



Horizon Europe Guarantee Guidance For Grants Administered via the Innovation Funding Service

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1. Introduction

1.1. Purpose of this Document

- 1.1.1. This document sets out the eligibility conditions attached to Horizon Europe Guarantee grants administered via the Innovation Funding Service (IFS) and sets out the processes for receiving funding from UKRI.

This document is divided into two sections denoted by the page header and footer. The first section contains guidance relevant to all Horizon Europe Guarantee grant holders, and the second guidance specific for awards administered via IFS.

- 1.1.2. In addition to the relevant terms and conditions the policies outlined within this guidance document form the expectations UKRI place on award holders and may be used in determining if awards have been appropriately managed and costs are eligible.
- 1.1.3. This document is regularly reviewed and updated with detailed guidance for Guarantee grant holders. Updates will be published on the UKRI website ([Apply for Horizon Europe guarantee funding](#)).
- 1.1.4. For other Horizon Europe Guarantee calls please see guidance document “UKRI Horizon Europe Guarantee Guidance: Grants Administered via the Joint Electronic Submission (Je-S) and The Funding Service (TFS)”.

1.2. Scope of the Horizon Europe Guarantee

- 1.2.1. On 29 November 2021, the government announced a new scheme that guarantees funding for successful applicants to Horizon Europe calls regardless of the outcome of the UK's efforts to associate to Horizon Europe.
- 1.2.2. The Guarantee is in place to address the delay in the formalisation of the UK's association to Horizon Europe. To provide assurance, the UK government has guaranteed funding for all eligible, successful applicants to Horizon Europe calls covered within Horizon Europe 2021, 2022, and 2023 Work Programmes.
- 1.2.3. The Horizon Europe Guarantee is intended to support all UK-based Horizon Europe awardees (excluding British Overseas Territories) for excellent science, research and innovation who submitted to calls covered within Horizon Europe 2021, 2022, and 2023 work programmes who cannot sign a grant agreement with the European Commission or delegated party, because it is not covered by the UK's bespoke association deal, and therefore cannot receive funding.
- 1.2.4. Previous versions of this guidance included a list of eligible calls in the annex, but this has been replaced by a commitment to include the Horizon Europe calls covered within work programmes 2021, 2022, and 2023 (limited exceptions exist, for further information see [Horizon Europe Calls not Covered by The Guarantee](#) or contact EUGrantsFunding@ukri.org).
- 1.2.5. Successful UK-based Horizon Europe applicants (excluding British Overseas Territories) will be eligible to register with UKRI for the Horizon Europe Guarantee if they are either:
- a UK-based organisation and a member of a consortium which has received notification of a successful proposal evaluated under a Horizon Europe call

covered within 2021, 2022, and 2023 work programmes and which meets the required European Commission eligibility criteria to deliver the project;

- a UK-based organisation or researcher who has received notification of a successful proposal evaluated under a mono-beneficiary Horizon Europe call covered within 2021, 2022, and 2023 work programmes;
- a researcher who has received notification of a successful ERC proposal with a UK host institution for an ERC call covered within 2021, 2022, and 2023 work programmes;
- a researcher who has received notification of a successful ERC proposal for an ERC call covered within 2021, 2022, and 2023 work programmes with a non-UK host institution and wishes to move their grant to a UK host institution before having signed the Grant Agreement;
- a researcher who has received notification of a successful ERC proposal for an ERC call covered within 2021, 2022, and 2023 work programmes with a non-UK host institution and wishes to move their grant to a UK host institution after having signed the Grant Agreement where no project spend has been incurred;
- or a UK-based organisation which has carried out a project approved through usual EIT-KIC processes, and they have incurred eligible costs during the 2021, 2022, or 2023 calendar years

and:

1. they have applied to Horizon Europe as a beneficiary;
2. they are ineligible to receive funding from Horizon Europe because they were unable to sign the grant agreement as an applicant from an Associated Country due to the UK's association status not being formalised in time (as per guidance issued by the European Commission: 'Questions and Answers on the UK's Participation in Horizon Europe');
3. if the UK's association had been formalised to cover the 2021, 2022, and 2023 work programmes, they would have been able to sign the grant agreement as an applicant from an Associated Country and would have received funding from Horizon Europe or a delegated party.

1.2.6. Further general requirements for the Guarantee are set out in this guidance and Horizon Europe call specific requirements can be found in the relevant call guidance document

1.2.7. The UK remains a full member of the European Co-operation on Science and Technology (COST) Association and, subject to its usual rules, UK applicants are eligible to participate and receive funding in its interdisciplinary research networks (COST Actions) irrespective of the UK's association to Horizon Europe. As a result, UK participants in COST Actions are therefore not covered by this Guarantee.

1.2.8. For any queries about the scope of the Guarantee, please contact EUGrantsFunding@ukri.org.

1.3. Terms and Conditions of the Horizon Europe Guarantee

1.3.1. The applicable terms and conditions are dependent on the call ID of the Horizon Europe award applied for.

1.3.2. For Horizon Europe Guarantee grants hosted through Je-S and TFS the relevant terms and conditions are [the standard UKRI FEC terms and conditions](#) and any additional conditions that are added to the award.



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- 1.3.3. For the Horizon Europe Guarantee grants hosted on the Innovation Funding Service (IFS), the [Horizon Europe Guarantee full terms and conditions](#) are published alongside this document. Please note that the applicable terms and conditions are dependent on the call ID of the Horizon Europe award applied for.
 - 1.3.4. In addition to the terms and conditions referenced above, the policies outlined within this guidance document form the expectations UKRI place on award holders and may also be used in determining if awards have been appropriately managed and costs are eligible.
 - 1.3.5. UKRI reserves the right to modify any of the terms and conditions of the Horizon Europe Guarantee.

2. Glossary

Affiliated Entity	An entity bearing a legal and/or capital link to a beneficiary, which participates in the action with similar rights and obligations as the beneficiaries, but does not sign the Grant Agreement.
Associated Country	A country that is not a Member State of the EU but has a formal agreement with the EU detailing the terms of its association to a European framework programme.
Associated Partner	An entity which participates in the action, but without the right to charge costs or claim contributions. They cannot lead the consortium, and do not sign the Grant Agreement.
Beneficiary	A signatory of the original Horizon Europe Grant Agreement (either directly or through an accession form).
Consortium Agreement	A contract governing the operational relations (e.g. intellectual property, commercialisation, internal management arrangements) between the partners in a collaborative Horizon Europe project.
Directly Incurred Costs	Costs that are explicitly identifiable as arising from the conduct of the Project which are charged as the cash value actually spent and are supported by an audit record.
European Commission (EC)	The main executive body of the European Union, responsible for creating the European Framework Programmes for Research and Technological Development, including Horizon Europe (FP9).
Full Economic Costs (FEC)	A cost which, if recovered across an organisation's full programme, would recover the total cost (direct, indirect and total overhead) including an adequate recurring investment in the organisation's infrastructure.
Funding Assurance Programme (FA)	A programme of visits and office-based tests by UKRI to seek assurance that grant funds are used for the purpose for which they are given and that grants are managed in accordance with the terms and conditions under which they are awarded Grant Support for a proportion of the full economic costs of the Project.
Funding & Tenders Portal (FTO / "Portal")	EC electronic portal for management of European funding programmes including Horizon Europe.
Grant	Support for a proportion of the full economic costs of the Project (100% on Guarantee grants).
Grant Agreement	An official document setting out specific details of the Grant, including the Project start and end date, Grant value and any Specific Terms and Conditions of the Grant as required by the relevant Council.



