

Association with European Union Framework Programmes for Research & Innovation: Challenges and Opportunities

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Introduction¹

The Framework Programmes for Research & Innovation of the European Union (EU) have existed since 1984 and in particular since Framework Programme 7 (FP7) (2007–13) have taken an increasing share of the EU budget, agreed periodically for 7 years in the Multiannual Financial Framework. FP7 had a total budget of over €50 billion and its successor (FP8), known as Horizon 2020, has a budget of almost €80 billion. The Commission has proposed a budget of €94 billion for the next Framework Programme (FP9) that will run from 2021–27, known as Horizon Europe.

The UK's experience thus far is as a full participant in EU Framework Programmes and not as an associate. However, the UK Government hopes that the UK will be able to become an 'Associated Country' with future Framework Programmes once it withdraws from the EU. This briefing outlines the past patterns and potential future for associating with EU Framework Programmes and draws out some lessons learned and implications for the UK.

Some of the terminology is confusing in that the terms of Associated Countries and Third Countries are sometimes interchanged. For example, Article 7 in the Horizon 2020 Regulation is entitled the 'Association of Third Countries'.² Once a country associates with a Framework Programme it becomes an Associated Country whilst previously classed as a Third Country. However, all countries that are not EU Member States are at times simply classed as Third Countries. For the purposes of this briefing and in the context of operating within EU Framework Programmes for Research and Innovation, the two forms of engagement – Associated Countries and Third Countries – will be considered distinct.³

¹ This briefing has benefitted from a series of discussions with counterparts in Associated and Third Countries.

² Official Journal of the European Union, *Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 – the Framework Programme for Research and Innovation (2014–2020) and repealing Decision No 1982/2006/EC*, <https://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0104:0173:EN:PDF> accessed on 27 October 2018

³ British Academy, *Associated countries and third countries linked to EU framework programmes*, <https://www.thebritishacademy.ac.uk/sites/default/files/British%20Academy%20Association%20Factsheet%20Types%20of%20Association%20to%20EU%20Framework%20Programmes.pdf>

Terms & Conditions

Horizon 2020, the current seven-year EU Framework Programme, has three categories of Associated Countries:

- Acceding countries, candidate countries and potential candidates for EU membership;
- European Free Trade Association (EFTA) members, or countries covered by the European Neighbourhood Policy that fulfil certain criteria;
- Countries that were associated to the previous Framework Programme (FP7).

Under Horizon 2020, the specific terms and conditions for the participation of Associated Countries, including their financial contribution based on GDP, is determined by Association Agreements between the country concerned and the EU. In the case of European Economic Area (EEA) States, this is done through the provisions of the EEA Agreement.⁴ In the case of Switzerland this has been based so far on bilateral agreements.

The European Commission's current proposal for Horizon Europe, the Framework Programme that will run from 2021–27, contains four categories.⁵ These are:

- EFTA EEA Members (i.e. Norway, Iceland and Liechtenstein but not Switzerland);
- Acceding, candidate and potential candidates for EU membership;
- Countries covered by the European Neighbourhood Policy (i.e. the Southern and Eastern neighbour countries to the EU);
- Third Countries that fulfil certain criteria and agree to certain provisions within the agreement between such a country and the EU including a fair balance in such countries' financial contribution and the benefits it accrues, and that it has no 'decisional power' within the Programme.

This last category would – as things stand – be the only form of association available to the UK. The draft Regulation continues by stating that 'parts of the Programme may be excluded from an Association Agreement for a specific country'. In addition, the financial contribution will include 'an automatic correction of any significant imbalance' between the levels of contribution and receipts.

This set of proposals marks a significant change as regards the potential categories of association, in particular to open up the programme to wider international cooperation. In part, this is welcome as once the UK withdraws from the EU it would not have fitted into the Horizon 2020 categories. However, there are potential pitfalls in the proposed new restrictions; these are of particular potential relevance for the UK and Switzerland.

