

A STUDY COMMISSIONED BY THE BRITISH COUNCIL

# **THIRD COUNTRIES' PARTICIPATION WITHIN CREATIVE EUROPE, HORIZON EUROPE AND ERASMUS POST-2020**

# CONTENTS

<b>Introduction</b>	3
<b>Main findings</b>	4
<b>Description and comparison between existing Third countries' participation models</b>	6
Norwegian model	6
Swiss model	10
Turkish model	16
Israeli model	18
US model	21
<b>State of play for Third countries' participation within the current proposals for Creative Europe, Horizon Europe and Erasmus for the programming period 2021–27</b>	24
Creative Europe	24
Horizon Europe	30
Erasmus	36
External aid	40
<b>Implications and recommendations for the UK culture, research and education sectors</b>	44
<b>Annex I – Third countries definitions</b>	49
<b>Annex II – List of relevant stakeholders</b>	55
<b>Annex III – Information sources</b>	58
<b>Annex IV – Glossary</b>	62
<b>Annex V – Factsheet</b>	64

The British Council in the EU region commissioned Schuman Associates to research the options for Third country participation in Creative Europe, Horizon Europe and Erasmus. The British Council is not responsible for any errors or omissions or for the results obtained from the use of this information. All information in this report is provided 'as is' at the time of publication.

August 2019

# INTRODUCTION

On 23 June 2016, the United Kingdom (UK) expressed, through a referendum, its wish to leave the European Union (EU), triggering a complex process of withdrawal. The UK was expected to leave the EU on 29 March 2019. After a six-month extension, the UK will remain a Member State of the EU until 31 October 2019, with the option to leave earlier if the Prime Minister can secure the support of the House of Commons for the withdrawal agreement. The rejection of the UK government's proposed deal by the UK Parliament and the UK Prime Minister's resignation make it difficult to predict what the final withdrawal conditions will be.

Schuman Associates, as requested by the British Council, has carried out research to analyse the future EU-funded programmes, Creative Europe, Horizon Europe and Erasmus, as well as the implications of a possible Third country participation in those programmes.

This study aims to support British organisations in the fields of culture, research and education to:

- understand the future programming period (2021–27)
- grasp the implications of a possible Third country participation within the future EU-funded programmes, Creative Europe, Horizon Europe and Erasmus
- advocate for their preferred scenario.

To cover these points, the following structure was agreed between the British Council and Schuman Associates in January 2019:

- a factsheet concerning the European Commission's proposals for Creative Europe, Horizon Europe and Erasmus for the programming period 2021–27 (see Annex V)
- an overview of the characteristics of the different EU engagement models, through the scenarios of Norway, Switzerland, Turkey, Israel and the US, and a comparison of their access to the three EU programmes discussed in this study, as well as EU external aid
- an analysis of the current proposals in relation to the Third country scenarios when relevant
- arguments for future negotiations based on the lessons learnt from other non-EU countries' scenarios
- a glossary, a list of relevant stakeholders and information sources in the form of annexes.

# MAIN FINDINGS

Many non-EU countries maintain close ties with the EU and, over the years, have developed different models of co-operation with the EU. The UK may learn from these experiences when negotiating its future relationship with the EU. The ideal scenario for the UK would be a tailored approach whereby the elements that work best are selected.

**There are no existing co-operation scenarios that would immediately meet the demands of the UK of granting access to the Single Market and maintaining close economic ties, while at the same time limiting free movement.**

**A new type of agreement may need to be found. This could be based on a series of individual agreements on certain policies.**

The following section captures the main lessons that can be learned from other Third countries' co-operation scenarios under the current programming period, and their negotiations for future participation within Creative Europe, Horizon Europe and Erasmus.

## NORWAY

The Norway model represents the closest integration with the EU, with full access to the Single Market and nearly all EU funding programmes. However, Norway pays a significant entry fee for this privilege and has no direct influence on EU policy. European Economic Area (EEA) members are required to accept the four freedoms of persons, goods, capital and services.

## SWITZERLAND

Switzerland has often been mentioned as the model to follow, for having gained access to the Single Market while retaining its national sovereignty and democratic rights.

This country has adopted various provisions of European Union law in order to participate in the European Union's Single Market without joining as a Member State. Through a series of bilateral agreements with the EU, Switzerland was granted access to some EU funding programmes, notably Horizon 2020. This means that Switzerland is not obliged to harmonise its position with its European Free Trade Association (EFTA) partners before dealing with the European Union. However, the EU has called on Switzerland to adopt an institutional framework that would enable a dynamic adaptation of the accords to the constantly evolving European legislation. A new draft framework agreement deal has been on the table since 2018.

## TURKEY

Turkey benefits from partial access to the Single Market without financial contribution or the free movement of people. Turkey contributes on a selective basis to the EU programmes it wishes to participate in, rather than with a fixed Gross National Income (GNI) based contribution. In most cases, the EU co-funds this contribution as part of the pre-accession financial programme, meaning it belongs to the continuing process of Turkey becoming a member of the EU. This model shows how the UK might remain in the Customs Union and still be able to strike its own trade deals with countries outside the EU.





## THE US AND ISRAEL




Other industrialised countries, such as the US and Israel,<sup>1</sup> participate as Third countries either by a specific provision in the text of a call for proposals or through a bilateral agreement based on a pay-your-own-membership basis.

## EXTERNAL AID

For post-2020 external aid programmes, the Norwegian and Turkish models provide more opportunities in terms of eligibility. The case of Norway is based on the EEA agreement, enabling full participation in all EU external aid programmes. Turkey participates as a beneficiary of the Instrument for Pre-Accession Assistance (IPA III).

The following table summarises the access to funding in the five scenarios analysed in this study. Further details per programme are provided in the EU funding section of the report.

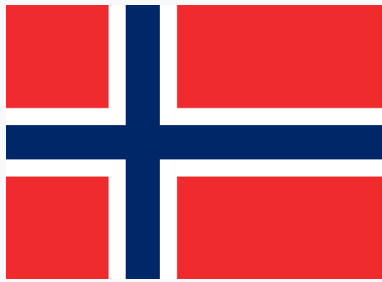
		Norway	Switzerland	Turkey	Israel	US
	<b>Creative Europe</b>	Full access	Opted against access	Opted against access	Opted against access	Opted against access
	<b>Horizon Europe</b>	Full access	Full access	Full access	Full access	Restricted access
	<b>Erasmus</b>	Full access	Restricted access	Full access	Restricted access	Restricted access
	<b>External aid</b>	Full access	Restricted access	Full access	Restricted access	Restricted access

	Full access
	Restricted access: only access to specific sub-programmes and instruments <sup>2</sup>
	Opted against access

<sup>1</sup> [ec.europa.eu/research/participants/data/ref/h2020/other/wp/2018-2020/annexes/h2020-wp1820-annex-a-countries-rules\\_en.pdf](https://ec.europa.eu/research/participants/data/ref/h2020/other/wp/2018-2020/annexes/h2020-wp1820-annex-a-countries-rules_en.pdf)

<sup>2</sup> The country has signed agreements with the EU to participate in only some strands of the programme or instrument, or only under certain conditions.

# DESCRIPTION AND COMPARISON BETWEEN EXISTING PARTICIPATION MODELS OF THIRD COUNTRIES



**NORWEGIAN MODEL**

Norway is a member of the EEA and the EFTA. It:

- has full access to the Single Market
- has full participation in the EU programmes covered by this study
- contributes to the EU budget
- is subject to EU Single Market legislation.

## **Legal basis for the relationship with the EU**

As a member of the EEA, Norway's economic and trade relations with the EU are primarily governed by the EEA agreement. This guarantees the free movement of goods, people, services and capital, as well as non-discrimination and equal competition rules throughout the EEA. Norway therefore participates in EU programmes through provisions in the EEA agreement, as well as bilateral agreements with the EU.

The EEA agreement covers co-operation in research and development, education, social policy and culture. These are necessarily closely tied to the free movement of people, so countries can only very exceptionally impose immigration restrictions.<sup>3</sup>

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<sup>3</sup> Article 112 of the EEA agreement allows non-EU countries to opt out of the four freedoms if they are facing serious economic, societal or environmental strain.

Norway has also been a member of the EFTA since 1960. The EFTA is a regional trade organisation consisting of Norway, Iceland, Liechtenstein and Switzerland, and operating in parallel with the EU.

### **Policy-influencing capacity**

Norway has full access to the Single Market, according to the EEA agreement. This means that it is subject to all relevant Single Market laws but does not have voting rights on EU legislation.<sup>4</sup>

Non-EU countries do not have a direct decision-making capacity or representation in the main EU decision-making bodies. This means that Norway has no veto in the European Council, no votes in the Council of Ministers, no European Commissioner nor European Commission staff, and neither representation nor votes in the European Parliament.

While the EEA agreement includes guidelines for non-EU countries to be consulted on new EU legislation, it does not grant EEA states formal access to the decision-making process within the EU institutions. These states can, however, participate in shaping a decision at the early stages of preparing a legislative proposal, via expert groups and committees of the European Commission, the EEA Joint Committee, programme committees and other committees in specific areas, such as the Erasmus+ Programme Committee of the European Commission.

Thus, through its presence in a wide network of working groups, advisory boards and other satellite entities, Norway, like many other non-EU countries, has an informal EU policy-influencing capacity.

Under the EEA agreement or on a bilateral basis, Norway participates in EU agencies and programmes without voting rights.<sup>5</sup> Under the EEA agreement, Norway participates in the Erasmus+ Programme Committee of the European Commission and the expert groups in the early preparatory stages of legislation. However, its role is decision shaping and not decision making.