Grant Holder	The entity to which the Grant is assigned and that has responsibility for the intellectual leadership of the Project and for the overall management of the research funded by the Grant.
Grant Period	The duration of time between the Project start and end date.
Grant Terms and Conditions	The Standard Terms and Conditions of the Guarantee Grant (which may be derived the UKRI standard FEC Grant terms and conditions and/or the IFS Grant terms and conditions), together with the Specific Terms and Conditions of Grant (including additional Call Conditions), that together comprise the basis on which the Grant is awarded to the Research Organisation.
Guarantee Guidance	The set of documents detailing how UKRI policies governing the Horizon Europe Guarantee should be followed and further explaining UKRI's expectations of grant holders based upon their respective grant terms and conditions.
Horizon Europe (HEu)	The EU's research and innovation funding programme from 2021–2027.
Horizon Europe Guarantee (HEuG / “the Guarantee”)	The UK Government funding programme created to support UK-based entities who were successfully evaluated for Horizon Europe funding during the period after the UK's withdrawal from the European Union but before the UK's Horizon Europe association deal took effect.
Host Organisation/Institution	Entity responsible for hosting and engaging the Principal Investigator for agreed duration of the project. May bear beneficiary responsibilities depending upon grant type.
Indirect Costs	Non-specific costs charged across projects based on estimates that are not otherwise included as direct costs. These may include the costs of the Research Organisation's administration such as personnel, finance, IT, legal, general laboratory, office consumables, library and some departmental services.
Innovation Funding Service (IFS)	Funding and grant management platform for businesses and research organisations, used for some Guarantee grants.
Innovate UK (IUK)	The UK's innovation agency and a constituent part of UKRI, responsible for supporting UK organisations to develop and commercialise new products, processes, and services. Delivers Guarantee grants hosted on IFS.
Joint Electronic Submission (Je-S)	Platform used for the submission of grant-related information, used for some Guarantee grants.
Principal Investigator (PI) / Project Lead (PL)	The individual responsible for ensuring project objectives are met and obligations under the Grant Agreement are fulfilled.



Project Partner	A collaborating organisation who will have an integral role in the proposed research. This may include direct (cash) or indirect (in-kind) contributions such as expertise, staff time or use of facilities. Project partners may be in industry, academia, third sector or government organisations in the UK or overseas, including partners based in the EU.
Research Organisation (RO)	The organisation to which the Grant is awarded and which takes responsibility for the management of the Project and accountability for funds provided.
Subcontracting	Contracts for goods, works or services which are part of the action tasks outlined in the original Horizon Europe proposal.
Transparent Approach to Costing (TRAC)	An agreed methodology used by universities and other higher education bodies for calculating full economic costs.
The UKRI Funding Service (TFS)	UKRI's new funding opportunities and grant management system, which will replace Je-S/Siebel.

3. UK Participation in the Horizon Europe Programme

3.1. **UK Association to the Horizon Europe Programme**

- 3.1.1. On 7 September 2023, the UK agreed a deal to associate to Horizon Europe through [a bespoke new agreement with the EU](#).
- 3.1.2. UK-based researchers can now apply for Horizon Europe funding, certain that all successful applicants will be covered through the UK's association or through the Horizon Europe Guarantee for the remainder of the programme. From the 2024 Work Programme and onwards, UK researchers will be able to fully participate in the Horizon Europe programme on the same terms as researchers from other associated countries, including leading consortia.
- 3.1.3. For the 2021, 2022, and 2023 work programmes, the European Commission will continue to administer transitional arrangements, and the UK will continue to provide funding under the Horizon Europe Guarantee.

Prior to the UK's association to the Horizon Europe Programme, the European Commission allowed entities in the UK to apply for Horizon Europe funding as if the UK were an Associated Country. In '[Questions and answers on the UK's participation in Horizon Europe](#)' (European Commission) it is stated that:

"The General Annexes attached to the main Horizon Europe work programmes (2021- 2022 and 2023-2024) ensure that UK applicants are treated as if the UK is an associated country throughout the process, from admissibility and eligibility to evaluation, up until the preparation of grant agreements. However, grant agreements can only be signed if the association has come into force. The same treatment is also granted to any applicants from other associated countries currently engaged with the European Commission in an active process of association."

- 3.1.4. Further details from the Department for Science Innovation and Technology can be found on the [Horizon Europe and Copernicus programmes: 2023 UK-EU agreement explainer](#).
- 3.1.5. The separate [association specific guidance for Guarantee grant holders](#) has been published on the UKRI website.

3.2. **Applying to Horizon Europe**

- 3.2.1. UK applicants must still apply for funding from the EU as beneficiaries and not as Associated Partners (please see specific guidance for EURATOM in P2&3 Document) in order to be eligible for funding from UKRI. The change to Associated Partner status must only be made after the project has been assessed at the point of preparing the Horizon Europe grant agreement. UK applicants must apply for funding from the EU as beneficiaries and not as associated partners (please see specific guidance for EURATOM) in order to be eligible for the UK government's Horizon Europe Guarantee or the Horizon Europe programme.

If required, the change to associated partner status must only be made after the project has been assessed at the point of preparing the Horizon Europe grant agreement.

- 3.2.2. The eligibility of any individual consortium is a decision for the European Commission to make, and projects should follow guidance from the European Commission. The minimum eligibility requirements for a consortium, including the

number of Member State or Associated Country participants, are conditions set out by the European Commission in the legal agreements of Horizon Europe and are specific to the type of call.

3.3. After a Successful Horizon Europe Application

- 3.3.1. Following successful evaluation, the Commission will notify applicants of their success and invite them to begin the Grant Agreement Preparation process. For calls covered in the 2021, 2022, and 2023 Work Programmes under which UK organisations cannot sign their EU grant agreement, UK organisations can participate in the project as an associated partner (i.e., no longer classed as a beneficiary) if the topic allows Third Country participation.

In this case, UK organisations should notify the project coordinator and the European Commission (EC) project officer that they would like to participate as an associated partner. The EC will acknowledge this, and that organisation will no longer be part of the grant agreement signature process. The coordinator should keep affected UK organisations up to date on the progress of the grant agreement signature.

- 3.3.2. Any successful UK applicant who applied to Horizon Europe as an associated partner instead of as a beneficiary due to a genuine mistake on their part, or because the consortium coordinator changed their status to associated partner, should contact UKRI (EUGrantsfunding@ukri.org) to discuss their situation and determine if they meet the eligibility criteria.

Please note that the temporary funding route may be removed before the end of the application window for the UKRI Guarantee.

- 3.3.3. The 'last legal date for signing the Horizon Europe grant agreement' refers to Article 31 of the EU's [Regulation Establishing Horizon Europe](#) document:

"The following periods shall apply... for signing grant agreements with applicants, a maximum period of eight months from the final date for submission of complete proposals."

This is the last date by which the EC must sign the Grant Agreement. The EC may choose to set a Grant Signature Date that is earlier than this last legal date, but they may not postpone beyond it. This applies to all Horizon Europe calls except ERC and MSCA, for which the dates provided in the work programmes are used.