A country's Association Agreement with an EU Framework Programme does not exist in a vacuum, but rather within a wider context of a country's engagement with the EU. For EEA States this is the EEA Agreement. For other countries this may be through an overarching Association Agreement as, for example, in the case of Ukraine. Such Agreements are wide-ranging covering much more than research, science and innovation and lay the basis for the Framework Programme Association Agreement. They usually include the bodies for dialogue between the EU and the country concerned and include a

4 Official Journal of the European Union, Regulation (EU) No 1291/2013 of the European Parliament and of the Council of 11 December 2013 establishing Horizon 2020 – the Framework Programme for Research and Innovation (2014–2020) and repealing Decision No 1982/2006/EC http://ec.europa.eu/research/participants/data/ref/h2020/legal_basis/fp/h2020-eu-establact_en.pdf

5 European Commission, Proposal for a Regulation of the European Parliament and of the Council establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, 7 June 2018, https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-horizon-europe-regulation_en.pdf

range of policies and political considerations that may impinge on the possible research relationship. Switzerland's association with the Framework Programmes has thus far been governed by one of a series of bilateral agreements. Negotiations are currently under way to establish a framework agreement between the EU and Switzerland that would set the overall institutional and judicial provisions and identify relevant sectoral arrangements. The EU has clearly signalled that agreement on specific sectoral collaboration will be dependent on establishing that overall framework agreement, in the absence of which the default framework for EU-Swiss collaboration would be the limited 1972 Free Trade Agreement.

In the case of the more advanced west European countries two particular issues have arisen: mobility of persons and 'cohesion' funding for the less developed EU Member States. Agreement to freedom of movement with the EU is not a requirement for all associated countries and thus especially not candidate or potential candidate countries in southern and eastern Europe. However, in the cases of two of the more substantial research partners of the EU – Norway and Switzerland – freedom of movement of persons has been an absolute requirement, for Norway under the terms of the EEA and in the Swiss case by its bilateral agreement.⁶ A referendum on mass immigration in February 2014 in Switzerland brought this into question, leading to its only partial association with Horizon 2020 until 2017. A further obstacle arose because of the Swiss delay in ratifying the protocol extending EU free movement to Croatia, but once resolved in December 2016 Switzerland gained full association with Horizon 2020. The Norwegian and Swiss examples suggest that in order to achieve close association with Horizon Europe the UK would be under strong pressure to accept freedom of movement. Hence the provisions of the UK's evolving immigration system would be relevant.

The second issue concerns financial contributions to back up associated status. In the case of EEA members and Switzerland, the Associated Country makes a contribution to the Framework Programme as such and also makes a 'cohesion' contribution towards the reduction of economic and social disparities in less prosperous EU Member States.⁷ These latter are part of the wider relationships with the EU whereby richer countries are expected not simply to be cherry-pickers. Within the debate about the future Framework Programmes there is increasing concern that such a large proportion of Horizon 2020 funding has gone to the more prosperous countries and that more steps need to be taken to promote research development in central and eastern Europe.

In summary, west European countries have had to accept clear terms and conditions in order to associate with EU Framework Programmes, including financial contributions and free movement. In the Swiss case, conditionality has also now and then led to partial association only. The conditionality for 'Third Countries' within Horizon 2020 is much less intrusive, but the benefits of participation are more limited (no involvement in the European Research Council, Research Infrastructures or the Marie Skłodowska-Curie Actions for example) and in essence are also tied to the willingness of the Third Country to fund involvement. As regards Horizon Europe and its fourth category of potential Associated Countries, we have little to go on as regards likely terms and conditions. It may well be that this category will in practice embrace a diverse range of countries with differing degrees of closeness to the EU.

6 European Parliament, 'Fact Sheets of the European Union: The European Economic Area, Switzerland and the North', <http://www.europarl.europa.eu/factsheets/en/sheet/169/the-european-economic-area-eea-switzerland-and-the-north> accessed on 29 October 2018. Switzerland had signed the EEA Agreement in May 1992 and its freedom of movement provisions but ratification was prevented by a referendum.

7 'EEA and Norway Grants support EU Cohesion Policy in making Europe stronger', 4 May 2018, http://ec.europa.eu/regional_policy/en/newsroom/news/2018/05/05-04-2018-eea-and-norway-grants-support-eu-cohesion-policy-in-making-europe-stronger accessed on 15 October 2018; 'Consultation on a second Swiss contribution to EU-134 countries, 28 March 2018, <https://www.seco.admin.ch/seco/en/home/seco/nsb-news.msg-id-70248.html> accessed on 15 October 2018.