### **Access to EU funding and contribution to EU budget**

The EEA and EFTA states contribute to two kinds of EU expenditure: operational and administrative.<sup>6</sup>

#### *Operational expenditure*

The EU operational expenditure is the total EU programme budget minus the administrative expenditure. EEA and EFTA contributions to the operational costs of EU programmes are calculated according to Article 82.1 of the EEA agreement. A proportionality factor based on the relative size of the Gross Domestic Product (GDP) figures of the EEA and EFTA states, compared to the total GDP of the EEA, is calculated every year based on the latest available statistical data.<sup>7</sup>

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<sup>4</sup> Except those dealing with agriculture and fisheries

<sup>5</sup> For the list of agencies in which Norway participates: <https://www.norway.no/en/missions/eu/areas-of-cooperation/participation-in-programmes-and-agencies/>

<sup>6</sup> EFTA: [www.efta.int/eea/eu-programmes/application-finances/eea-efta-budget](http://www.efta.int/eea/eu-programmes/application-finances/eea-efta-budget)

<sup>7</sup> Article 82.1 of the EEA agreement

### *Administrative expenditure*

EEA and EFTA states also contribute to the administrative costs of the European Commission. This contribution is negotiated individually for each programme on an annual basis, and is both financial and in kind. The in-kind contribution refers to the EEA and EFTA states' supplying of human resources to the European Commission with the secondment of national experts. These experts are employed in the different directorates-general of the European Commission in charge of the programmes with EEA and EFTA participation, but their salaries and benefits are covered by their home country employer.

Even though Norway is not an EU Member State and EU Regional Policy is not applicable (nor does it receive European Structural and Investment Funds), it contributes financially to social and economic cohesion in the EU and EEA through the Norwegian grants funding instrument, and, exceptionally, contributes financially and participates in the INTERREG programme. To that end, Norway contributes €25 million annually to its budget.<sup>8</sup> Moreover, Norway contributes to Regional Policy goals by providing 15 beneficiary states with €391 million annually through the EEA and Norway grants scheme.

For the period 2014–20, Norway's average annual commitment to EU centralised programmes is €447 million.<sup>9</sup>

Norway participates in the following 2014–20 EU programmes:

- Horizon 2020
- Erasmus+
- Galileo
- Creative Europe
- Connecting Europe Facility (ICT part)
- European Statistical Programme
- Health for Growth
- Union Civil Protection Mechanism
- Interoperability Solutions for Public Administrations (ISA) Programme
- Employment and Social Innovation
- Consumer Programme
- Copernicus Programme.

EFTA and EEA countries have access to all external aid tenders and grants.

Norway currently participates in 12 out of over 50 EU programmes and 31 EU agencies. In addition, Norway participates in the work of five agencies that manage EU programmes.

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<sup>8</sup> The European Commission released its proposal in May 2018: [ec.europa.eu/newsroom/region/item-detail.cfm?item\\_id=630400&newsletter\\_id=830&utm\\_source=region\\_newsletter&utm\\_medium=email&utm\\_campaign=Interreg&utm\\_content=Interreg%20post%20&lang=en](https://ec.europa.eu/newsroom/region/item-detail.cfm?item_id=630400&newsletter_id=830&utm_source=region_newsletter&utm_medium=email&utm_campaign=Interreg&utm_content=Interreg%20post%20&lang=en)

<sup>9</sup> Mission of Norway to the EU: [www.norway.no/en/missions/eu/areas-of-cooperation/participation-in-programmes-and-agencies/](https://www.norway.no/en/missions/eu/areas-of-cooperation/participation-in-programmes-and-agencies/)

## Funding analysis

Source	Benefit to Norway	Country contribution
Creative Europe	2014–18 <b>€9.16 million</b> <sup>10</sup>	Norway contributes to the budget of the programmes it participates in on an equal footing with EU Member States.
Horizon 2020	2014–19 <b>€797.2 million</b> <sup>11</sup>	
Erasmus+	2014–17 <b>€82.4 million</b> to be managed by the National Agency + <b>€54.8 million</b> in centralised actions. <sup>12</sup> (In the same period, the UK has received €511 million.)	For the period 2014–20, Norway's average annual commitment to EU centralised programmes is <b>€447 million</b> . <sup>13</sup>
External aid	Eligible for all funding instruments and European Development Fund.	

## Conclusions

### *Single Market access*

Norway is the scenario that provides the highest level of access to the EU Single Market. This, however, involves a contribution to the budget and, due to the rules of the Single Market, none of the four freedoms may be compromised.<sup>14</sup> The country must also adopt EU standards and regulations, while having little influence over these.

### *Ability to shape policy*

Although Norway has no direct voting rights on EU policies, there are numerous informal channels and arenas allowing for an exchange of views and information between the EEA EFTA states. These comprise sub-committees and working groups whose main task is to ensure the smooth incorporation of new EEA acts into the EEA agreement.

Due to the enhanced role of the European Parliament in the EU legislative process, influencing the Parliament and nurturing informal contacts with its members (MEPs) have become increasingly important channels for the EEA EFTA states. This can be done by individual EEA EFTA states or jointly, for instance, by means of meetings between the chair of the EFTA Standing Committee and MEPs, or the transmission of EEA EFTA comments to relevant committees and MEPs in the European Parliament.

Other important channels providing decision-shaping opportunities for the EEA EFTA countries are by means of social discussion, the parliamentary dimension of the EEA, and participation in EU agencies.

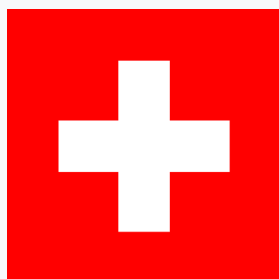
<sup>10</sup> Creative Europe Project Overview, 14 February 2019 – Approved grant for projects where Norway is the co-ordinating country: [ec.europa.eu/programmes/creative-europe/projects/ce-projects-compendium/](https://ec.europa.eu/programmes/creative-europe/projects/ce-projects-compendium/)

<sup>11</sup> Horizon 2020 Dashboard

<sup>12</sup> Erasmus+ Annual Reports, 2014–17 and Financial Transparency System of the European Commission

<sup>13</sup> [www.norway.no/en/missions/eu/areas-of-cooperation/financial-contribution/](https://www.norway.no/en/missions/eu/areas-of-cooperation/financial-contribution/)

<sup>14</sup> Article 112 of the EEA agreement allows non-EU countries to opt out of the four freedoms if they are facing serious economic, societal or environmental strain.



## SWISS MODEL

Switzerland is a member of the EFTA but not of the EEA. Switzerland's economic and trade relations with the EU are mainly governed through a series of bilateral agreements whereby Switzerland has agreed to take on certain aspects of EU legislation in exchange for accessing the European Single Market. These agreements have been under negotiation since 2014\* and are still underway. Swiss entities can take part in most EU programmes.

### Legal basis for the relationship with the EU

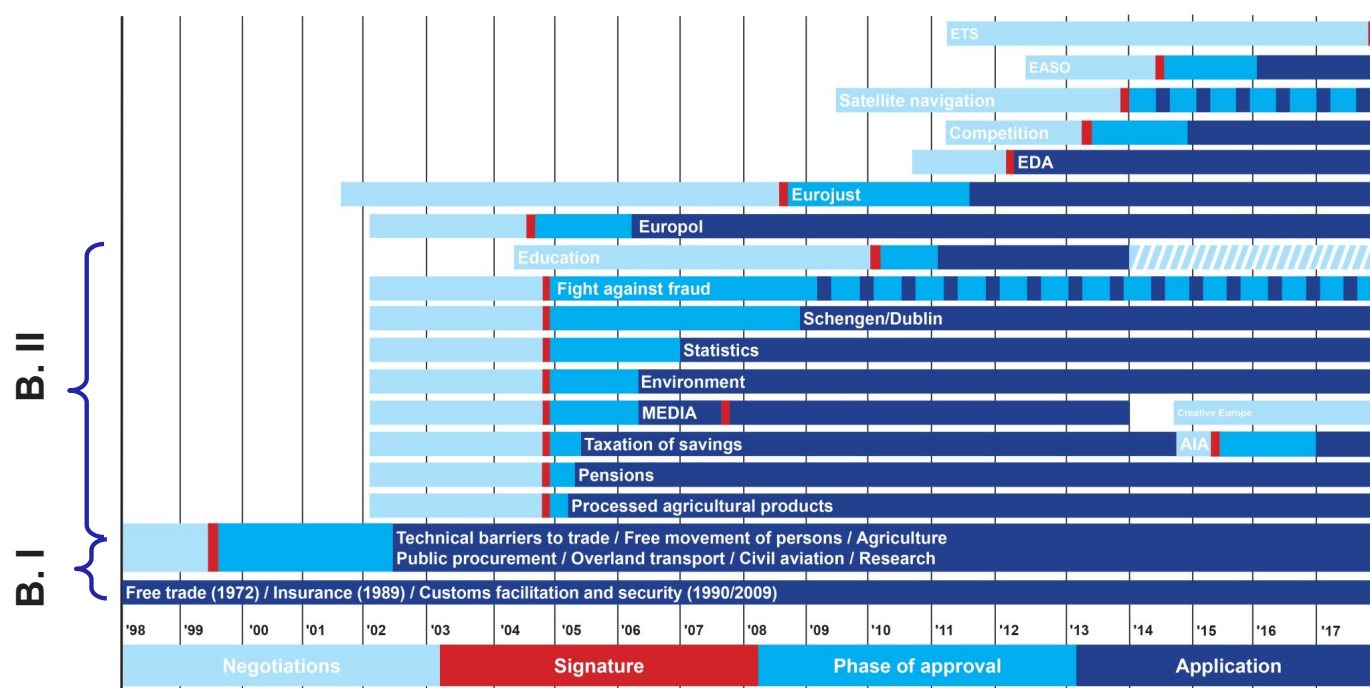
The EU–Swiss co-operation model is based on a series of bilateral treaties negotiated over the past 30 years (more than 1,200 specific agreements for different goods and services have been reached, and negotiations have been carried out sector by sector). The agreements are based on European law. Most of them are individual contracts and can be terminated at any time. The Bilaterals I agreements are an exception; they were concluded as a package and termination of one of them automatically results in all ceasing to apply.<sup>15</sup>

Bilaterals I (1999)	Bilaterals II (2004)
<ul style="list-style-type: none"><li>• Free movement of persons</li><li>• Technical barriers to trade</li><li>• Public procurement</li><li>• Agriculture</li><li>• Overland transport</li><li>• Civil aviation</li><li>• Research</li></ul>	<ul style="list-style-type: none"><li>• Schengen/Dublin</li><li>• Taxation of savings</li><li>• Fight against fraud</li><li>• Processed agricultural products</li><li>• Environment</li><li>• Statistics</li><li>• Media</li><li>• Education, vocational training and youth</li><li>• Pensions</li></ul>
<p>*In the February 2014 referendum, Switzerland voted to impose quotas on migration, putting at risk the bilateral deal with the EU on the free movement of people. The result of the referendum could have cancelled six other bilateral agreements. Switzerland at last implemented a new law which did not hurt the principle of free movement of people.</p>	

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<sup>15</sup> Bilateral agreements Switzerland–EU, Integration Office FDFA/FDEA.