3.4. Associated Partner Status

- 3.4.1. Associated partners implement action tasks without receiving EU funding and do not sign a Horizon Europe grant agreement. While associated partners do not have a capital or legal link to a specific beneficiary, the other beneficiaries in the consortium take on the responsibility (through consortium agreements or contractual arrangements) to ensure proper implementation of the associated partners' elements of the project, as well as compliance with specific obligations of the grant agreement which are extended to associated partners.
- 3.4.2. Only entities eligible for EU funding can sign the Horizon Europe Grant Agreement, and a legal entity must sign the grant agreement to fill the role of Project Coordinator. UK organisations that applied to be a Project Coordinator under a call within the 2021, 2022, and 2023 Work Programmes, need to discuss this with the EC Project Officer and project consortium, and agree that an existing partner or a

new partner will take on this role. The funding allocation within the consortium should then be adjusted accordingly.

- 3.4.3. Associated partners do not sign the Horizon Europe Grant Agreement, but if part of a multi-beneficiary project do sign the consortium agreement. Guarantee-funded UK organisations will need to accept certain Articles from the grant agreement (see below) which should be inserted into the consortium agreement.

The grant agreement Articles that apply to associated partners are as follows:

1. Article 11 (proper implementation)
2. Article 12 (conflict of interests)
3. Article 13 (confidentiality and security)
4. Article 14 (ethics)
5. Article 17.2 (visibility)
6. Article 18 (specific rules for carrying out action)
7. Article 19 (information)
8. Article 20 (record- keeping).

Guarantee-funded UK organisations will also need to accept that the bodies mentioned in Article 25 can exercise their rights towards them.

The [Model Grant Agreement](#) gives further details at Article 9.1 (p 39-40). Project coordinators should be asked to insert the provisions of Article 9.1 into the consortium agreement and say that they apply to the relevant UK organisation. Note that any financial provisions in the consortium agreement do not apply to Guarantee-funded UK organisations which should be excluded from those provisions.

Many projects use the [DESCA Model Consortium Agreement](#) although actual formats may differ.

The consortium agreement will be signed prior to the signature of the grant agreement. Once the grant agreement is signed the project can begin.

While Horizon Europe regulations generally require a participant to be based in a Member State or an Associated Country in order to lead a project, UK participants in successful consortia should follow the guidance of the European Commission on eligibility, project roles and signing the grant agreement for calls under the 2021, 2022 and 2023 Work Programmes.

- 3.4.4. Those funded through the Guarantee who are part of EU consortia will have associated partner status on the Horizon Europe Grant Agreement. This may include additional obligations, for example around the recruitment and working conditions of researchers, as described in the [Charter and Code for Researchers](#).
- 3.4.5. When UK applicants to Horizon Europe calls eligible for the Horizon Europe Guarantee reach a point where they are required to sign the grant agreement then the process to follow will depend on the nature of the European grant applied for.

For consortium-style grants, the Guarantee is in place to fund eligible UK-based participants' roles in these projects. The European Commission will require a UK partner to change the status of their participation to 'associated partner'. The UK partner will be required to provide proof of the successful grant to UKRI, complete the application process for the Horizon Europe Guarantee, and UKRI will provide the UK partner's share of the funding under the Guarantee.

For mono-beneficiary Horizon Europe awards, eligible UK entities will provide proof of success in the evaluation process to UKRI, complete the application process for the Horizon Europe Guarantee, and UKRI will provide the entity with funding under the Guarantee.

4. General Horizon Europe Guarantee Eligibility Guidance

4.1. British Overseas Territories

- 4.1.1. Organisations in British Overseas Territories are not eligible to receive Horizon Europe Guarantee awards.

4.2. Horizon Europe Work Programmes and Calls

- 4.2.1. As stated above, The Horizon Europe Guarantee is intended to support all UK-based Horizon Europe awardees (excluding British Overseas Territories) for excellent science, research and innovation who submitted to calls covered within Horizon Europe 2021, 2022, and 2023 work programmes who cannot sign a grant agreement with the European Commission or delegated party, because it is not covered by the UK's bespoke association deal, and therefore cannot receive funding.
- 4.2.2. The Guarantee represents a comprehensive commitment to include the Horizon Europe calls covered within work programmes 2021, 2022, and 2023 with limited exceptions (for further information on excluded calls/topics contact EUGrantsFunding@ukri.org). For calls with multiple separate deadlines, only calls with final submission deadlines in either the 2021, 2022, or 2023 Work programmes are considered to be in scope.
- 4.2.3. The work programme a Horizon Europe call falls under is indicated by the year contained in the call ID:
- If the call ID includes '2023,' the call is part of the 2023 work programme and will be covered by the UK government Guarantee (for example, HORIZON-CL2-2023-DEMOCRACY-01-02).
 - If the call ID includes '2024,' the call is part of the 2024 work programme and will be covered by the bespoke new association agreement (for example, HORIZON-CL2-2024-DEMOCRACY-01-02).

The year of call deadlines does not delineate which work programme they belong to – please be aware that a small number of 2023 work programme calls will close in 2024 and a small number of 2024 work programme calls will close in 2023.

4.3. Horizon Europe Reserve List

- 4.3.1. Applicants to the Guarantee will be asked for proof that their Horizon Europe application has been invited to Grant Agreement Preparation (GAP) process by the EU. Applicants originally placed on a reserve list, that subsequently receive an invite to the GAP process, can apply for the Guarantee.

The Guarantee will not fund reserve list applications that have not been invited to the GAP process.

4.4. Cascade Funding

- 4.4.1. Under Horizon Europe rules, associated partners may not hold or administer cascaded funding. Such funding, if originally included in the Horizon Europe application budget, must be transferred to a non-UK partner in the consortium before the Grant Agreement is finalised.
- 4.4.2. UK entities may be recipients of cascaded funding held by a Horizon Europe consortium, depending on the exact call conditions. Therefore, such funding streams will not be covered by the Horizon Europe Guarantee.

4.5. Consortium Projects

- 4.5.1. Horizon Europe Guarantee funding will not be jeopardised if a consortium reallocates the EU funding originally assigned to a UK institution to fund additional activities. For consortium-style projects, the Guarantee will fund UK participants for the activities assigned to them as beneficiaries in the original proposal, as long as these activities are still assigned to them as associated partners in the final signed EU grant agreement. Guarantee funding will only be reduced if the UK participant is no longer performing an activity assigned to them in the original proposal.
- 4.5.2. UK participants in successful consortia should follow the guidance of the European Commission on eligibility, project roles and signing the grant agreement for calls under the 2021, 2022 and 2023 work programmes.
- 4.5.3. Costs for UK-based Affiliated Entities in consortia will be covered by the Guarantee in the same way as costs for mono-beneficiary projects. Prior to association, the EU will treat UK-based affiliated entities as associated partners, and they will be covered by the Guarantee.
- 4.5.4. UK-based organisations that are part of a multi-beneficiary consortium eligible for the Guarantee and wish to relocate some project tasks to the UK (for example, if a researcher is moving to a UK institution and wants to take their part of the grant with them, or if a partner withdraws from the project and the UK partner is best placed to replace them), this may be possible, provided the following conditions are met:
 - 1. First contact UKRI (EUGrantsFunding@ukri.org), provide details of the situation, and receive agreement in principle for the move.
 - 2. The EU project must not yet have started or incurred any costs. The proposed movement of tasks to the UK must not render the EU project ineligible.
 - 3. The project tasks must have been initially assigned to a beneficiary in the EU proposal, not an Associated Partner.
 - 4. The value of funding requested for the tasks moved to the UK must not exceed the budget assigned to those tasks in the original EU proposal (unless specifically approved by UKRI).