When and How To Negotiate Association with EU Framework Programmes

The negotiation within the EU of a Framework Programme begins formally with a European Commission proposal presented to the European Council and the European Parliament. The Council and Parliament then each discuss the proposal before agreeing to any changes followed by all three institutions coming together to agree a final text in the standard way that EU legislation is formulated.⁸ Each Member State negotiates with fellow Member States to promote any changes they deem relevant in the hope of winning agreement in the Council and support from MEPs as well as persuading the Commission. In the case of Horizon Europe this process is taking place currently and is focused on a draft Regulation and a draft Specific Programme,⁹ both published in May 2018.

As a Framework Programme is being negotiated, and until it comes into force, Associated Countries have no formal role as they have no seat in the Council of Ministers or MEPs in the European Parliament. This does not mean that Associated Countries are inactive. They may publish formal positions, as Norway did in 2017 with two position papers on Horizon Europe built on public and ministerial consultations started in early 2016, which set out what they would like to see in the eventual Commission proposal well in advance of its publication. In addition, the Norwegians and the Swiss have exploited many opportunities through various forms of engagement to raise points to inform the Commission's proposal, thus much as would a Member State's government. It may well be that the Commission may not be as receptive to Associated Countries' positions because they are not Member States, but by the same token, Associated Countries will have a choice to make whether to associate. In the case of potential Associated Countries with strong research records their views may be listened to particularly closely.

Once a Framework Programme is legally in place, potential Associated Countries can begin to negotiate an Association Agreement. There can be a gap between a Framework Programme beginning and an Association Agreement coming into effect. For example, some of the Horizon 2020 calls opened in December 2013 and Norway concluded its association to Horizon 2020 through incorporating the relevant legal texts into the EEA Agreement on 16 May 2014, with a retrospective provision which enabled Norwegian researchers to be involved in those calls already open.¹⁰ This instance illustrates a challenge of associating to EU Framework Programmes. This is because the EU adopted the Horizon 2020 legal texts only three weeks before launching the first calls and so negotiation on associating to Horizon 2020 could only begin after that date. In order to speed up the national ratification of Horizon 2020, Norway prepared its national process in parallel to the handling of the Horizon 2020 legal acts in the EFTA Standing Committee. Norway issued a Parliamentary Bill on Horizon 2020 on 14 March 2014, which was adopted rapidly by the Norwegian Storting (Parliament) on 1 April 2014. With the Bill adopted prior to the adoption in the EEA Joint Committee, Norway was able to join that decision in the EEA Joint Committee without any constitutional reservations. This was critical to ensuring Norway's ratification was made no later than 1 July 2014 after which date Norwegian partners to projects funded by the first calls of Horizon 2020 might

8 At time of writing, the Council is questioning the legal base the Commission has proposed for Horizon Europe's Specific Programme as providing too large a role for the European Parliament.

9 European Commission, *Proposal for a Decision of the European Parliament and of the Council on establishing the specific programme implementing Horizon Europe – the Framework Programme for Research and Innovation*, https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-horizon-europe-decision_en.pdf accessed on 28 October 2018

10 European Commission, 'Iceland and Norway sign up to join Horizon 2020', http://europa.eu/rapid/press-release_IP-14-566_en.htm?locale=en accessed on 20 November 2018

have been prevented from signing grant agreements with the European Commission.

Both Norway and Switzerland are already actively preparing for their involvement in Horizon Europe well ahead of signing Association Agreements and working to provide certainty and reassurance to their research communities. In Switzerland preparations for associating to Horizon Europe have begun already in terms of discussions about its financial contribution to associate. In the spring of this year, government consultations were started with the aim by the end of 2019 (a year in advance of the start of Horizon Europe) to have agreed for the necessary financial contribution to be made available. Putting in place this financial commitment well in advance of association indicates to researchers that those countries are planning on associating providing a level of certainty that this will take place (or at the very least the funding will be available for other opportunities). This type of signalling is important in a globally competitive research landscape where academics are looking ahead many years to their next position, grant, consortia, institution and partners.