The timeline for the major bilateral agreements of Switzerland–EU is shown in the following graph.



Source: Directorate for European Affairs (DEA)<sup>16</sup>

Following the results of the 2014 referendum on mass immigration, Switzerland introduced a new article into the Swiss Federal Constitution on immigration, Article 121a, which is compatible with the Agreement on the Free Movement of Persons (AFMP). The Swiss Federal Council has adopted a mandate for negotiations with the EU to enhance the EU–Swiss Confederation (CH) relationship through an institutional framework agreement that should work as a governance agreement for the five existing market access agreements<sup>17</sup> between the CH and the EU, as well as for any future market access agreement. The draft institutional framework agreement deal has been on the table since 2018. The EU has repeatedly stated that the deal is not open for re-negotiation and has threatened full Swiss access to the EU stock market if it does not sign.

Switzerland takes part in the Schengen Agreement as an Associated state. It facilitates travel by abolishing identity checks at the Schengen internal borders and takes part in the common visa policy for short stays (under three months). Since March 2016, Switzerland has participated in European Asylum Support Office (EASO) activities.

Although Switzerland is not an EU Member State and EU Regional Policy is not applicable to the country, it participates in the cross-border, transnational and interregional INTERREG programmes and supports partners involved in its projects with national and regional funding.

<sup>16</sup> Swiss policy on the EU: the bilateral agreements, November 2018: [www.eda.admin.ch/dam/dea/en/documents/folien/Folien-Abkommen\\_en.pdf](http://www.eda.admin.ch/dam/dea/en/documents/folien/Folien-Abkommen_en.pdf)

<sup>17</sup> Free movement of persons, civil aviation, overland transport, agriculture and technical barriers to trade (TBT)

### Policy influencing capacity

As mentioned above, Switzerland has agreed to take on certain aspects of EU legislation in exchange for accessing the EU Single Market.

As a non-EU country, Switzerland has no veto in the European Council, no votes in the Council of Ministers, no European Commissioner nor European Commission staff, and neither representation nor votes in the European Parliament.

As with many other non-EU countries, through its presence in a wide network of working groups, advisory boards and other satellite entities, Switzerland has informal EU policy influencing capacity. In programmes where Switzerland is associated, it participates as an observer in the comitology. Switzerland can also finance Seconded National Experts (SNE) within the European Commission.

### Access to EU funding and contribution to EU budget

#### *Creative Europe*

Switzerland is not associated to the programme.

#### *Horizon 2020*

Switzerland's participation in the framework programmes (FPs) has taken a variety of forms over the years:

- 1987–03, FP1–FP6: Third country
- 2004–13, FP6 and FP7: Full association
- 2014 (1 January – 14 September): Third country
- 2014–16: Partial association
- 2017–20: Full association

Switzerland has participated in EU research programmes since 1992. Its current status allows scientists based in Switzerland to lead EU-funded research projects, and Swiss institutes to host scientists on European Research Council grants, in return for a payment based on the ratio of Switzerland's GDP to that of all EU Member States. Switzerland traditionally does very well out of this arrangement. Between 2007 and 2013, for instance, it received CHF219 million (€187 million).

During the 2014 non-association period, Swiss researchers suddenly became a risky proposition for inclusion in research consortia. This situation is seen today with the UK, with uncertainty about the consequences of the UK's withdrawal from the EU limiting the appeal of forming partnerships with UK researchers and companies.

In December 2016, Switzerland and the EU signed a protocol extending the agreement on the free movement of people to Croatia, which allowed Switzerland to re-join Horizon 2020 on 1 January 2017. The resulting net loss over the life of the seven-year programme is CHF734 million, the Swiss government recently estimated.<sup>18</sup>

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<sup>18</sup> [www.sbf.admin.ch/sbf/en/home/services/publications/data-base-publications/fp-2018.html](http://www.sbf.admin.ch/sbf/en/home/services/publications/data-base-publications/fp-2018.html)

### Erasmus+

For the span of the current programme, 2014–20, Switzerland participates with the status of a Partner country (i.e. a non-associated Third country) in Erasmus+. In November 2018, the Swiss Parliament adopted a resolution demanding that the government start negotiations as soon as possible for the association of Switzerland to the future Erasmus programme (2021–27).

Current participation of Swiss organisations is as follows:<sup>19</sup>

#### Key Action 1: Learning mobility of individuals

Swiss organisations are only eligible to participate in Key Action 1 in two exceptions:

1. They can participate in Erasmus Mundus Joint Master's Degrees as partners without the ability to be applicants
2. They can receive incoming students under the Digital Opportunity traineeships scheme, because it is financed through Horizon 2020.

#### Key Action 2: Co-operation for innovation and exchange of good practices

Swiss organisations can participate in the following activities: strategic partnerships in the field of education training and youth; knowledge alliances; sector skills alliances; and capacity building in the field of youth.

They can participate in these activities either as full partners (without being eligible to be lead applicants or co-ordinators) or as affiliated partners (without being eligible to lead):

Full partners: Swiss organisations can participate as full partners if they fulfil the conditions set out in the respective calls and the programme guide, and if their participation brings essential added value to the project. Under this mode of participation, Swiss organisations are eligible to receive EU funding.

Associated partners: Swiss organisations can participate as associated partners by implementing specific tasks or activities within the project. Under this mode of participation, they are not considered to be one of the project partners and do not receive EU funding.

#### Key Action 3: Support for policy reform

The eligibility of Swiss organisations depends on the specific calls, and if they are eligible, they need to bring their own funds.

#### Jean Monnet Actions

Swiss organisations can participate without restrictions.

#### Sports

Swiss organisations can participate as partners (without being eligible to be applicants or co-ordinators) and receive EU funding in two activities: Collaborative Partnerships and Small Collaborative Partnerships.

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<sup>19</sup> European University Association, 2016, *After the 'Brexit' referendum: Possible outcomes for Horizon 2020 and Erasmus+*: <https://eua.eu/resources/publications/426:after-the-brexit-referendum-possible-outcomes-for-horizon-2020-and-erasmus.html>

## Funding analysis

Source	Benefit to Switzerland	Country contribution
Creative Europe	Negotiations on Switzerland's participation in Creative Europe have been underway since November 2014.	
Horizon 2020	2014–19 <b>€1.09 billion</b> <sup>20</sup> (Horizon 2020 net EU contribution)	During the partial association, Switzerland also funded Horizon 2020 projects on direct payment.
Erasmus+	2014–17 <b>€12.1 million</b> <sup>22</sup> for centralised actions	<p>Switzerland does not contribute to the Erasmus+ budget and is therefore not associated.</p> <p>Switzerland's participation possibilities, as outlined above, are set in accordance with its EC categorisation as Region 14 (since 2017) under the status of non-associated Third country.</p> <p>Switzerland operates its own national programme to implement certain actions (for example, individual learner mobility, which is similar to Key Action 1, but funding outgoing and incoming students).</p> <p>Movetia, the Swiss Agency for Exchange and Mobility, promotes mobility projects with a total of €81 million for 2014–17 and €102 million for 2018–20.<sup>21</sup></p>
External aid	<p>Full access to the following thematic instruments:</p> <ul style="list-style-type: none"> <li>• Instrument contributing to Stability and Peace (IcSP)</li> <li>• European Instrument for Democracy and Human Rights (EIDHR).</li> </ul> <p>Eligible for all geographic instruments and the European Development Fund (EDF), but only when contracts are implemented in a Least Developed Country or in a Highly Indebted Poor Country.<sup>23</sup></p> <p>Switzerland does not have access to the IPA.</p>	

## Conclusions

The fact that Switzerland might have tried to introduce quotas for Third country nationals in Switzerland has reinforced the EU's position that access to the European Single Market is linked to the free movement of people. Switzerland ratified the protocol extending the free movement of people to Croatia on 16 December 2016, and, as a result, Switzerland can participate in Horizon 2020 as a fully Associated country. Since 1 January 2017, Swiss researchers and institutions have been able to participate in all parts of Horizon 2020.

Negotiations for the association of the next generation of EU programmes are not expected to open before 2020. The Swiss government has stated that it will closely follow the development of the future programmes and will consider the question of association once programme parameters (such as conditions for the association of Third countries) are known.

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<sup>20</sup> Horizon 2020 Dashboard

<sup>21</sup> Movetia: Swiss Agency for Exchange and Mobility: [www.movetia.ch/en/](http://www.movetia.ch/en/)

<sup>22</sup> Financial Transparency System of the European Commission

<sup>23</sup> Least Developed Countries: Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sudan, Tanzania, Timor-Leste, Togo, Tuvalu, Uganda, Vanuatu, Yemen, Zambia; Highly Indebted Poor Countries as of as of March 2016: Afghanistan, Benin, Bolivia Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Côte d'Ivoire, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, Republic of Congo, São Tomé and Príncipe, Senegal, Sierra Leone, Tanzania, Togo, Uganda, Zambia. Under consideration: Eritrea, Somalia, Sudan. [www.oecd.org/dac/financing-sustainable-development/development-finance-standards/daclist.htm](http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/daclist.htm)



## **TURKISH MODEL**

Turkey is a pre-accession country and a member of the Customs Union, without free circulation of goods or people. Turkish organisations can participate in most EU programmes.

