

EU R&D programmes – Summary Note of Roundtable Discussion

24 November 2021

1. This discussion centred on what should or might happen if the UK does not associate to Horizon Europe or there are further delays in finalising the agreement. Attendees also considered UK participation in Euratom and Copernicus. The meeting took place at the Royal Society and was held under the Chatham House Rule. This document summarises the discussion.

Context

2. The EU-UK Trade and Cooperation Agreement and accompanying Joint Declaration on Participation in Union Programmes signed in December 2020 allow the UK to participate as an associated country in the EU’s multiannual Framework Programme **Horizon Europe**, as well as **Euratom** Research and Training, the International Thermonuclear Experimental Reactor (ITER) facility to which the EU contributes via its Fusion for Energy (F4E) body, the **Copernicus** Earth observation programme, and the EU’s Satellite Surveillance and Tracking services.
3. The Joint Declaration confirmed that the protocol on UK association is “agreed in principle and will be submitted to the Specialised Committee on Participation in Union Programmes for discussion and adoption... at the earliest opportunity to allow their implementation as soon as possible”. This has not yet happened owing to disagreement at a political level over Northern Ireland and other areas affecting the wider EU-UK relationship.
4. As a consequence of the delay to finalising association, the government is engaging with the research community to prepare for and manage different ‘Plan B’ scenarios. The framing of these discussions is the government’s overarching commitment to raise public and private R&D investment in the UK to 2.4% of GDP by 2027, requiring a global outlook in attracting R&D talent and investment.
5. In the recent Spending Review, the government included the budget for association – approximately £2 billion a year – within its R&D spending profile and guaranteed that the funding will be ringfenced for UK Government R&D programmes, including those to support new international partnerships, in the event that association does not happen. This was said by one attendee to have “changed the game” in that, for the first time, the UK research community is presented with a choice between cost neutral alternatives. The required profile for Horizon Europe Association payments is rising and backloaded, and this lumpiness affected the profile of other science spending within the Spending Review settlement. It was suggested that but for the lumpiness of these payments, the £22B science spend target might have been reached a year earlier.

The case for pursuing Plan A

6. Finalising the association arrangement (Plan A) for Horizon Europe continues to have broad support, including from the UK Government, European Commission bodies, DG for Finance and DG RTD, and researchers in the UK and across Europe. Copernicus is in a slightly different position and it was expected that shortly after this Round Table meeting, the Commission would have to give instructions to ESA about the funding for procurement.
7. For the majority of the research community, the arguments made previously on the value of association still stand. While the investment itself matters, it is not just about the money. The wider benefits of Plan A include opportunities to increase the reach and impact of research, attract talent to the UK through prestigious international grant and fellowship schemes, and access networks at scale.
8. Although the UK has significant strengths and capabilities in research and innovation, it is considered too small to compete with the largest science nations without being hyperconnected. Attendees agreed that a multilateral platform for collaboration, as afforded by Horizon Europe and earlier Framework Programmes, has a distinct role in the ecosystem and will be difficult to replicate in a UK context. The same applies to the research infrastructure developed through Euratom, but with additional challenges – such large facilities cannot be replaced with additional UK funding. Setting up alternative programmes will take many years and disrupt existing supply chains and contracts.

Plan A – notes of caution

9. Despite general support for association, some attendees were concerned about accepting Plan A regardless of circumstances, with one suggesting that there had been no significant attempt to evaluate alternatives and that the “easiest thing politically is to take whatever terms are set”. A challenge to this is that there is limited data to evaluate the benefits of Horizon Europe and other programmes versus the alternatives.
10. Comments were also made about the scale of EU programme income, which represents a small proportion (3%) of the UK’s total expenditure on R&D, and the comparative importance of the USA and Asia Pacific in delivering foreign direct investment in R&D to the UK.
11. While there was consensus on the value of grant and fellowship schemes from the European Research Council (ERC) and Marie Skłodowska-Curie Actions (MSCA), the perceived value of the innovation components of Horizon Europe was less clear. It was suggested that too few UK SMEs and corporates were involved in previous Framework Programmes, while others commented on the lack of impact assessments on how research funded by the EU fed downstream into society.
12. The cost of association was also discussed. Whereas the UK has been a net beneficiary from previous Framework Programmes, it is set to become a net contributor under Horizon Europe. If association does not happen, the budget ringfence commitment means that money that would otherwise have gone towards the UK’s participation fee for association could instead be made available to UK researchers.

Plan B options

13. The Smith-Reid Review in 2019 provides a starting point for discussions on Plan B. That Review offered no views on the arguments for or against association with Horizon Europe. That was not its purpose. As well as calling on the government to “protect and stabilise” the research base in the event of no agreement on association, it identified longer-term policy options including an agile fund to support fast-moving opportunities for international collaboration.
14. With regards to short-term measures, several attendees made the case for mirroring ERC and MSCA, following the Switzerland example. Others stressed the importance of offering a guarantee to UK participants who had applied to opening calls under ERC and MSCA and an underwrite for UK participation in collaborative schemes that are open to third countries. Options were discussed in the event that the EU stops evaluating UK applications – one option would be for the UK to evaluate these and some participants advocated that, however establishing a robust peer review system would come with significant operational challenges on top of new and existing funding commitments given the volume of applications involved and the time that peer review would take. Another suggestion was to target support at specific groups including institutions or disciplines which stand to lose the most from the UK not associating, perhaps on a formula funding basis.
15. Longer-term alternatives to Horizon Europe could take the form of UK investigator-led grant, fellowship and researcher mobility schemes as well as greater support for international collaborations.
16. Currently, EU Framework Programmes form just one part of a wider ecosystem of international research and innovation partnerships. Other parts of that ecosystem tend to be short-term and discipline-specific, whereas Framework Programmes have allowed longer-term planning, and any Plan B should seek to do the same.
17. Attendees noted that key deadlines for UK participation in Copernicus, including its multiannual financial settlement, are fast approaching. If the UK is not a part of Copernicus, it may want to consider a parallel programme of activity in the short-term in discussion with the European Space Agency of which it remains a member – which could potentially fill the gaps left in Copernicus by the UK not being a member. In a longer-term, the UK will need to invest more in leading-edge space science and satellite technology to maximise its competitiveness.
18. For Euratom, attendees discussed the possibility of underwriting UK involvement in certain projects such as the Joint European Torus (JET) facility in Oxfordshire and the EUROfusion consortium. ITER, however – the biggest thermonuclear research collaboration in the world – is not replicable in a domestic context.

Conclusions

19. The need for clear communications was a recurring theme throughout the meeting. Businesses were said to be increasingly worried by the delay in finalising association and there were already instances of EU partners leaving bids involving UK participants. Confidence needs to be instilled at the earliest opportunity.

20. Attendees agreed on the importance of continuing conversations on Plan B over the coming months and beyond depending on the status of Plan A. More detail was requested on the government's approach to short-term transitions and longer-term alternatives. Uncertainty could last for some time, and there was agreed to be a need to "protect and stabilise" the research base during the coming months. A case was also made for a "comms and socialisation strategy" to reassure and update the sector on different scenarios and mitigating actions.

Foundation for Science and Technology
15 December 2021