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BREXIT -WHERE ARE WE ON UK ACCESS TO HORIZON 2020 FOR AGRICULTURE RESEARCH

In the light of the referendum outcome, it is useful to set out the position on access to HORIZON 2020 and given the many uncertainties created by the Referendum also to speculate on how continued access to HORIZON 2020 can be guaranteed as the UK negotiates its exit from the EU. The current official EC and UK Government position on applying for HORIZON 2020 is set out below.

At present, the status of the UK in the EU and therefore also in Horizon 2020 and other EU funding programmes remains unchanged. UK applicants continue to be eligible to apply for open calls and UK beneficiaries with existing Horizon 2020 grants continue to be funded. The EC will provide additional briefing to evaluators that BREXIT is not to be an issue in the process.

This position will remain until article 50 is invoked at which point the UK is on a two year countdown to exiting the EU. It is not known when the UK will initiate Article 50 but the best assumption at present is early in 2017. This means that at some point in 2019, UK would be out of EU and universities would not have access to HORIZON 2020 funds from the EU budget unless an association agreement had been negotiated and agreed.

Association to Horizon 2020 is governed by Article 7 of the Horizon 2020 Regulation. Legal entities from Associated Countries can participate under the same conditions as legal entities from the Member States. Association to Horizon 2020 takes place through the conclusion of an International Agreement. As of 29 April 2016, the following countries are Associated to Horizon 2020:

- Iceland • Norway • Albania • Bosnia and Herzegovina • the former Yugoslav Republic of Macedonia • Montenegro • Serbia • Turkey • Israel • Moldova • Switzerland (partial association)
- Faroe Islands • Ukraine • Tunisia • Georgia

It seems likely that the UK would seek an International Agreement but the negotiation will almost certainly link agreement to the Free Movement of Persons. Switzerland provides an example. Following their own referendum their access to HORIZON 2020 was frozen temporarily and now if Switzerland does not ratify the Protocol on the extension to Croatia of the Free Movement of Persons Swiss authorities have now taken necessary legal steps to allow their country to be fully associated to Horizon 2020 and it seems likely that full association will be restored with effect from 1st January 2017

Even without an Association Agreement, Horizon 2020 is already open to participation from across the World. European researchers can include partners from anywhere in the World when preparing H2020 proposals. This means that researchers, enterprises and institutions can team up with EU partners to develop together knowledge, research data and leading scientific teams and networks. But external partners bring their own funding to the table. This may be own funds of the participating institutions or funds from national funding agencies.

Once Article 50 is triggered we can expect to see some new guidance on the position of UK applicants. The issue is more about financing than the actual collaboration on research and innovation and comes to the fore in terms of project budgets. Projects usually last for 3-4 years. Projects already submitted or about to be submitted in 2016 therefore could have a lifespan running into 2020 (i.e. only for first two years of the work, UK participants would be in the EU). For 2017 bids the time



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frame covered by period when UK would still be a member of the EU comes down to one year. Notably, the current application process does not require any profiling of budget by year. The EC will need to take a view on what to do about project applications where the timeframe of the work plan will straddle a period when the UK will be a member state and then not (*effectively all applications*). The easiest option for the EC could be to maintain the status quo i.e. UK participants qualify fully for the whole life span of projects unless an Association Agreement fails to be agreed. But this has potential risks to the projects they approve (UK participants could withdraw mid- project if the flow of EU funds is cut off).

UK universities are involved in more Horizon 2020 projects than any other member state. So there will be substantial high-level pressure from UK universities to reach a deal on HORIZON 2020. For example, Timothy O'Shea, Principal and Vice-chancellor of Edinburgh University has already said "Our priority will be to maintain our research and exchange partnerships across Europe,"

There was a risk is that there could be a hiatus between moving from EU member to Associated status and there were some indication immediately after the Referendum that UK based organisations faced some difficulties in joining consortia due to uncertainty

However, the UK Government has taken steps to assure universities and other organisations of continued access to HORIZON 2020 both in the short and longer term either receiving EU funds directly or from national funds. A letter from the Chief Secretary to the Treasury on 12th August 2016 stated the following:



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4. Second, a number of UK organisations bid directly to the European Commission on a competitive basis for EU funded multi-year projects. Partner institutions in other EU countries have raised concerns about whether to collaborate with UK institutions on EU funding projects, such as universities and businesses participating in Horizon 2020, and some UK participants are concerned about longer-term participation.

5. The Commission have made it clear that the referendum result changes nothing about eligibility for these funds. UK businesses and universities should continue to bid for competitive EU funds while we remain a member of the EU and we will work with the Commission to ensure payment when funds are awarded. The Treasury will underwrite the payment of such awards, even when specific projects continue beyond the UK's departure from the EU. The UK will continue to be a world leader in international research and innovation collaboration, and we expect to ensure that close collaboration between the UK and the EU in science continues.

Conclusions

1. Nothing changes until article 50 is triggered
2. At that stage, there may be more EC and UK guidance
3. Negotiation on Associated status is likely to hinge on free movement
4. Finally, whatever outcome UK universities will be able to continue to participate in HORIZON 2020 but it could mean they have to provide their own contribution or receive national UK funding depending on outcome of negotiations.
5. UK Government has already guaranteed national funds to bridge any funding gaps

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Annex

Statement from Jo Johnson, Minister of State for Universities and Science, on higher education and research following the EU referendum. 28 June 2016

The UK has some of the best universities and researchers in the world, and international students, academics and researchers play a significant part in that success.

As the Prime Minister set out last week, the government will continue taking forward the important legislation that was set before Parliament in the Queen's Speech, including the Higher Education and Research Bill.

We understand that there will be questions about how the referendum result affects higher education and research. Many of these questions will need to be considered as part of wider discussion about the UK's future relationship with the EU, but where we can provide further information, we will do so. The UK remains a member of the EU, and we continue to meet our obligations and receive relevant funding.

Universities and Science Minister Jo Johnson:

EU and international students make an important contribution to our world-class universities, and our European neighbours are among some of our closest research partners.

There are obviously big discussions to be had with our European partners, and I look forward to working with the sector to ensure its voice is fully represented and that it continues to go from strength to strength.

Informal Council meeting of 27 MSs Brussels, 29 June 2016 Statement

1. We, the Heads of State or Government of 27 Member States, as well as the Presidents of the European Council and the European Commission, deeply regret the outcome of the referendum in the UK but we respect the will expressed by a majority of the British people. Until the UK leaves the EU, EU law continues to apply to and within the UK, both when it comes to rights and obligations.

2. There is a need to organise the withdrawal of the UK from the EU in an orderly fashion. Article 50 TEU provides the legal basis for this process. It is up to the British government to notify the European Council of the UK's intention to withdraw from the Union. This should be done as quickly as possible. There can be no negotiations of any kind before this notification has taken place.

3. Once the notification has been received, the European Council will adopt guidelines for the negotiations of an agreement with the UK. In the further process the European Commission and the European Parliament will play their full role in accordance with the Treaties.

4. In the future, we hope to have the UK as a close partner of the EU and we look forward to the UK stating its intentions in this respect. Any agreement, which will be concluded with the UK as a third country, will have to be based on a balance of rights and obligations. Access to the Single Market requires acceptance of all four freedoms.