### **Legal basis for the relationship with the EU**

Turkey is a candidate country for joining the EU. For any country to be eligible for accession, the 35 chapters of the EU acquis<sup>24</sup> must be negotiated, fulfilled and signed. In 1987, Turkey applied to join what was then the European Economic Community. In 1997, it was declared eligible to join the EU. Accession negotiations were opened in 2005. Currently, only one of the 35 chapters has been negotiated and closed: *Science and Research* (in 2006). *Education and Culture* and *Free Movement of Workers* are currently blocked by Cyprus. The *Right of Establishment and Freedom to Provide Services* is also currently suspended. Turkey is part of the EU Customs Union, with bilateral treaties with the EU, which means that it can access the Single Market for goods but not services.

### **Policy-influencing capacity**

Turkey has an informal EU policy-influencing capacity, although with less impact than Norway and Switzerland, as it is not part of the EEA or EFTA. Turkey participates in expert groups and in the Programme Committee at the European Commission level, but has no voting rights.

### **Access to EU funding and contribution to EU budget**

The principle of participation for candidate countries in EU programmes, agencies and committees was agreed by the European Council in December 1997. This is to help enlargement countries become familiar with EU policies and instruments, and to strengthen co-operation prior to accession. Participation is decided on a case-by-case basis for each programme, agency and committee.<sup>25</sup>

In the case of Turkey, the country participates in the following EU programmes relevant for the UK education and culture sectors:

#### *Creative Europe*

Turkey had full participation in the Culture sub-programme and partial participation in

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<sup>24</sup> [ec.europa.eu/neighbourhood-enlargement/policy/conditions-membership/chapters-of-the-acquis\\_en](http://ec.europa.eu/neighbourhood-enlargement/policy/conditions-membership/chapters-of-the-acquis_en)

<sup>25</sup> European Commission, DG Enlargement: [ec.europa.eu/neighbourhood-enlargement/policy/glossary/terms/participation-pac\\_en](http://ec.europa.eu/neighbourhood-enlargement/policy/glossary/terms/participation-pac_en)

the MEDIA sub-programme during 2014–16. Turkey withdrew from the Creative Europe programme as of January 2017.

### Horizon 2020

As an Associated country, under the same conditions as EU Member States, Turkey can apply to all programmes and instruments, individually or in consortia. It can automatically obtain funding if its proposal is successful and must follow the Horizon 2020 rules of participation.

### Erasmus+

Turkey takes part fully as a non-EU country, which means that the Turkish National Agency is part of the review and development of the proposals for the new post-2020 programme. Turkey also fully participates in the European Environment Agency and is an observer at the European Monitoring Centre for Drugs and Drug Addiction. Funding for Turkey's participation in EU programmes and EU agencies usually comes from the IPA II. In the case of education, society and the arts, these funds come more specifically from the policy sector, Democracy and Governance, for which Turkey receives €956.5 million from the EU for the period 2014–20. A considerable portion of this sum goes to Turkey's participation in EU programmes and agencies, including, for example, the Erasmus+ programme.

Further funding for Turkey comes from the Multi-annual Action Programme for Turkey on Employment, Education and Social policies, under Action 2 Education and Training. Through this, €50.5 million were allocated for the period 2014–16, including support for participation in Erasmus+. Projects receiving IPA II funds should always be co-financed with national funds from Turkey.

## Funding analysis

Source	Benefit to Turkey	Country contribution
Creative Europe	Withdrew from the programme as of January 2017.	
Horizon 2020	2014–19 <b>€145.1 million</b> <sup>26</sup>	As a candidate country, the EU provides an estimated €211 million per year through the IPA II programme.
Erasmus+	2014–17 <b>€393.7 million</b> to be managed by the National Agency as well as <b>€60 million</b> through centralised actions <sup>27</sup>	
External aid	Turkey is a beneficiary of the IPA II programme, so it is eligible for all funding instruments and the EDF.	

## Conclusions

Turkey has access to many EU programmes and funds without free movement of people. By means of the Customs Union, Turkey still has access to the Single Market for goods.

<sup>26</sup> Horizon 2020 Dashboard

<sup>27</sup> Erasmus+ Annual Reports, 2014–2017 and Financial Transparency System of the EC



### ISRAELI MODEL

Israel is a Third country. Some industrialised countries such as this can engage in certain EU programmes.

#### Legal basis for the relationship with the EU

The legal framework for EU–Israel relations is provided by the EU–Israel Association Agreement,<sup>28</sup> signed in Brussels in 1995 and ratified by all EU Member States (15 at that time), the European Parliament and the Knesset (Israeli national legislature). The agreement entered into force on 1 June 2000, replacing the earlier Co-operation Agreement of 1975.

#### Policy-influencing capacity

The EU–Israel Association Agreement established two main bodies for discussion:

- the EU–Israel Association Council, held at ministerial level
- the EU–Israel Association Committee, held at senior official level.

As Israel acts as a European Neighbourhood Instrument (ENI) South country under the European Neighbourhood Policy Action Plan, EU–Israel sub-committees have regular meetings in the areas of:

- industry, trade and services
- Single Market
- research, innovation, information society, education and culture
- transport, energy and environment
- political discussion and co-operation
- justice and legal matters
- economic and financial matters
- customs co-operation and taxation
- social and migration affairs
- agriculture and fisheries.

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<sup>28</sup> Euro-Mediterranean Agreement establishing an association between the European Communities and their Member States, of the one part, and the State of Israel, of the other part: [eeas.europa.eu/archives/delegations/israel/documents/eu\\_israel/asso\\_agree\\_en.pdf](https://eeas.europa.eu/archives/delegations/israel/documents/eu_israel/asso_agree_en.pdf)

Israel was the first non-European country to be associated with the European Union's Framework Programme for Research and Technical Development (RTD). Israel's special status is the result of its high level of scientific and research capability, and the dense network of long-standing relations in scientific and technical co-operation between Israel and the EU. The European Commission signed an agreement with Israel in July 2004 allowing its participation in the EU's Galileo project for a global navigation satellite system. Since 2014, Israel has been a member of the European Organisation for Nuclear Research, CERN, becoming the only non-European member.

### **Access to EU funding and contribution to EU budget**

Israel's participation in the EU programmes covered by this study is as follows:

#### *Creative Europe*

In 2013, the EU suggested that Israel become part of the programme, and in 2014, the Israeli Culture and Foreign Affairs ministries responded that Israel would like to join. In 2017, the EU requested that the Israeli government pay €1.28 million for membership and included a territorial clause stating that the agreement would not apply to cultural institutions or artists beyond Israel's 1967 borders. Israel did not agree to these conditions and thus does not currently participate in the Creative Europe programme.<sup>29</sup>

#### *Horizon 2020*

On 8 June 2014, Israel and the European Union signed the agreement associating Israel to Horizon 2020. The agreement provides Israeli researchers, universities and companies with full access to the Horizon 2020 programme on equal conditions as EU Member States.<sup>30</sup>

#### *Erasmus+*

As a Partner country neighbouring the EU, Israeli participation in the programme is subject to specific criteria or conditions. It participates in certain actions, notably in the fields of higher education and youth. Although classification as a Partner country neighbouring the EU means that Erasmus+ is more open to Israel compared to other Partner countries, in most cases the country still cannot act as a project co-ordinator. Israel also hosts a National Erasmus Office and feeds into discussions concerning developments of the programme.

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<sup>29</sup> [www.haaretz.com/israel-news/.premium-israel-set-to-join-eu-culture-program-that-excludes-settlements-1.5491843](http://www.haaretz.com/israel-news/.premium-israel-set-to-join-eu-culture-program-that-excludes-settlements-1.5491843)

<sup>30</sup> Overall Israeli investment in the programme was around €1.375 billion, and the return to Israeli entities stands at approximately €1.7 billion, a 21 per cent success rate, according to [ec.europa.eu/research/iscp/index.cfm?pg=israel](http://ec.europa.eu/research/iscp/index.cfm?pg=israel).

## Funding analysis

Source	Benefit to Israel	Country contribution
Creative Europe	Eligible to participate, providing payment of the entry costs and acceptance of the territory clause.	
Horizon 2020	2014–19 <b>€713 million</b> <sup>31</sup>	Up to February 2019, Israel submitted 7,581 proposals, of which 1,010 were successful: its success rate is 13,3%. The value of Israeli grants is €712.6 million. <sup>32</sup>
Erasmus+	2014–17 <b>€1.3 million</b> <sup>33</sup> for centralised actions  2015-18 Programme country: Israeli partnerships under Key Action 107 received 24% of the south Mediterranean regional budget for that action.	As Israel is a Partner country, rather than a Programme country, it does not contribute to the EU and Erasmus+ budget.  In cases of co-financing, Israeli organisations participating in Erasmus+ projects bear the costs, not the country.
External aid	Full access to the IPA II and ENI programme, and the thematic instruments, IcSP and EIDHR Access to the other geographic and thematic instruments, and the EDF, only when contracts are implemented in a Least Developed Country or in a Highly Indebted Poor Country <sup>34</sup>	

## Conclusions

Israel reached bilateral agreements with the EU in order to improve its presence and participation in several EU programmes. In the case of Horizon 2020, for example, this was done on an equal basis and with the same conditions and benefits as any other EU Member State. Israel is one of the worldwide front runners in research, innovation and development; clearly, the EU is open to engaging with strong partners in areas of benefit for its international position, even if these countries are not EFTA, EEA or accession countries.

As a country included in the European Neighbourhood Instrument, Israel has access to several EU external aid instruments. However, it does not have access to any African, Asian or American geographical instruments, nor to the specific programmes for civil society organisations. The Israeli model could provide some guidance with regard to research and development funds.