If these conditions are met, a copy of the original EU proposal and an amended EU grant agreement should be supplied to UKRI with the tasks removed from the original beneficiary and reassigned to a new or existing UK associated partner. This must be accompanied by a covering letter explaining why the tasks are being relocated to the UK and confirming that the new UK host is willing to accept the additional tasks.

4.6. Horizon Europe Calls not Covered by The Guarantee

- 4.6.1. UK entities applying to the 2023 Research Infrastructures work programme for call for HORIZON-INFRA-2023-SERV-01 (topics 01, 02 and 03) as beneficiaries will be directly funded by the Horizon Europe programme.
- 4.6.2. Horizon Europe prizes are out of scope for the Horizon Europe Guarantee.
- 4.6.3. Calls issuing cascade funding from EC funded projects, also known as Financial Support for Third Parties, are not covered by the Horizon Europe Guarantee.
- 4.6.4. For further information on Horizon Europe calls not covered by the Guarantee, please contact EUGrantsFunding@ukri.org.

5. Horizon Europe Guarantee Funding and UKRI Standard Practices

5.1. Horizon Europe Guarantee Funding

- 5.1.1. UK participants who have received a UKRI grant under the Guarantee will remain on the UKRI grant for the lifetime of the project, subject to the relevant UKRI terms and conditions. Now that the terms of the UK's association with Horizon Europe have been agreed, the Guarantee will remain active to cover grants that have been successful in any eligible 2021, 2022, and 2023 Work Programme calls.
- 5.1.2. Three UKRI funding systems will be used to deliver Horizon Europe Guarantee.
 - Calls that are part of the Marie Skłodowska-Curie Actions (MSCA) or European Research Council (ERC) schemes will be covered by individual calls delivered on the Joint Electronic Submission (Je-S) system or the UKRI Funding Service after the results of the original EU calls are announced.
 - All other eligible Horizon Europe calls will be delivered on the Innovation Funding Service (IFS) system.
- 5.1.3. Funding will be delivered by UKRI in pounds sterling. Payments are made quarterly in arrears as standard.
- 5.1.4. Horizon Europe Guarantee grants associated with projects structured according to the EU under the lump sum model will also be funded by UKRI on a quarterly claims basis as standard.
- 5.1.5. Exchange rates may be revised during the lifetime of the grant. The terms and conditions of the Grant Offer Letter include a clause allowing for exchange rate revisions, which is intended to protect each grant from extreme currency fluctuations. UKRI may change the GBP grant value or exchange rate on live grants in response to significant fluctuations in international exchange rates, but not more frequently than once in a 12-month period, and not retrospectively. For example, in the event of a significant fall in the sterling, UKRI reserves the right to award additional funds to the grant based on a new exchange rate.

- 5.1.6. The following table details the exchange rates to determine Horizon Europe Guarantee award values in pounds sterling.

Period Covered	Exchange Rate	Details
Up to 31 December 2022	£1: €1.160354	Reflects the average exchange rate between January 2021 and October 2021.
1 January 2023 - 31 December 2023	£1: €1.180720	Reflects the 2022 average daily spot rate to the end of September 2022. Applied to new Guarantee applications, not to already funded Guarantee grants. Revised rate applies for new Guarantee applications to UKRI from 1 January 2023 to 31 December 2023.
1 January 2024 - 31 January 2025	£1: €1.148787	Reflects the 2023 average daily spot rate to the end of September 2023. Applied to new Guarantee applications from 1 January 2024, not to already funded Guarantee grants. Revised rate applies for new Guarantee applications to UKRI from 1 January 2024 to 31 January 2025.
1 February 2025 - 31 December 2025	£1: €1.174684	Reflects the 2024 average daily spot rate to the end of September 2024. Applied to new Guarantee applications from 1 February 2025, not to already funded Guarantee grants. Revised rate applies for new Guarantee applications to UKRI from 1 February 2025.

5.2. Funding Acknowledgement

- 5.2.1. All research publications must acknowledge funding received from UKRI. This includes, but is not limited to:

- Research articles published in journals
- Conference proceedings and publication platforms
- Monographs
- Book chapters
- Edited collections
- Outputs deposited at institutional or subject repositories

If the research has supported the development of patents or exploitable intellectual property grant holders must make sure that UKRI is fully acknowledged.

For Horizon Europe Guarantee projects wholly funded by UKRI, acknowledgement of funding should include UK Research and Innovation written out in full, followed by the grant number in square brackets. For example: 'This work was funded by UK Research and Innovation (UKRI) under the UK government's Horizon Europe funding Guarantee [grant number].'

For collaborative projects which are part of EU-funded consortia, grant holders will need to cite the EU project according to their requirements in addition to acknowledging the funding from UKRI. If there is more than one UK partner involved in the output, then please include all grant reference numbers as appropriate.

5.2.2. UKRI branding guidelines and download logos are available on our [brand hub](#).

5.3. UKRI Trusted Research and Innovation Principles

5.3.1. For projects that will be working with international partners, collaborators or Third Parties, the [UKRI Trusted Research and Innovation \(TR&I\) principles](#) should be adopted. Appropriate levels of due diligence should be carried out on overseas partners before projects begin in line with the TR&I principles. Appropriate mitigations should be in place to manage any risks identified before any project activity affected by the risk begins or is continued. More information on the TR&I principles for effective international collaboration can be found on the UKRI website.

Any questions about UKRI's expectations on due diligence for international collaboration for the Guarantee should be sent to EUGrantsFunding@ukri.org.

5.4. Open Access Research

5.4.1. It is expected that all Horizon Europe Guarantee grant holders will adhere to the Horizon Europe open access policy.

5.5. Research Data Sharing

5.5.1. It is expected that all Horizon Europe Guarantee grant holders will adhere to the Horizon Europe research data sharing and management policy.

6. [General Horizon Europe Onboarding Guidance](#)

6.1. Applying to the Horizon Europe Guarantee

6.1.1. The procedure for submitting an application for Guarantee funding will vary depending on Horizon Europe call and will make use of existing UKRI systems and processes.

- For ERC and MSCA calls, applications are to be submitted to the UKRI Funding Service. For application support contact EUGrantsFunding@ukri.org.
- For Horizon Europe calls that fall under Pillars 2 and 3 of the programme, registration will be via Innovate UK's Innovation Funding Service (IFS). For application support contact support@iuk.ukri.org.

6.1.2. Specific guidance for submitting an application for Guarantee funding can be found on the [Horizon Europe Guarantee guidance page](#).

6.1.3. Since applications will have been evaluated through the European Commission's trusted peer review systems, no further assessment of application quality will be undertaken by UKRI. Organisational validation and due diligence checks will be carried out in line with UKRI standard processes.

6.1.4. Although deliverables (such as a career development plan, data management plan, or gender equality plan) should be developed and maintained for the project in line with Horizon Europe's standard procedures, it is not necessary to submit this to UKRI directly. However, plans should be made available to UKRI upon request.

