persons, from third countries shall be entitled to participate on the basis of individual projects without receiving any financial contribution under the Research Programme, provided that such participation is in the Community's interest."*

International collaboration

What is the government doing to support international collaboration beyond Europe?

The government is working in partnership with UK Research and Innovation to develop a new International Research and Innovation Strategy. The Strategy will further set out our desire to build on the UK's long tradition of international collaborations in research and innovation across all fields and our openness to international talent.

What will the UK's relationship with the EU be on research and innovation post- EU exit?

The UK remains committed to ongoing collaboration in research and innovation and wants to work with the EU on a mutually beneficial outcome.

Going forward, the UK wants to build on the progress made in recent negotiations and continue to pursue a far-reaching relationship on science and innovation within the EU.

Will the government replace RFCS, to offer research opportunities for Coal and Steel, after the end of 2020?

Science and innovation have been made a priority by the UK government and is at the heart of the Industrial Strategy, in recognition of the strong economic benefits of public investment in science and innovation and its capacity to leverage private investment. The government will decide on its Science and Innovation expenditure in the next Spending Review.

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