<sup>31</sup> Horizon 2020 Dashboard

<sup>32</sup> [www.innovationisrael.org.il/ISERD/sites/default/files/inline-files/IL\\_Statistics\\_20190219.pdf](http://www.innovationisrael.org.il/ISERD/sites/default/files/inline-files/IL_Statistics_20190219.pdf)

<sup>33</sup> Financial Transparency System of the European Commission

<sup>34</sup> Least Developed Countries: Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People's Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sudan, Tanzania, Timor-Leste, Togo, Tuvalu, Uganda, Vanuatu, Yemen, Zambia; Highly Indebted Poor Countries as of as of March 2016: Afghanistan, Benin, Bolivia Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Côte d'Ivoire, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, Republic of Congo, São Tomé and Príncipe, Senegal, Sierra Leone, Tanzania, Togo, Uganda, Zambia. Under consideration: Eritrea, Somalia, Sudan. [www.oecd.org/dac/financing-sustainable-development/development-finance-standards/daclist.htm](http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/daclist.htm)



## US MODEL

The US is a Third country. Some industrialised countries such as this can engage in certain EU programmes.

### Legal basis for the relationship with the EU

US co-operation with the EU is based on the Transatlantic Declaration of 1990, and the New Transatlantic Agenda (NTA) adopted in 1995. This co-operation takes place on many levels and includes summit meetings at the level of heads of state and government between the US, the European Commission and the country holding the EU Presidency.

### Policy influencing capacity

Together, the EU and the US have the largest bilateral trade and investment relationship in the world, with almost 31 per cent of world trade and over 49 per cent of the world's GDP.

At policy level, the NTA<sup>35</sup> outlines four broad objectives for US–EU collaboration:

- promoting peace and stability
- sustaining democracy and development around the world
- responding to global challenges
- contributing to the expansion of world trade and closer economic relations, and building bridges across the Atlantic.

There is also active co-operation across sectors such as justice, home affairs, energy, environment, science and technology, and education and training.

### Access to EU funding and contribution to EU budget

US participation in EU programmes covered by this study is as follows:

#### *Creative Europe*

The US does not participate in this programme.

#### *Horizon 2020*

The US participates as a Third country in this programme under the industrialised countries and emerging economies category. The countries that fall under this

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<sup>35</sup> [eeas.europa.eu/us/docs/new\\_transatlantic\\_agenda\\_en.pdf](https://eeas.europa.eu/us/docs/new_transatlantic_agenda_en.pdf)

category are the only ones ineligible for funding under Horizon 2020. Programme candidates from these countries must cover their participation costs with their own funds or with funding from a national and/or regional agency. Potential US participants are therefore encouraged to contact research and innovation funding organisations in the US to seek support for their participation in Horizon 2020.

An industrialised country can, however, receive EU funding if one of these conditions applies:

- there is a provision in the call specifically stating that such a Third country will be eligible for funding
- a bilateral agreement exists between the EU and the Third country on a specific science and innovation topic which provides funding for projects under that topic (for the US, for example, health, demographic change, wellbeing and societal challenge are automatically eligible for funding. European researchers are also eligible for funding in US National Institute of Health projects)
- the European Commission exceptionally deems essential the participation of such partners within a given project.<sup>36</sup>

### *Erasmus+*

The US can participate in the programme as a Partner country. As the US is classified as a Partner country belonging to the Region 13 - Other industrialised countries category, its participation is limited compared to other Partner countries.

In principle, participants travelling to take part in an Erasmus+ project, either to the EU from non-EU countries or to non-EU countries from the EU, must apply for a visa to enter the receiving country (this also applies to US citizens).

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<sup>36</sup> [www.horizon2020.lu/Toolbox/FAQ/Non-EU-Partners](http://www.horizon2020.lu/Toolbox/FAQ/Non-EU-Partners)

## Funding analysis

Source	Benefit to the US	Country contribution
Creative Europe	States are eligible to participate, providing payment of the entry costs. Currently the US does not participate.	
Horizon 2020	2014–19 <b>€48.23 million</b> <sup>37</sup>	<b>€5 million</b>
Erasmus+	2014–17 <b>€14.2 million</b> mainly for Jean Monnet and Knowledge Alliances calls <sup>38</sup>	As the US is a Partner country rather than a Programme country, it does not contribute to the EU and Erasmus+ budget.  In cases of co-financing, US organisations participating in Erasmus+ projects bear the costs, not the country.
External aid	Full access to the thematic programmes, IcSP and EIDHR  In general, eligible for all geographic programmes and EDF, but only when contracts are implemented in a Least Developed Country or in a Highly Indebted Poor Country <sup>39</sup>  No access to IPA II	

## Conclusions

The US model is not the best scenario with regard to accessing EU funds.

Although the US and the EU have been interacting for over 60 years, the US must not only cover the cost of its participation, but US companies also have very restricted access to external aid funds.

Despite this, the US displays an extensive informal influencing capacity, mainly via the American Chamber of Commerce to the European Union (AmCham EU), which ‘speaks for American companies committed to Europe on trade, investment and competitiveness’ and ‘aims to ensure a growth-orientated business and investment climate in Europe’.<sup>40</sup> AmCham EU members include some of the world’s largest and most prestigious US companies, law firms and public affairs consultancies.

<sup>37</sup> Horizon 2020 Dashboard

<sup>38</sup> Financial Transparency System of the European Commission

<sup>39</sup> Least Developed Countries: Afghanistan, Angola, Bangladesh, Benin, Bhutan, Burkina Faso, Burundi, Cambodia, Central African Republic, Chad, Comoros, Democratic Republic of the Congo, Djibouti, Equatorial Guinea, Eritrea, Ethiopia, Gambia, Guinea, Guinea-Bissau, Haiti, Kiribati, Lao People’s Democratic Republic, Lesotho, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Myanmar, Nepal, Niger, Rwanda, Sao Tome and Principe, Senegal, Sierra Leone, Solomon Islands, Somalia, South Sudan, Sudan, Tanzania, Timor-Leste, Togo, Tuvalu, Uganda, Vanuatu, Yemen, Zambia; Highly Indebted Poor Countries as of as of March 2016: Afghanistan, Benin, Bolivia Burkina Faso, Burundi, Cameroon, Central African Republic, Chad, Comoros, Democratic Republic of Congo, Côte d’Ivoire, Ethiopia, Gambia, Ghana, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, Liberia, Madagascar, Malawi, Mali, Mauritania, Mozambique, Nicaragua, Niger, Rwanda, Republic of Congo, São Tomé and Príncipe, Senegal, Sierra Leone, Tanzania, Togo, Uganda, Zambia. Under consideration: Eritrea, Somalia, Sudan. [www.oecd.org/dac/financing-sustainable-development/development-finance-standards/daclist.htm](http://www.oecd.org/dac/financing-sustainable-development/development-finance-standards/daclist.htm)

<sup>40</sup> [www.amchameu.eu](http://www.amchameu.eu)

# STATE OF PLAY FOR THIRD COUNTRIES' PARTICIPATION WITHIN CURRENT PROPOSALS FOR CREATIVE EUROPE, HORIZON EUROPE AND ERASMUS FOR THE PROGRAMMING PERIOD 2021–27



**CREATIVE EUROPE**

## **The current context**

Creative Europe is the European Union's programme to support the cultural, creative and audiovisual sectors. From 2014 to 2020, the EU is investing €1.46 billion in the creative industries by means of this one unified programme, which replaces the two previous Culture and Media programmes. Creative Europe supports European projects with the potential to travel and find audiences beyond their national borders. Launched in 2014, Creative Europe brings together two sub-programmes: a Culture sub-programme, which provides funding for the cultural and creative sectors to collaborate across borders, and a MEDIA sub-programme, which invests in cinema, television, new media and games. Creative Europe is open to all EU Member States as well as non-EU countries, and matched funding is required by participating organisations.

The programme has been a significant source of public funding for UK organisations since 2014. Its sustained investment has helped UK businesses and organisations to grow and become more resilient. It has boosted job creation, output and exports,

leading to additional investment, including from outside the UK, and strengthening cross-border funding relationships.

The UK is among the top five countries that use funding from Creative Europe. The number of projects financed in these five countries during 2014–18<sup>41</sup> are presented below.

Country	Number of projects as coordinating country	Total grant value	Number of projects as Partner country	Total grant value
France	374	€96.83 million	150	€77.46 million
Spain	118	€22.57 million	147	€87.25 million
Italy	171	€40.92 million	159	€81.62 million
Germany	247	€55.73 million	162	€91.05 million
UK	185	€47.56 million	158	€96.47 million

In July 2018, the Creative Europe Desk UK published a report, *The impact of Creative Europe in the UK*,<sup>42</sup> which offers an in-depth analysis on the impact of EU funding for the creative sector in the UK, including the following points:

- During its first four years (2014–17), €74 million was awarded to 334 UK-based cultural and creative organisations and audiovisual companies.
- The UK received €53.2 million in MEDIA sub-programme funding from 2014 to 2017. Of this:
  - €28.7 million in grants supported 128 UK companies and 53 UK cinemas in the Europa Cinemas network
  - €24.5 million in investment supported the distribution of 145 British films in other European countries.
- Revenue generated by MEDIA sub-programme supported UK films for that period is just under €400 million.
- The UK is highly visible across all cultural funding opportunities, and from 2014 to 2017, 150 organisations received €18.7 million to participate in 144 projects.
- The Creative Europe programme has also had a positive impact on output and employment for UK partners in the same period. Projects supported by the Culture sub-programme with UK partners have created 581 new jobs in the UK, of which 16 per cent are permanent.

The UK is one of the best networked countries in Creative Europe, with 734 partners across 34 countries in the Culture sub-programme. To date, 27 per cent of co-operation projects with UK involvement are led by UK organisations. This places the UK in the top five after France (36 per cent), Italy (33 per cent) and Belgium (31 per cent).

<sup>41</sup> European Commission

<sup>42</sup> [www.creativeeuropeuk.eu/sites/default/files/CE\\_ImpactUK\\_\\_FINAL.pdf](http://www.creativeeuropeuk.eu/sites/default/files/CE_ImpactUK__FINAL.pdf)

For the 2014–20 financial framework, access to the programme is regulated by Article 8 of the Regulation (EU) No 1295/2013 establishing the Creative Europe programme. There are three tiers of participation:

### 1. EU Member States

These countries are automatically part of Creative Europe.