7. State Aid and Subsidy Control

7.1. Compliance with State Aid and Subsidy Control Acts

- 7.1.1. For organisations that successfully applied to Horizon Europe and will receive funding via the Horizon Europe Guarantee scheme as their only current source of funding, there are State Aid/Subsidy issues to consider.

A subsidy scheme was created in anticipation of the Subsidy Control Act 2022 coming into effect from 4th January 2023 to meet the requirements contained within the UK-EU Trade and Cooperation Agreement by UKRI to cover awards issued under the Horizon Europe Guarantee. This scheme is now referred to as a legacy scheme within the [Subsidy Control Act s.48](#).

- 7.1.2. The [Horizon Europe Guarantee Scheme](#) was published on 8 November 2022, which means all Grant Offer Letters signed and returned on or after this date are considered to be awarded under the Legacy Scheme and are treated as subsidies for enterprises acting economically. Any Grant Offer Letters signed and returned before 8 November 2022 will be considered as no-subsidy.

This has no material effect on an organisation's grant funding.

- 7.1.3. Tasks in any current project funded by a UK public body should not replicate the activities conducted in the Horizon Europe Guarantee project as this may be breach of subsidy rules. If uncertain, please contact support@iuk.ukri.org.
- 7.1.4. Conducting multiple Horizon Europe Guarantee-funded projects does not put an organisation at risk of breaching State Aid/Subsidy compliance rules, as long as the scope and eligible costs of the awards do not overlap.
- 7.1.5. Non-commercial enterprises should also check the details of the Horizon Europe project for breach of State Aid/Subsidy compliance rules (e.g., in case the project is producing income). In any event, the same rules on double funding apply.

8. General Horizon Europe Guarantee Cost Eligibility Guidance

8.1. General Cost Eligibility

- 8.1.1. 100% of the applied-for Horizon Europe eligible costs will be paid (i.e., 100% of the requested EU contribution to eligible costs), subject to exchange rate fluctuations and any reduction in tasks undertaken by the UK participants during the finalisation of the Horizon Europe grant agreement. In all but exceptional circumstances, the amount that can be requested from UKRI is capped at the value originally approved by the EC in their assessment of the original Horizon Europe proposal.
- 8.1.2. Costs should start to be incurred only after the Grant Offer Letter has been received. If costs are incurred before this point, such as paying a deposit on equipment, it is done at the grant holder's own risk. Once the Grant Offer Letter is received, expenditure may be incurred and subsequently charged to the grant from either the start date of the grant or the date the Offer Letter was issued, whichever is earlier.
- 8.1.3. Costs incurred in booking travel and accommodation before the UKRI Guarantee grant start date for a kick-off meeting will be eligible.

- 8.1.4. Only personnel costs that meet the Horizon Europe general and specific cost eligibility criteria as defined in the [Horizon Europe Annotated Model Grant Agreement](#) are eligible under this cost heading.
- 8.1.5. Childcare-related costs can be allowable on Horizon Europe Guarantee grants if they cover additional childcare beyond the normal job requirements and are directly related to the project. These costs may be requested if the organisation's policy allows for reimbursement. However, childcare costs associated with normal working patterns are not eligible for reimbursement.
- 8.1.6. International tuition fees for PhD students are allowable costs on all Horizon Europe Guarantee grants. Please note that this policy applies to Horizon Europe Guarantee grants and does not reflect a change in wider UKRI policy.
- 8.1.7. Costs for open access can be charged to Horizon Europe Guarantee grants. Organisations in receipt of the UKRI block grant to support open access publication costs for research articles should not use this to cover such costs arising from Horizon Europe Guarantee grants.
- 8.1.8. Costs for research data sharing and management can be charged to Horizon Europe Guarantee grants.

9. General Horizon Europe Guarantee Project Reporting

9.1. Horizon Europe and UKRI Reporting Commitments

- 9.1.1. For Horizon Europe calls open to Third Countries, UK participants funded through the Guarantee will not be required to provide the European Commission with reports against deliverables in the Grant Agreement. As associated partners implement action tasks without receiving EU funding and do not sign the Grant Agreement, they have no direct obligation to provide reports against deliverables. The beneficiaries in the consortium will have responsibility for submitting deliverables to the EU and depending on the tasks to be delivered by the associated partner, would agree the associated partner's expected contribution to reporting through consortium agreements or contractual arrangements.
- 9.1.2. Along with project reporting to UKRI, it is expected Horizon Europe Guarantee grant holders participating in consortium projects provide reports as required to the project coordinator.
- 9.1.3. If there are any changes to the technical monitoring of existing Horizon Europe Guarantee grants, the Guarantee team will inform all parties as and when required.

9.2. No-cost Extensions Necessary for Final Project Reporting

- 9.2.1. Guarantee-funded UK partners in consortium projects can apply for a maximum of (usually) 60 days no-cost extension where necessary to complete final consortium reporting at the end of the action as detailed in the Grant Agreement.

The costs which can be incurred during the extension will be strictly limited to those directly linked to final consortium reporting. No other costs will be deemed eligible.

Grant holders will be expected to apply for the extension (if necessary) in the final three months of the project. If costs are incurred beyond the end date of the grant without prior approval, they will be deemed ineligible.

10. Payment of Grants Administered via the Innovation Funding Service

10.1. Grant Payments and Claims Processing

- 10.1.1. Grants will be funded in pounds sterling. UKRI will make payments quarterly in arrears in line with standard IUK processes.
- 10.1.2. For Horizon Europe Guarantee grants hosted on IFS:
- For higher education institutions/charities/public sector bodies: profiled payments will be made quarterly with reconciliation every fourth quarter. This policy was implemented from 8 June 2023 and will be retroactively applied to existing grants. Innovate UK will contact all grant holders who will be affected by this change to discuss implementation details with them.
 - For businesses: payment will be made based on claims according to Innovate UK standard processes, where evidence of expenditure incurred and defrayed in the claim period will be required.
- 10.1.3. For any queries related to grant payments and claims processing please contact support@iuk.ukri.org.

11. Specific Eligibility Guidance for Awards Administered via the Innovation Funding Service

11.1. Horizon Europe Calls

- 11.1.1. Calls to form Co-funded European Partnerships covered within the work programmes of 2021, 2022, and 2023 fall within the scope of the Guarantee. However, due to the more complex nature of the grant agreement, it is advised to contact UKRI at EUGrantsFunding@ukri.org and provide details of the UK partners involved. This will allow for a call to be arranged to discuss the specifics. It is important to note that UK entities are not permitted to hold or administer funding in these work programmes.
- 11.1.2. Joint Undertakings calls covered within work programmes 2021, 2022, and 2023, where UK entities are eligible to apply but couldn't receive funding while the UK was not associated are within the scope of the Guarantee.
- 11.1.3. The European Partnership on Metrology calls covered within work programmes 2021, 2022, and 2023 are within the scope of the Guarantee.
- 11.1.4. Funding for eligible UK applicants involved in consortia successfully evaluated under EIC Pathfinder or EIC Transition calls covered within work programmes 2021, 2022, and 2023, who are unable to proceed with signing a grant agreement with the European Commission, is within the scope of the Horizon Europe Guarantee. The final signed grant agreement, listing the UK partner as an associated partner, will need to be submitted to UKRI, which will provide funding under the Guarantee to enable continued participation in the project. Note that the specific call for the 2021 calls has now closed, but awardees who did not get to submit to this call can submit to the general Horizon Europe Guarantee IFS call instead.
- 11.1.5. Eligible UK participants involved in EIT-KIC activities with costs incurred in 2022 or approved for 2023 are covered by the Guarantee, provided that Third Country participation is allowed. This part of the Guarantee will cover costs incurred in the calendar years 2022 and 2023 only.