In Norway, if the final EU adoption of the Horizon Europe legal texts takes place in the second half of 2020, then it is likely that Norway will, as above, undertake parallel national and EFTA processing of the legal texts with the hope of adopting its national bill prior to the adoption in the EEA Joint Committee in early 2021. If the EU adopts the Horizon Europe legal texts in the first half of 2020, it might allow for the EEA Joint Committee and Norway's national ratification to be completed before the launch of Horizon Europe on 1 January 2021.

How Framework Programme Association Operates in Practice

Member States oversee Framework Programmes through a diverse set of structures. Horizon 2020 has a Programme Committee for each of its constituent parts, such as the societal challenges, on which representatives of Member States sit and agree a series of Work Programmes which have been drafted by the Commission. These form the basis of the published calls that are then published relating to that part of the Framework Programme. The members of the Programme Committee are able to put forward changes to the draft text and to work to build coalitions of support for their suggestions. Formally, decisions can be taken by majority votes, but in practice explicit voting is rare and most decisions emerge by consensus. The Commission rarely forces a vote and a Member State rarely forces a vote that it might expect to lose.

There is an array of opportunities and outlets for Associated Countries to help shape and develop a Framework Programme. Like Member States, Associated Countries sit on some formal bodies including the Programme Committees. Thus they are able to make their points heard with speaking rights on a par with Member States. The only difference is that Associated Countries may not vote but as we have noted above votes are rarely called. The emphasis is rather on engaging with counterparts and building alliances. This type of diplomacy and relationship building crucially takes place largely away from meetings of Programme Committees. For example, the participants in a Programme Committee will communicate between meetings about their positions, learn from other countries, and often meet up prior to the meeting to coordinate an approach. Representatives of Associated Countries may actively help to organise such meetings or follow-up the actions from the meeting before by preparing papers and so forth.

In addition, Associated Countries are able to hold positions on a range of bodies involved in the running of Framework Programmes. Under Horizon 2020, Programme Committees are usually advised by Expert Advisory Groups. These Groups are composed of relevant experts including academics, some of whom can come from Associated Countries. These Groups often work closely with the Commission on the development of the ideas that will go into first draft of a Work Programme, and hence they can play an important role in the content and shape of calls. In addition, currently Norway and Switzerland have members of the European Research Council's Scientific Council. The European Strategy Forum on Research Infrastructures (ESFRI) is also open to Associated Countries and its seven-person Executive Board includes a Swiss national currently.

Norway and Switzerland exploit many other channels with the aim of helping to shape and influence. They also work closely with like-minded and/or close neighbours which are Member States to help coordinate positions and share concerns. Switzerland and Norway have significant representation in Brussels through their SwissCore and NorCore offices, which help them to engage actively with counterparts there. The research communities of both countries are active in the plethora of research stakeholder bodies that represent European researchers or organisations broadly understood, such as the European University Association, Science Europe, the League of European Research Universities and the All European Academies whose memberships are not predicated on EU membership. These bodies tend to take a holistic view of the European Research Area incorporating Member States and Associated Countries together, a factor which helps to inform their thinking on the development and shape of Framework Programmes. In addition, in both Norway and Switzerland resources have been established to promote the close engagement of their research communities in EU programmes.

How Can the UK Move Towards Association?

Any potential UK association with Framework Programmes is contingent on far more than simply the UK Government's desire to associate or that of the research community at large. Association with Framework Programmes, as the above highlights, is one part of the wider 'future partnership' that the UK would have to negotiate with the EU. The UK's withdrawal agreements, transition period and future relationship will provide a fundamental framing for what is achievable and required for associating with Framework Programmes. In this context, any potential UK association will have to be defined somewhere along a spectrum from what is achievable to what might be ideal.

The UK can thus move towards maintaining its collaborative research links with European partners through EU Framework Programmes only if a wider framework can be negotiated and meet the various political and legal constraints. As we have seen in the Norwegian and Swiss cases, free movement of persons and cohesion funding are likely to be raised as conditions and there are also financial, regulatory and data questions to resolve.