### 2. Non-EU countries that have negotiated participation in the programme as part of a group or bloc of countries that includes acceding, candidate and potential candidate countries; EFTA countries that are party to the EEA agreement; the Swiss Confederation and countries covered by the European Neighbourhood Policy

These countries can participate in the programme if certain conditions are met, including:

- Payment of a programme contribution

EEA and EFTA states normally fund their participation in EU programmes with an amount corresponding to the relative size of their GNI compared to the GNI of the whole EEA.

For acceding, candidate and potential candidate countries, as well as countries covered by the European Neighbourhood Policy, participation is decided on a case-by-case basis for each programme. Most funding for their participation in EU programmes usually comes from the IPA II and ENI, and is partly co-financed with national funds from each country.<sup>43</sup>

- For the MEDIA sub-programme, alignment with the Audiovisual Media Services Directive (AVMSD).

### 3. Non-EU countries and regions that have bilaterally negotiated to participate in projects supported by the programme

The participation of these countries is also subject to the conditions that:

- they pay a programme contribution
- specific arrangements are agreed upon with the EU.

Currently, 13 non-EU countries<sup>44</sup> have negotiated participation in the programme.

*Full participation* – seven countries:

- EFTA and EEA countries: Iceland and Norway
- candidate countries: Albania, North Macedonia, Montenegro, and the Republic of Serbia
- potential candidate countries: Bosnia and Herzegovina.

*Full Culture but partial MEDIA participation* – four countries:

- European Neighbourhood Policy covered countries: Georgia, Moldova, Ukraine and Tunisia.

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<sup>43</sup> Detailed information on this subject is presented for each country and analysed in this report in the sections on access to funding and contribution to the EU budget.

<sup>44</sup> [eacea.ec.europa.eu/creative-europe/library/eligibility-organisations-non-eu-countries\\_en](https://eacea.ec.europa.eu/creative-europe/library/eligibility-organisations-non-eu-countries_en)

Partial participation in the MEDIA sub-programme is defined as participation in four schemes: training, festivals, film education and market access activities.

*Culture sub-programme participation only – two countries:*

- Armenia
- Kosovo.

Each country first requests and can then negotiate its participation, in accordance with the current legal base, with the European Commission Directorate-General for Education and Culture (DG EAC).

Among the non-EU countries analysed in this study, only Norway participates in the Creative Europe programme, with Norwegian entities being involved in around four per cent of awarded projects. Switzerland, the US and Israel do not participate in the programme, and Turkey withdrew from Creative Europe in January 2017.

**Two scenarios are being considered after the UK leaves the European Union: ‘deal’ and ‘no deal’.**

*Creative Europe and the UK in the event of a deal between the EU and the UK*

In November 2018, the UK and EU negotiating teams reached a consensus on a Withdrawal Agreement, which includes a transition period that will start when the UK leaves the EU and will last until 31 December 2020. This announcement confirmed that, pending ratification, UK organisations can continue to apply for EU programme funding until December 2020. This includes UK participation in, and funding applications for, Creative Europe.

The UK Department for Digital, Culture, Media and Sport (DCMS) has advised<sup>45</sup> the following:

- UK organisations can continue to apply for the forthcoming Creative Europe MEDIA and Culture sub-programme calls.
- UK organisations will have the same rights and obligations as other countries participating in the Creative Europe programme until the end of the current programme.
- Successful Creative Europe applicants from the UK can receive funding until the end of their projects even if they run beyond 2020.

*Creative Europe and the UK in the event that there is no deal between the EU and the UK*

On 30 January 2019, the European Commission announced that it had published a final set of ‘no deal’ contingency proposals regarding the EU budget, which:

*enable the EU to be in a position to honour its commitments and to continue making payments in 2019 to UK beneficiaries for contracts signed and decisions made before 30 March 2019,<sup>46</sup> on condition that the UK honours its obligations under the 2019 budget and that it accepts the necessary audit checks and controls.*

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<sup>45</sup> [www.gov.uk/guidance/delivery-of-the-hmg-guarantee-for-creative-europe-europe-for-citizens-and-connecting-europe-facility-in-telecoms](https://www.gov.uk/guidance/delivery-of-the-hmg-guarantee-for-creative-europe-europe-for-citizens-and-connecting-europe-facility-in-telecoms)

<sup>46</sup> These contingency measures were published before the original EU withdrawal date of 29 March 2019 was postponed.

Should this arrangement not come to pass and payments to UK beneficiaries cease after the UK has left the EU, the UK government has provided reassurance that it will underwrite the payment of awards for the full duration of the project, where UK organisations successfully bid directly to the European Commission on a competitive basis while in the EU. Successful bids are those that are approved directly by the European Commission or the relevant EU agency acting on its behalf. This includes projects that are only informed of their success or sign a grant agreement after the UK has left the EU. The guarantee does not cover funding for organisations from countries who are in consortia with UK participants; only the funding for UK participants is covered.

DCMS is responsible for the implementation of the guarantee for Creative Europe. Successful applicants with projects that continue past the UK's withdrawal date will be informed of the next steps by Creative Europe Desk UK and DCMS.

Organisations considering submitting Creative Europe applications for open calls should note that there is no certainty yet about how the European Commission will handle UK applications and UK participation in projects after the UK leaves the EU in a 'no deal' scenario.

In November 2017, the European Commission confirmed that, due to the UK's decision to leave the EU, it will no longer be eligible to host the European Capital of Culture in 2023.

### **Third countries' status for the next Creative Europe programme**

In the 2021–27 Creative Europe programme, Article 8 regulates the participation of Third countries associated to the programme. The programme will be open to the following Third countries:

1. Non-EU countries having negotiated participation in the programme and usually part of a group or bloc of countries: EFTA members which are EEA members; acceding, candidate and potential candidate countries; and countries covered by the European Neighbourhood Policy.

The participation of these countries is in accordance with the agreements signed between the EU and those countries and is still subject to the fulfilment of the conditions set out in the Audiovisual Media Services Directive.

2. Other non-EU Third countries in accordance with the conditions of a specific single agreement covering the participation in any EU programme, provided that the agreement:
  - ensures a fair balance of the contributions and benefits of the Third country participating in the EU programmes
  - lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes and their administrative costs
  - does not confer to the Third country a decision-making power on the programme
  - guarantees the rights of the EU to ensure sound financial management and to protect its financial interests.

## Negotiating positions

The UK's possible participation in the 2021–27 programme will be decided as part of the future partnership negotiations with the EU. The UK government's white paper, published in July 2018, stated, 'The UK is open to exploring participation in the successor scheme and continued involvement in Creative Europe to support the cultural, creative and audiovisual sectors'.<sup>47</sup>

In the Mansion House speech<sup>48</sup> on 2 March 2018, the former UK Prime Minister confirmed her commitment to promoting shared values by means of participation in important cultural and educational programmes alongside EU partners. The exact terms of the UK's participation in the 2021–27 Multi-annual Financial Framework (MFF) will be subject to the assessment of which specific policies and programmes remain of mutual advantage to the UK and the EU and continue to provide value for money for the taxpayer.

The success of the UK's creative industries is well-known. The sector generated £91.8 billion Gross Value Added (GVA) for the UK in 2016, the latest year for which statistics are available.<sup>49</sup> This shows a year-on-year growth of 7.6 per cent, compared with a growth of 3.5 per cent for the UK economy over the same period. In the period 2010–16, the GVA of the creative industries increased by 44.8 per cent and the sector made up 5.3 per cent of the UK economy. In 2017, the sector contributed £101.5 billion GVA. There are nearly two million (1,958,000) jobs in the creative industries and the sector is growing at four times the rate of the wider UK workforce, now providing six per cent of all UK jobs. Of people working in the sector, 6.7 per cent are from a non-UK European Union country and six per cent are from outside the EU.<sup>50</sup>

On 24 September 2018, over 60 European experts from the cultural and creative sectors assembled at BOZAR, the Brussels Centre for Fine Arts, in partnership with the European Cultural Foundation and the British Council, to discuss the potential impact that the UK leaving the EU will have on their fields.<sup>51</sup> Concerns included reputational risk, an uncertain economic and funding environment, and increasing costs and complications for organisations in relation to freedom of movement. Many UK companies are already making contingency plans that often involve relocating to new bases within the EU. Among others, the experts present at the event recommended that:

- 'the EU institutions and the UK government ensure full UK participation in European culture programmes post-2020, and especially in Creative Europe'<sup>52</sup>
- 'a steering group made up of representatives of the European creative sector should be created in order to advise UK–EU policy makers during:
  - the negotiations on the Culture and Education Accord or any future agreement
  - the design and management of European funding programmes for culture post-2020.'<sup>53</sup>

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<sup>47</sup> [assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/786626/The\\_Future\\_Relationship\\_between\\_the\\_United\\_Kingdom\\_and\\_the\\_European\\_Union\\_120319.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/786626/The_Future_Relationship_between_the_United_Kingdom_and_the_European_Union_120319.pdf)

<sup>48</sup> [www.bbc.com/news/uk-politics-43256183](https://www.bbc.com/news/uk-politics-43256183)

<sup>49</sup> [www.gov.uk/government/news/creative-industries-record-contribution-to-uk-economy](https://www.gov.uk/government/news/creative-industries-record-contribution-to-uk-economy)

<sup>50</sup> [www.creativeindustriesfederation.com/statistics](https://www.creativeindustriesfederation.com/statistics)

<sup>51</sup> [www.bozar.be/file/2355/download](https://www.bozar.be/file/2355/download)

<sup>52</sup> [www.creativeeuropeuk.eu/news/moving-beyond-brexit-recommendations-european-leaders](https://www.creativeeuropeuk.eu/news/moving-beyond-brexit-recommendations-european-leaders)

<sup>53</sup> [www.creativeeuropeuk.eu/news/moving-beyond-brexit-recommendations-european-leaders](https://www.creativeeuropeuk.eu/news/moving-beyond-brexit-recommendations-european-leaders)



## HORIZON EUROPE

### The current context

The UK is the second largest beneficiary of Horizon 2020, having won 14.3 per cent<sup>54</sup> of its funding (€5.1 billion) while contributing 12 per cent.<sup>55</sup> Awarded organisations are principally universities (57.2 per cent) but also include enterprises (26.7 per cent), research institutes (8.7 per cent) and public administration (3.8 per cent).

