<u>Specialised Committee on Participation in Union Programmes</u> 21 December 2021 – 09:30-10:15 GMT online via Microsoft Teams

Opening Statements

The UK, as host, welcomed the EU attendees to the first meeting of the Specialised Committee on Participation in Union Programmes (SCPUP), under the Trade and Cooperation Agreement (TCA).

Both Co-Chairs expressed their gratitude to colleagues for their work to prepare the meeting and underlined the importance of regular dialogue between the parties including through this Committee.

The Specialised Committee adopted the provisional agenda as previously agreed between the Co-Chairs.

1 - State of Play of UK Association to Union Programmes

The UK noted that the terms of participation in Union programmes had been agreed in the TCA. Although this agreement was reached in December 2020 the Protocols, which formed part of this agreement, were not adopted when the agreement was signed as the EU was finalising the programmes' legal framework. Both parties had set out their "firm intention" to "adopt the Protocols at the earliest opportunity" via a Joint Declaration.

The UK highlighted that it was the first country to finalise terms for participation in EU programmes for the current EU Multiannual Financial Framework. However, the UK's participation is still yet to be formalised.

The UK stressed that participation would bring benefits for scientific research across both the UK and the EU and outlined how it had done everything possible to progress with adoption of the Protocols.

The UK highlighted concerns at the impact of the delay on scientific research and how it had taken unprecedented steps to mitigate the damage of delays. Nonetheless, there were increasing impacts that the UK could not mitigate unilaterally, and which required the Protocols to now be adopted. At the Partnership Council in June, the EU had noted that it would follow its internal procedures and proceed to the adoption of the Protocols when those were completed. The UK had subsequently repeatedly sought to understand when this would occur; the UK now asked for clarity on what internal procedures remained and when these would be finalised.

The EU noted that it continued to recognise the benefit to science of mutual collaboration but that it was important to recall the political situation. The EU stressed that the completion of EU procedures in the current political setting does not seem opportune as there are serious difficulties in the implementation of the Withdrawal Agreement (WA) and the TCA. The EU underlined its hope for a swift resolution of those difficulties, which would enable the establishment of the association to EU programmes.

The UK requested additional clarity on what issues were delaying association and emphasised that long-term science collaboration needs a stable environment. The EU emphasised that in accordance with the established governance framework, these difficulties are subject to deliberation in other joint bodies in line with their competences. The UK regretted that the EU was not able to clarify the exact nature of these issues with the SCPUP, given they impact on the association. The UK highlighted that the Joint Declaration agreed by both parties stressed a firm intention to adopt the Protocols at the earliest opportunity. The EU considered that any delays in association did not amount to a breach of the TCA as there was no binding timeframe to adopt the Protocols. The UK did not agree with this interpretation, citing that both the TCA and WA have extensive dispute resolution mechanisms agreed by the parties, adding that disputes on other issues should be resolved through those mechanisms. The EU also highlighted that Article 775 links the TCA to other bilateral agreements.

The UK raised concern that Protocol II, on EU space surveillance and tracking, was due to expire at the end of December 2021. The EU believed that this was not an imminent concern since the UK, like every third country, could access the publicly available Space Surveillance and Tracking services.

2- AOB

The UK raised the issue of the treatment of UK entities prior to association. Despite the assurance of contingencies, the delays in association were having a material impact on UK-EU science collaboration. This was having a real-world impact on projects today and could threaten the viability of EU projects such as the Copernicus Expansion Missions. The UK stated that it had done what it could – including announcing the Horizon guarantee – but pragmatic interim solutions were needed to ensure that science and research would not be impacted by delayed association across many thematic areas.

The UK stressed that partners on both sides needed to know that they can work together and will not face any adverse impacts. The delays in associating were leading to hesitancy in working with UK partners, damaging longstanding collaborations. The UK emphasised that this lack of clarity is an issue for many projects.

The UK raised how UK partners are unable to participate in discussions on the future shape of Horizon Europe partnerships, with multi-year work plans being agreed now. The UK suggested to delegate discussion to technical groups where the UK parties can participate to help resolve technical issues on a more regular basis, in addition to restarting discussions on Service Level Agreements for Copernicus.

The EU stated that it takes note of these concerns. The EU highlighted that for the largest programmes, Horizon Europe and Euratom R&T, there were transitional arrangements in place allowing participants to submit applications and be evaluated as if the UK were associated. The EU recalled that, in any case, third country entities may participate in these programmes without receiving funding if in line with the programme rules. In practice, EU Member State and UK entities will therefore be able to continue their research cooperation. The EU also stressed that it is bound by principles of equality of treatment, meaning all participants would be treated equally, and transparency, meaning that all the information necessary for them to make a judgment on conditions of their participation is public in the work programmes and in the calls for proposals. It acknowledged that ITER and Copernicus are largely implemented through public procurement procedures that follow a different logic which is why no transitional arrangements are foreseen in those areas by the EU. Finally, the EU stressed that discussions related to TCA implementation issues should be held in the Specialised Committee.

The UK requested that the UK and EU make a public joint statement to reassure the sector by clarifying that UK entities will be treated equally to the EU's Member States and that consortia involving UK partners or coordinators will not be adversely affected. The EU declined this request reiterating its position that equality of treatment is followed as a principle and publicly announced in calls and work programmes.

Closing Remarks

Both the UK and the EU Co-Chairs thanked participants for attending and for the preparatory work that had been undertaken.

The UK highlighted there were some clear differences but noted the importance of the meeting having taken place. It had provided some new clarity on the EU's position although it was disappointing that there was still no clear timeline or way forward towards the UK's participation. It was important to remember that these delays are harming scientific research and collaboration. The UK emphasised that it had throughout the past year acted in good faith in line with the legal and political commitments agreed by the parties; it continued to stand ready to associate immediately. In the UK's view the repeated delays might call into question the EU's compliance with its commitments. The UK repeated its position that its decision to associate was not based on a pure economic calculation but instead reflected the scientific benefits of collaboration. The UK stated that delays were eroding these benefits and, while the UK still wanted to associate, participation cannot be at any price and it could not wait forever. The UK would always act in the best interest of the research and development sector, and it is preparing for all scenarios.

The EU emphasised its recognition of the mutual benefits of cooperation and that it was looking forward to a prompt resolution of the difficulties in the implementation of the WA and the TCA. The EU repeated its position that it is in full compliance with the TCA as the TCA does not provide for a binding deadline to adopt the association. The EU emphasised as well that the principle of equal treatment for all entities is a core principle underpinning how the EU runs its programmes.

Both Co-Chairs wished each other, and all attending, a happy Christmas and a good New Year.

<u>Annex 1 – Participants of the First Meeting of the Specialised Committee on</u> <u>Participation in Union Programmes (SCPUP)</u>

UK Delegation (35)

- UK Co-Chair of the SCPUP
- UK Government Officials from HMT, BEIS, Defra, Cabinet Office and FCDO
- UK Mission to the European Union Officials
- Scottish Government Officials
- Northern Ireland Executive Officials
- Welsh Government Officials

EU Delegation (40)

- EU Co-Chair of the SCPUP
- European Commission Officials (BUDG, SG, LS, RTD, CNECT, DEFIS, ENER, JRC, EAC)
- European External Action Service Officials
- Delegation of the European Union to the UK Officials
- Representatives of EU Member States