Nonetheless, time is pressing. As of late March 2019, the UK will lose its seat at the tables where Horizon Europe is being negotiated and the full details of UK status in the proposed transition with regards to Horizon 2020 are still to be clarified since the UK will neither be a Member State nor have an Association Agreement.¹¹ The potential prolonging of the transition period also raises questions as to the UK's status vis-à-vis Horizon Europe and when and whether it might move from full membership to potential association as a Third Country. This explicit 'decisional power' will have to be replaced by less formal means to influence the shape of the Framework Programmes.¹² If the UK seeks to become a decision-shaper and not only a decision-taker the question of how to achieve this will need to be addressed. Some steps that the UK and the EU could take to prepare the ground for the UK's potential association to EU Framework Programmes include:

- The final Horizon Europe Regulation and Specific Programme could be rephrased for the UK to have the chance of attaining the closeness of association enjoyed by EEA States.
- The UK could put in place the authorisation for a potential financial contribution to Horizon Europe, as Switzerland has begun to do. This could be done well in advance of the next Framework Programme, such as through a budget statement to support the UK's financial contribution to future Framework Programmes in accordance with the usual GDP-based formula for Associated Countries. This would not commit to

11 The draft Withdrawal Agreement published on 25 November 2018 indicates that the UK would continue to pay into Horizon 2020 for the remainder of the Framework programme but would not have a vote on programme committees, which it could be invited to if necessary: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/759019/25_November_Agreement_on_the_withdrawal_of_the_United_Kingdom_of_Great_Britain_and_Northern_Ireland_from_the_European_Union_and_the_European_Atomic_Energy_Community.pdf

12 HM Government, 'Framework for the UK-EU partnership: Science, research and innovation', May 2018, p.14, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/710268/SCIENCE_-_FINAL.pdf accessed on 1 November 2018

funding come what may, but rather signal to the research community nationally and internationally the seriousness of the UK's determination to associate.

- The UK Government needs to consider how to address a probable request from the EU to make some contribution to cohesion funding, given the Norwegian and Swiss examples, and given the increasing concern within the EU regarding the disparities in research capacity among EU Member States.
- The UK Government needs to reflect on how to address in its revised immigration system the issue of free movement of persons in the context of its aim of association with EU Framework Programmes.
- The UK Government should consider how to adapt its existing organisation and resources for influencing Framework Programmes to meet the circumstances of association. Swiss and Norwegian experience suggests the importance of sharpening and expanding presence in Brussels both through the UK's mission to the EU and the UK Research Office in order to gather information and conduct vital relationship building. There is an important role too for UK embassies across the EU, for which the current UK Government actions to expand its Science & Innovation Network footprint in the EU are a welcome initiative to be reinforced. It will also be important for UK-based academics to nominate themselves for, and participate fully in, relevant bodies of experts where they are able to do so.
- Discussions should start between the UK and the EU as soon as practicable on the potential terms of an Association Agreement. The current uncertainty is unhelpful for both the UK and wider European research community given that research agendas have timelines of years. Although an Association Agreement can be formally negotiated only after Horizon Europe's Regulation and Specific Programme have been agreed, a shaping discussion could start much sooner. It would be helpful if the UK and the Commission could provide clear and regular updates on the progress of these discussions and the expected timeline for their conclusions.
- As one of the most successful EU Member States in the Framework Programmes, the UK currently brings invaluable expertise to Programme Committees, helped by the direct involvement of the research councils and stakeholders as well as government departmental officials. The inputting of high-level expertise should continue despite Associated Country status. What is less clear is what the weight of UK-sourced expertise will be in the new context. The UK is likely to need to work harder at facilitating the exchange and communication necessary to build support on the Programme Committees. The UK Government and key stakeholders in the research community need to work together to develop effective processes for inclusive information exchange and to help UK-based researchers to engage with potential partners elsewhere in Europe.

About the Academy

The British Academy is the UK's independent national academy representing the humanities and social sciences. For over a century it has supported and celebrated the best in UK and international research and helped connect the expertise of those working in these disciplines with the wider public. The Academy supports innovative research and outstanding people, influences policy and seeks to raise the level of public understanding of some of the biggest issues of our time, through policy reports, publications and public events. The Academy represents the UK's research excellence worldwide in a fast-changing global environment. It promotes UK research in international arenas, fosters a global approach across UK research, and provides leadership in developing global links and expertise.

For more information on this Briefing and the Academy's wider European and international work please contact Philip Lewis, p.lewis@thebritishacademy.ac.uk

The British Academy
10-11 Carlton House Terrace
London SW1Y 5AH

thebritishacademy.ac.uk
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