The UK also has an impressive track record in the European Research Council (ERC),<sup>56</sup> the highly competitive and most prestigious bottom-up programme dedicated to supporting pioneering projects. Of the €13.1 billion total budget allocated to the ERC for the 2014–20 period, UK-based researchers have so far secured over 20 per cent of all funds disbursed. During the previous period, 2007–13, four British institutions were among the ten most successful recipients.

The table below shows the amount of Horizon 2020 funding secured by the most active non-EU countries and the UK in the first five years of the programme's implementation.<sup>57</sup>

### EU funding to selected non-EU-28 countries and the UK for signed projects (million euros)

Switzerland	Norway	Israel	Turkey	US	UK
1,089	792	713	145	48	5,403

Distinctions are made between Associated countries' and Third countries' participation in Horizon 2020, as well as their eligibility for funding, which may or may not be automatic.

- Associated countries participate under the same conditions as EU Member States: they can apply to all programmes and instruments and must follow the Horizon 2020 rules of participation. As of April 2016, there are 15 Associated countries,<sup>58</sup> including Norway, Turkey, Israel and Switzerland.<sup>59</sup>
- Third countries can also participate in Horizon 2020. Pre-accession and neighbouring countries, as well as developing countries, are automatically eligible

<sup>54</sup> [www.gov.uk/government/publications/horizon-2020-funding-if-theres-no-brexite-deal/horizon-2020-funding-if-theres-no-brexite-deal-2](http://www.gov.uk/government/publications/horizon-2020-funding-if-theres-no-brexite-deal/horizon-2020-funding-if-theres-no-brexite-deal-2)

<sup>55</sup> [ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/horizon-dashboard](http://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/horizon-dashboard), accessed 22 March 2019

<sup>56</sup> ERC funding schemes are open to top researchers of any nationality or age who wish to carry out their frontier research in the 28 EU Member States or Associated countries (each country makes a financial contribution to all or part of the Framework Programme for Research: [ec.europa.eu/research/participants/data/ref/h2020/wp/2014\\_2015/annexes/h2020-wp1415-annex-a-countries-rules\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/wp/2014_2015/annexes/h2020-wp1415-annex-a-countries-rules_en.pdf))

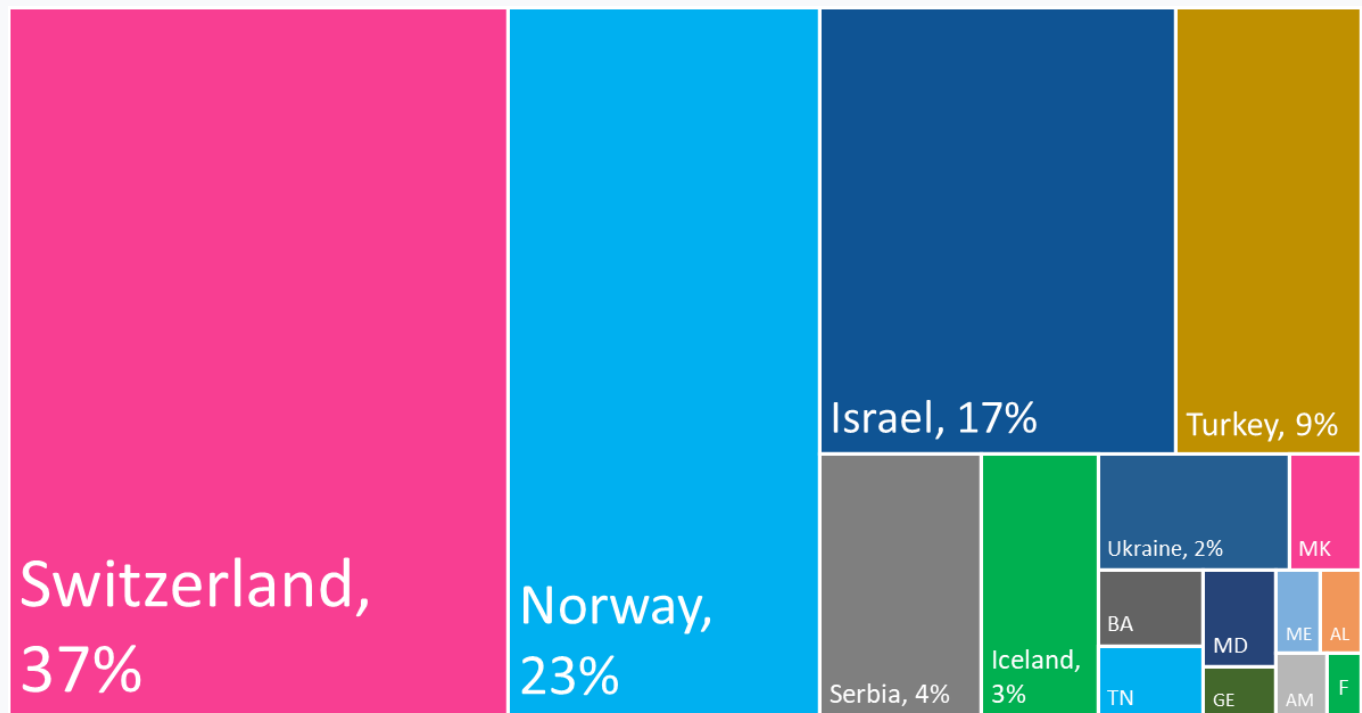
<sup>57</sup> [ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/horizon-dashboard](http://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/horizon-dashboard) accessed 22 March 2019

<sup>58</sup> [ec.europa.eu/research/participants/data/ref/h2020/grants\\_manual/hi/3cpart/h2020-hi-list-ac\\_en.pdf](http://ec.europa.eu/research/participants/data/ref/h2020/grants_manual/hi/3cpart/h2020-hi-list-ac_en.pdf)

<sup>59</sup> As of 2014, Switzerland is regarded as a Third country under Industrial Leadership and Societal Challenges, but retains its status of an Associated country for all projects under Excellent Science and Spreading Excellence and Widening Participation.

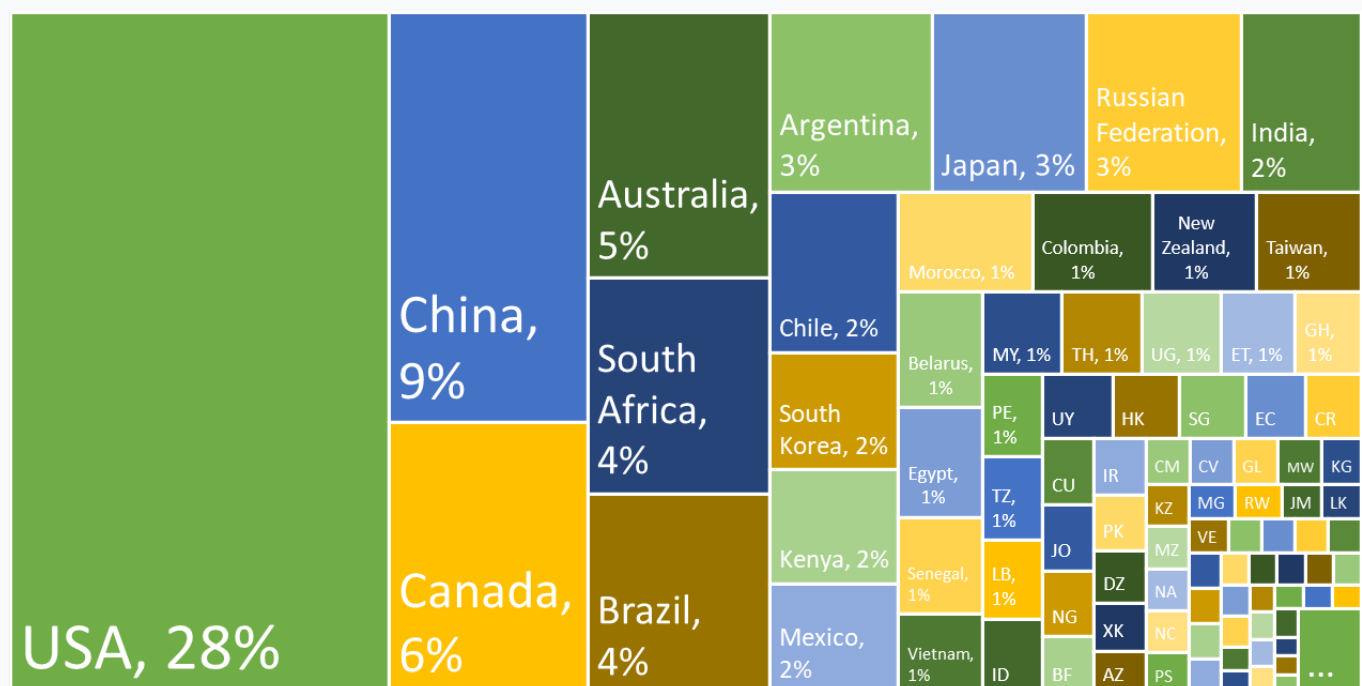
for funding. Such eligibility can be granted to industrialised countries and emerging economies only by specific provision in the text of the call for proposals or through a bilateral agreement.

### Percentage of Horizon 2020 participation from all Associated countries



Source: European Commission, Directorate General for Research and Innovation (DG RTD).  
Based on CORDA data; cut-off date 1 January 2019.

### Percentage of Horizon 2020 participation from non-associated Third countries



Source: European Commission, Directorate General for Research and Innovation (DG RTD).  
Based on CORDA data; cut-off date 1 January 2019.

Individual researchers from any country in the world seeking the opportunity to work in Europe for a certain period of their career can apply for funding by the ERC and the Marie Skłodowska-Curie Actions.