This covers the costs of EIT-eligible activities delivered by UK participants, where these activities have been approved through usual EIT-KIC processes and the costs would otherwise have been covered by grant funding awarded by EIT. For the 2022 costs of these activities, access to funding under the Horizon Europe Guarantee opened in May 2022 and closed on 11 April 2023. For costs incurred in 2023, UKRI opened a separate call in July 2023, allowing participants to register their projects. This part of the Guarantee will cover costs incurred in the calendar years 2022 and 2023 only.

- 11.1.6. If a participant received 'exceptional status' from EIT for their participation in an EIT-KIC project, they do not need to claim anything under the Horizon Europe Guarantee. The Guarantee only covers projects that have not been able to receive funding from the EU. Participants should continue with their projects as normal and receive funds from EIT.

11.2. EURATOM

- 11.2.1. The EURATOM Research and Training 2021 call (HORIZON-EURATOM2021-NRT-01) and the EURATOM Nuclear Research and Training 2023 call (HORIZONEURATOM-2023-NRT-01) are administered through the Innovation Funding Service (IFS) but are not covered by the Horizon Europe Guarantee. A separate scheme has been established to cover these calls.

- 11.2.2. The specific conditions relating to accessing funding for the EURATOM 2023 scheme are as follows:

1. UK entities should apply as associated partners in line with the European Commission's (EC Advice) (for HORIZON-EURATOM-2023-NRT-01 only; this advice does not apply to other calls)
2. UKRI will fund 100% of the eligible costs of successful UK participants.
3. Grants may be subject to financial review to ensure proposed costs are proportionate to assigned work packages.
4. Typically, the total financial contribution of all UK participants in the project should be less than 35% of the EU's contribution to the project. The amount of funding for UK participants will reflect the size of their role in the project.
5. If the total proposed UK contribution to the project is 35% or more of the EU's contribution, UKRI must be contacted at EUGrantsFunding@ukri.org as soon as possible to discuss and approve an exception before applying.

11.3. EURAD 2

- 11.3.1. The EURAD 2 project will also be covered by the IFS competition available [here](#)

- 11.3.2. The specific conditions relating to accessing funding for the EURAD 2 project are as follows:

1. UK entities should apply as associated partners.
2. Strategic Studies and Knowledge Management work is funded at 100%, however, Research and Development work will be funded at 50%.
3. Grants may be subject to financial review to ensure proposed costs are proportionate to assigned work packages.
4. Typically, the total financial contribution of all UK participants in the project should be less than 35% of the EU's contribution to the project. The amount of funding for UK participants will reflect the size of their role in the project.

5. If the total proposed UK contribution to the project is 35% or more of the EU's contribution, UKRI must be contacted at EUGrantsFunding@ukri.org as soon as possible to discuss and approve an exception before applying.
- 11.3.3. Both for mono-beneficiary and multi-beneficiary grants, this funding will be provided for the lifetime of the grant, subject to UKRI terms and conditions.
- 11.3.4. For applicants to HORIZON-EURATOM-2023-NRT-01 and EURAD 2 only:
- 11.3.5. Applicants are required to apply as an Associated Partner. A full description of the costs being sought from UKRI will be required for successful applicants to access funding. This is necessary because Associated Partner costs do not appear in detail in the application budget table, and the assessment of those costs will likely vary between applications depending on what is included in the body of the EURATOM or EURAD 2 application. A letter from the project coordinator may also be requested. A team within Innovate UK will carry out a light-touch review of the provided information to ensure that costs are commensurate with the tasks allocated to the organisation. If tasks have changed since the original application, those changes should also be described in this section of the form. Costs cannot exceed those originally applied for and listed in the EURATOM or EURAD 2 proposal. If there are any complications in this regard, applicants should contact Innovate UK (support@iuk.ukri.org) before applying through IFS.
- 11.3.6. Applicants will be asked to provide information on the funding being requested and the resources it is linked to, including a budget table as an appendix. This information should include the following elements:
1. A realistic budget breakdown, including a funding profile and timeline
 2. A description and justification for the costing of individual tasks/work packages
 3. Reassurance that the budget is realistic for the scale and complexity of the project
 4. Justification for large-scale project expenditure, such as equipment and subcontracting costs
 5. A list of any other sources of funding towards the organisation's elements of the project
 6. If tasks have changed in the grant agreement preparation, a description of changes to tasks and any budget implications should be provided.

11.4. EIT-KICs

- 11.4.1. The Horizon Europe Guarantee also covers the costs of EIT-eligible activities delivered by UK participants of the KICs that would otherwise have been covered by grant funding awarded by EIT. The Guarantee applies retrospectively for EIT-eligible activities where relevant costs were incurred in calendar year 2021. The call for this element of the Guarantee has now closed.
- 11.4.2. Additionally, the Horizon Europe Guarantee also covers costs incurred in 2022 and 2023 for EIT-KIC activities delivered by UK participants where these costs would otherwise have been covered by grant funding awarded by EIT. For the costs of 2022 activities, access to funding under the Guarantee opened on 23 May 2022 and closed on 11 April 2023. This part of the Guarantee will cover costs incurred in the calendar year 2022 only. For the costs of 2023 activities, access to funding under the Guarantee opened in July 2023. Due to the non-standard granting processes used by EIT-KICs, the scope of the Guarantee for EIT-KIC activities in

2023 is defined by spend occurring in the 2023 calendar year, irrespective of the submission deadline date.

- 11.4.3. For EIT-KIC Horizon Europe Guarantee funding, the Guarantee only replaces grant funding that would have been awarded by EIT. It does not replace funding from non-EIT sources or loans and does not cover activities that involve a 'success fee' on completion. In addition, it does not cover funding under arrangements that place share-transfer or other equity conditions on UK partners. For such cases, relevant KICs would need to remove these conditions for funding to be capable of falling within the scope of the Guarantee. This does not preclude Guarantee grant holders from entering separate equity sharing arrangements with their KIC.

11.5. Mixed Appropriation Calls

- 11.5.1. The association agreement with the European Commission covers all calls under the Work Programme 2024. The Horizon Europe Guarantee covers all eligible calls under Work Programme 2023. However, there are a number of mixed appropriation calls/topics that draw from both the 2023 and 2024 budgets. For the following calls/topics, the EC has confirmed that UK entities are eligible for EU funding and therefore will not be covered by the Guarantee. UK entities will be switched from associated partners to beneficiaries or be written in directly as beneficiaries from 2024 for grants issued in relation to the Horizon Europe call IDs/topics, making them eligible to receive EU funding:

- HORIZON-EUROHPC-JU-2023-INTER-02-01
- HORIZON-INFRA-2023-DEV-01-03
- HORIZON-WIDERA-2023-ACCESS01-01-two-stage
- HORIZON-CL5-2023-D3-01-18 Clean Energy Transition Co-funded Partnership
- HORIZON-CL6-2023-FARM2FORK-01-2 European partnership on animal health and welfare
- HORIZON-CL5-2023-D2-01-08: Driving Urban Transition
- HORIZON-CL6-2023-CLIMATE-01-1 Additional activities for the European Partnership Water Security for the Planet (Water4All)
- HORIZON-EIE-2023-INNOVSMES-01 Eurostars
- HORIZON-EIE-2023-CONNECT-03-01 Interconnected Innovation Ecosystem

The process can take place in two steps:

1. UK entities will remain as associated partners at the time of the grant agreement signature.
2. UK entities involved as associated partners will be switched to beneficiaries via an amendment to the ongoing grant agreement. The maximum grant amount will be increased with the budget of the UK entity, which will be funded with the 2024 budget only.

There are two possible processes for the switch from associated partner to beneficiary:

- The switch may happen automatically and be initiated by the EC project coordinator.
- If the switch does not occur automatically, the UK entity should request a change of status via a letter to the EC project coordinator.

11.6. Remote Working

11.6.1. The possibility of remote work on a Horizon Europe Guarantee-funded project varies based on the specific type of Horizon Europe grant. It is essential to refer to the relevant guidance document before starting any remote work.

11.6.2. In accordance with standard UKRI policy, in all cases:

UKRI expects that staff employed on a grant who are based remotely will be able to meet their objectives and be fully supported to carry out their role with access to appropriate facilities. While staff may work abroad depending on host organisation policies, it is expected that Guarantee-funded researchers will ordinarily be based in the UK and maintain a formal contractual engagement with the UK-based research organisation or business for the full duration of the project.

UKRI may request assurances at any time that the employer is supporting such arrangements and can demonstrate evidence that the staff member is being fully supported to carry out their role.

Where a staff member is recruited to work permanently overseas or remotely, the employer and employee are responsible for ensuring compliance with international working regulations.

12. Innovation Funding Service Onboarding

12.1. Application Process

12.1.1. The [IFS Guarantee funding application route](#) for all Horizon Europe collaborative R&D calls in scope of the Guarantee with final application submission deadlines from 1 May 2022 up to calls covered by work package 2023 except for 2023 EIT-KICs can be found online.

The previous route for all Horizon Europe collaborative R&D calls in scope of the Guarantee whereby the last legal date for signing grant agreements is expected to pass before 31 December 2022 except for 2022 EIT-KICs is now closed.

For projects that do not fit within these criteria and any other application support contact support@iuk.ukri.org.

12.1.2. The expected processing time through IFS calls will be a maximum of 90 days. The processing team will endeavour to prioritise those with earlier start dates, but this will be dependent on the volume of applications.

12.1.3. IFS Guarantee calls will remain open as long as will be necessary to enable all eligible applicants to complete their submission.

12.1.4. Horizon Europe Guarantee grants associated with projects funded by the EU under the lump sum model will be funded by UKRI on a quarterly claims basis as standard. Applicants will be requested to share (via email to support@iuk.ukri.org) the full budget table document uploaded to the EC portal. Applicants will then be supported in completing the application process and ensuring the cost breakdown is included in the project finance section.

12.1.5. Applicants are required to enter a future date into the start date section on IFS initially, UKRI can manually change this if necessary. If the project has already

started at the time of submission to UKRI, the actual start date of the project must be noted.

The Grant Offer Letter will list this date as the project start date and use the duration entered in Application Details. It is recommended to wait until the Grant Offer Letter is received before incurring costs against the grant, as any costs incurred before this point are at the applicant's own risk.

- 12.1.6. The funding level (%) column in the Finances summary section of the IFS application refers to the percentage of the total grant amount received from the Guarantee, not the percentage of the total project costs awarded by the EU. The applicant will be awarded 100% of the grant entitlement from the EU. Therefore, the funding level in the IFS Finances summary must always be entered as 100%.
- 12.1.7. During the review process, the IFS team will compare the numbers inputted into the IFS finance summary with the cost conversion tool. The cost conversion tool and accompanying guidance can be found [here](#).
- 12.1.8. When the grant agreement signature date is input in cell B3 of the IFS conversion tool, the exchange rate will automatically calculate the correct FX rate based on the content of the table below.

Date Grant Signed by European Commission	Maximum Exchange Rate
Up to 31 December 2022	£1: €1.16354
1 January 2023 to December 2023	£1: €1.180720
1 January 2024 to 31 January 2025	£1: €1.148787
1 February to 31 December 2025	£1: €1.174684

The calls hosted on IFS, who do not sign grant agreements, should input the date of their application to UKRI.

- 12.1.9. If publicly available information is insufficient to complete necessary financial checks during the project set up process on IFS, additional details may be requested directly from applicants. This may include the following:
- Up-to-date Management Accounts.
 - Redacted business bank statement showing the latest balance.
 - Cashflow forecast for the duration of the project, including the project income and expenses, and usual business financial activity.

Any queries regarding finance checks will be requested via the 'Queries raised' part of the Finance Checks section during the Project Set Up stage on IFS.

- 12.1.10. For support with applying on the Innovation Funding Service (IFS), including a review of all relevant documents and information before submitting the application form, please contact support@iuk.ukri.org.

12.2. EIT-KIC Awards

- 12.2.1. The UKRI call to register 2021 EIT-KIC projects has now closed. Once a submission has been validated, a payment of 50% of the claim will be made upfront for projects who completed their work and financial reporting. The remainder of the funding can be claimed after completing financial reporting to the KIC and having

the incurred costs verified. This verification must be submitted to UKRI alongside the claim to receive the balance.

12.2.2. When registering for funding under the Guarantee for EIT-KIC activities carried out in 2022 or 2023 the following supporting documents must be submitted:

- A letter from the KIC confirming the details of the project or activities. UKRI has provided a template letter to each KIC for this purpose. The KIC will complete the template and provide a signed copy for submission when registering the project. The 2023 [template letter](#) is available for reference and download if needed to share with the KIC. It is recommended to contact the KIC to confirm they will provide this supporting letter before applying for EIT-KIC projects.
- A 2022 or 2023 grant agreement between the applicant and the KIC, or an alternative proof of success. Suitable alternative evidence could include an official letter or email from the KIC confirming that the project was approved through usual EIT-KIC processes.

12.2.3. In accordance with EIT-KIC processes, the Guarantee covers costs by calendar year. The UKRI call for EIT-KIC projects with costs incurred during 2021 closed in April 2022. The call for projects with costs incurred during 2022 closed in April 2023. For costs incurred in 2023, UKRI opened a separate call in July 2023, allowing for project registration.

13. Specific Cost Eligibility Guidance for Grants Administered via the Innovation Funding Service

13.1. Financial Guidance

13.1.1. Further financial guidance is provided in the [Supplementary L&F Guidance for HE Guarantee Grants Administered via IFS](#). This document further explains which costs are eligible, how direct costs, such as staff costs, are calculated, how indirect costs or overheads are calculated, and what evidence for costs and co-financing is required.

13.2. EIT-KICs

- 13.2.1. Horizon Europe Guarantee grant funding cannot be used for 'success fee', share-transfer, or other equity conditions. However, this does not preclude Guarantee grant holders from entering into separate equity sharing arrangements with their KIC.
- 13.2.2. Operational costs for running an EIT-KIC Co-Location Centre or regional office based in the UK are not eligible for funding under the Guarantee. The Horizon Europe Guarantee covers funding for UK partners carrying out activities that have been successfully approved by EIT-KICs and meet the eligibility criteria set out in the guidance.

14. Specific Project Changes Guidance for Grants Administered via the Innovation Funding Service

14.1. Alterations to Project Budget

- 14.1.1. Following award of the Grant Offer Letter, the cost category breakdown can be adjusted by transfers of amounts between cost categories and/or forms of costs if the action is implemented as described in Annex 1 (description of the action) of the Horizon Europe Grant Agreement. Following any budget shift, direct and indirect costs will be recalculated which may result in a change to the total value of the award.

No Project Change Request (PCR) is necessary for budget shifts, except in the following circumstances:

- The cumulative total of all budget shifts during the grant period exceeds 20% of the total grant funding.
- Any change to subcontracting.
- Any Grant Agreement Amendments that impact the UK partners' activities or costs, including changes to the scope or project duration.

PCRs should be submitted via IFS.

14.2. Changes to Project Timeline and Delivery

- 14.2.1. If a Horizon Europe Guarantee-funded UK partner is unable to complete their part of a multi-beneficiary project, the funding can be transferred to another UK institution capable of completing the work. In exceptional cases where no alternative UK institutions are available, support@iuk.ukri.org should be contacted to determine if certain tasks can be subcontracted to non-UK institutions.

14.3. Subcontracting

- 14.3.1. 'New subcontracting costs' include any subcontracting not explicitly detailed in the original Horizon Europe proposal and therefore not evaluated by the EC. This includes the selection of specific subcontractor(s) for a subcontracting need outlined in the original proposal. Following the award of the Grant Offer Letter, it may be possible to add new subcontracting costs to a HE Guarantee grant, subject to the following eligibility conditions:
1. Only a limited proportion of project tasks may be subcontracted.
 2. All relevant EC eligibility conditions (general & specific) contained in the Annotated Model Grant Agreement are met, and the request complies with the provisions of the Subsidy Control Act 2022 and all EU State Aid obligations.
 3. The requested subcontracting is not subject to any conflicts of interest.
 4. A robust selection and evaluation process has been followed, and the selected subcontractor represents best value for money with public funding (i.e., the best price-quality ratio or the lowest price, as applicable).
 5. Additional subcontracting must not lead to total costs exceeding the maximum grant amount allocated to the project

To request the addition of new subcontracting costs, the PI/project lead must submit their request to support@iuk.ukri.org. The following information must be included:

1. A declaration that the new subcontracting agreement will meet the conditions listed above.
2. A full explanation of the necessity of the subcontracting for the successful implementation of the project, including:
3. Which project task(s) are to be subcontracted.
4. A summary of the circumstances that led to the need for new subcontracting.
5. How the funding would be sourced from within the existing budget (e.g., virement of costs from another cost heading).
6. Full details of the proposed subcontractor(s) and a brief description of the subcontractor selection process, including justification for why the proposed subcontractor represents best value for money. Full documentation of this process should be retained and must be made available to UKRI upon request.
7. If a non-UK subcontractor is being proposed, grant holders must demonstrate that no UK-based subcontractor is available who would meet the eligibility criteria; if a UK-based alternative exists, grant holders must be able to demonstrate that the non-UK option would represent best value for money.

Based on the information provided, UKRI will approve or reject new subcontracting requests on a case-by-case basis. UKRI reserves the right to reject new subcontracting requests if there is deemed to be insufficient evidence that the relevant eligibility conditions have been met, the proposed subcontracting would not represent best value for money with public funding, or there is deemed to be a significant risk of conflict(s) of interest.

- 14.3.2. It is possible to replace a subcontractor who was named in the original project proposal under certain circumstances. Any new subcontractor must be selected according to a robust evaluation process and fulfil all applicable UKRI and EC terms and conditions. In cases where multiple subcontractors are being considered to perform project tasks previously undertaken by a single subcontractor, the grant holder must demonstrate that the task cannot be completed satisfactorily by a single subcontractor.

To request the addition of new subcontractor(s), the PI/project lead must submit their request to support@iuk.ukri.org.

15. Specific Project Reporting and Monitoring Guidance for Grants Administered via the Innovation Funding Service

15.1. Requirements for Grants Hosted on the Innovation Funding Service

- 15.1.1. For grants hosted on IFS, processes have been reviewed in response to feedback from Guarantee grant holders. The table below summarises the revised post-award technical monitoring level by grant value and organisation type that will be applied for all new Horizon Europe Guarantee grants hosted on IFS from 1 December 2022.

Grant-holding organisation	Guarantee grant value	Technical monitoring level with Monitoring Officer appointed
Businesses participating in EU consortia as Associated Partners*	Less than or equal to £500,000	UKRI internal assurance; no Monitoring Officer appointed
	Greater than £500,000 and less than or equal to £2,000,000	Bronze (2 days per year)
	Greater than £2,000,000	Silver (up to 12 days per year)
Businesses with UK-only (mono-beneficiary) awards, including EIC Accelerator	Less than or equal to £2,000,000	Bronze (2 days per year)
Guarantee grants and EIC Pathfinder/Transitions Guarantee grants where applicable	Greater than £2,000,000	Silver (up to 12 days per year)
Higher education institutions/charities/public sector bodies	Any	UKRI internal assurance; no Monitoring Officer appointed

* Refers to the 'Business' organisation category on IFS only.

- 15.1.2. A final report of the UK partner's contribution to the project will still be required at the end of all Guarantee-funded projects held on IFS. Financial claims and reporting processes are unaffected by this change.

15.2. Independent Account's Reports

- 15.2.1. The level of independent oversight required will depend upon the total grant value of the UKRI Guarantee grant provided (not the total original Horizon Europe grant value):

Value of Grant	Independent Accountant Report (IAR) Requirement for HEu Projects
Less than or equal to £100,000	None
Greater than £100,000 and less than or equal to £500,000	Final claim only
Greater than £500,000 and less than or equal to £2,000,000	Q4 and final claim
Greater than £2,000,000	Every Q4 and final claim

- 15.2.2. Independent Accountant's Reports (IAR) are allowable costs if they have been budgeted for and included within the application. These costs should be entered under the "goods, works, and services" category. If additional IAR costs arise that were not included in the original application, the grant may be increased towards the end of the project, subject to a cap of 5% of the total grant value. The audit invoice and confirmation of VAT registration will be required as supporting

documentation. These additional costs will be entered manually and should not be included within claims. This applies to grants hosted on the Innovation Funding Service (IFS) only.

15.3. EIT-KICs

- 15.3.1. For 2021 KICs grants, only financial checks were conducted to verify costs incurred in 2021. For 2022 and 2023 KICs grants, technical monitoring will be carried out as indicated in the table above.



Appendix A: Version Control

Version	Date Published	Changes
1.0	25 April 2025	<p>Guidance has been reformatted, reordered, and renumbered.</p> <p>Guidance specific to Horizon Europe Guarantee grants administered via Je-S/TFS and those administered via IFS has been separated into 2 documents.</p> <p>New guidance added:</p> <ul style="list-style-type: none">• 9.2.1: No-cost Extensions Necessary for Final Project Reporting