Currently, the bulk of Horizon 2020 funding goes to researchers in the EU and its neighbour countries. From 2014 to 2018 inclusive, the international share of total participation in Horizon 2020 was close to three per cent. International participation is held back by financial and legal issues. For example, in the past, US officials have complained that the EU programme has too many legal and bureaucratic differences from similar US programmes to make a formal association work.

### **The situation for the UK**

In June 2016, the heads of state and governments of the 27 EU Member States, as well as the presidents of the European Council and the President of the European Commission, declared that EU law will continue to apply to and within the UK until the UK withdraws from the EU.<sup>60</sup> As confirmed by the European Commission, this includes the eligibility of UK legal entities to participate in and receive funding for Horizon 2020 Actions. Carlos Moedas, the EU Commissioner for Research, Science and Innovation, stated to the Financial Times<sup>61</sup> that UK entities remain fully eligible for Horizon 2020 funding, and ‘projects will continue to be evaluated based on merit and not on nationality’.

In August 2018, the UK government committed to underwrite all research funding commitments,<sup>62</sup> even for projects continuing after the UK’s withdrawal from the EU. The UK treasury stated that it would underwrite funding for UK participants in Horizon 2020 if the grant was obtained while the UK was still a member of the EU.

However, there is a risk for UK organisations’ participation in Horizon 2020 consortia. The Horizon 2020 grant agreement is the legally binding contract between the European Commission and the project parties. Section 50.3 of the Model Grant Agreement describes the circumstances in which the European Commission may decide to terminate the agreement or the participation of one or more beneficiaries, such as ‘a change to their legal, financial, technical, organisational or ownership situation’ (or those of their linked third parties).

The UK treasury’s statement has helped reassure the British research community but has raised important issues, including:

- the considerable commitment of the treasury’s assurance that potentially stretches seven to ten years into the future. The treasury has also committed to back infrastructure projects and the agriculture sector, which will require a larger financial commitment than research or other relevant areas, such as education
- the concern of the research community regarding freedom of academic movement between Britain and the EU after the UK’s withdrawal from the EU, without an expensive and time-consuming visa process.

An online portal<sup>63</sup> was launched in September 2018 after the UK government said that, if it was unable to strike a deal with Brussels, it would underwrite Horizon 2020

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<sup>60</sup> [www.consilium.europa.eu/en/press/press-releases/2016/06/29-27ms-informal-meeting-statement](http://www.consilium.europa.eu/en/press/press-releases/2016/06/29-27ms-informal-meeting-statement)

<sup>61</sup> [www.ft.com/content/1f0d22c2-6619-11e6-8310-ecf0bddad227](http://www.ft.com/content/1f0d22c2-6619-11e6-8310-ecf0bddad227)

<sup>62</sup> [www.gov.uk/government/news/funding-from-eu-programmes-guaranteed-until-the-end-of-2020](http://www.gov.uk/government/news/funding-from-eu-programmes-guaranteed-until-the-end-of-2020)

<sup>63</sup> [apply-for-innovation-funding.service.gov.uk/eu-grant/overview](http://apply-for-innovation-funding.service.gov.uk/eu-grant/overview)

funding for all successful UK bids won while part of the EU. This includes projects that are only informed of their success or sign a grant agreement after the UK has left the EU. The website, managed by the UK public funding agency, UK Research and Innovation, is collecting details of all current EU research projects involving UK-based participants. More than 5,500 public and private UK organisations have already registered, but it is estimated that thousands more have not.

### Third countries' status for the Horizon Europe programme

Horizon Europe makes it possible for more countries beyond the EU to gain Associate membership, a legal status that allows countries to participate in EU research under the same conditions as Member States. Negotiations to associate with Horizon Europe have not yet begun, although there have been some preliminary discussions. The European Commission expects 20 to 30 countries to seek association to the new programme. Including Switzerland and Norway, 16 countries are already associated. Countries such as Argentina, Australia, Brazil, Canada, Japan, New Zealand, South Africa and the US have shown interest in examining their options.

The European Commission is creating a new position in its Directorate General for Research and Innovation (DG RTD) for a chief negotiator for Horizon Europe association. With the management rank of a director, this diplomatic post would deal with all possible collaborations, with terms varying case-by-case.

Article 12<sup>64</sup> of the Regulation establishing Horizon Europe – COM (2018) 435 final – sets out conditions for Third country association to Horizon Europe that are more detailed than those for Horizon 2020. Third countries must:

1. have a good capacity in science, technology and innovation
2. be committed to a rules-based open market economy, including fair and equitable dealing with intellectual property rights, backed by democratic institutions
3. actively promote policies to improve the economic and social wellbeing of citizens.

Horizon Europe agreements must also take into account the objective of driving economic growth in the EU and ensure a balance of financial contributions and receipts. Regarding the latter, Article 12(4) of the proposal specifies that:

*The conditions determining the level of financial contribution shall ensure an automatic correction of any significant imbalance compared to the amount that entities established in the Associated country receive through participation in the programme, taking into account the costs in the management, execution and operation of the programme.*

Article 19 of the proposal specifies that non-associated Third countries should, in principle, bear the cost of their participation in Horizon Europe. However, low to middle income countries and some other Third countries could be eligible for funding (if the Third country is identified in the work programme adopted by the Commission, or if the Commission considers their participation essential for implementing the action).

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<sup>64</sup> [eur-lex.europa.eu/resource.html?uri=cellar:b8518ec6-6a2f-11e8-9483-01aa75ed71a1.0001.03/DOC\\_1&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:b8518ec6-6a2f-11e8-9483-01aa75ed71a1.0001.03/DOC_1&format=PDF)

The cost of association to the current programme is calculated according to a country's GDP, among other factors. The new conditions, which could further change during negotiations, are designed to prevent Third countries making financial gains from Horizon Europe. A scheme may be put in place where contributions depend on the degree of participation.<sup>65</sup>

The European Commission seeks to boost collaboration with wealthy countries in order to strengthen European competitiveness in science and technology. According to the current text of the Regulation COM(2018) 435 final establishing Horizon Europe, 'with the exception of EEA members, acceding countries, candidate countries and potential candidates, parts of the programme may be excluded from an association agreement for a specific country'. Furthermore, the text proposes to give the EU the right to exclude countries from specific parts of the programme if their involvement would risk undermining the core goal of 'driving economic growth in the Union through innovation'. It is for this reason that geographically close countries fear they will be left with less privileged access to certain innovation-focused parts of Horizon Europe. The legal wording, which gives the European Commission ample room for manoeuvre, was drawn up in large part to allay concerns that a wealthy country (such as the UK, which wants to join the programme as an Associated country after its withdrawal from the EU) would dominate the competition.

## Negotiating positions

### *Switzerland*

Although never an EU Member State, Switzerland has access to EU markets and programmes via a web of over 120 bilateral agreements. It has participated in EU research programmes since 1988. The possibility that Switzerland could be excluded from the innovation sections of Horizon Europe is hugely disappointing for Swiss scientists. The problem is that the country's bid to gain full access to the programme is entangled with the country's overall relations with the EU, which may be the subject of a referendum.<sup>66</sup>

### *Israel*

Israel is keen to have full access to Horizon Europe. The Horizon Europe legal text puts the country in the category of wealthy countries that may be barred from certain parts of the programme, such as the European Innovation Council (EIC) – a new body designed to help small European tech businesses by making equity investments in them.

EU negotiators appear ready to drive a hard bargain with a country that excels in winning European Research Council grants. Israel's main counter argument will be that the country has a thriving venture capital scene. If the EIC is indeed intended as a better bridge to the financial world, this will be a compelling argument to involve Israel in the competition.

### *United States*

US researchers are among the most frequent developed country participants in Horizon 2020 projects, but only rarely with EU money. Usually, their involvement is

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<sup>65</sup> [www.youtube.com/watch?time\\_continue=2&v=yn7jCz-lhRE](https://www.youtube.com/watch?time_continue=2&v=yn7jCz-lhRE), February 2019

<sup>66</sup> Science and Business News, February 2019: [sciencebusiness.net/framework-programmes/news/swiss-researchers-worry-about-being-shut-out-eu-research](https://sciencebusiness.net/framework-programmes/news/swiss-researchers-worry-about-being-shut-out-eu-research)

funded by US agencies. A special implementation arrangement to facilitate this was agreed between the US government and the European Commission. US science agencies generally prefer to work directly with science agencies in individual Member States, however, via bilateral agreements (such as with the UK, Germany and France). This form of collaboration is felt to be simpler, avoiding the complex legal and administrative procedures otherwise necessary.<sup>67</sup>

Horizon 2020 is mostly about collaborative research projects involving groups of researchers that come together from several organisations from at least three countries to perform EU-funded research and development.

The Monitoring Flash published by the European Commission in November 2018<sup>68</sup> shows the network of collaborations on Horizon 2020 projects. The chart shows that the most common collaborations include Germany, France, the UK, Italy and Spain. This is to be expected as country size correlates with the number of participations in the framework programme and the number of collaborations between participants. Geographic and cultural proximities between participants also appear to play an important role in shaping the structure of the Horizon 2020 collaboration network. Data shows that the position of the UK and Hungary in this ranking dropped significantly between FP7 and Horizon 2020, a period where EU-15 countries appear to have opened more up to EU-13 participants compared to FP7.

## UK

The UK government's July 2018 policy paper on *The future relationship between the United Kingdom and the European Union*<sup>69</sup> states that the UK would like to explore the option of association with the excellence-based European science and innovation programmes, including Horizon Europe. Such an association would involve an appropriate UK financial contribution linked to a suitable level of influence in line with the contribution and benefits the UK brings.

Notwithstanding UK government assurances that funding for UK research will not suffer as a result of the UK's withdrawal from the EU, it is unclear how the potential loss of added value can be compensated for. Full participation in EU programmes includes benefits such as attracting and retaining the best scientists; bringing together people with specialist skills not found in any one country; accessing EU-wide collaborative networks; providing access to a wide range of large-scale facilities that cannot be replicated in any one country; enabling students and researchers to move between countries to learn new skills and to share their knowledge and expertise; and ultimately, advancing science and innovation.<sup>70</sup>

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<sup>67</sup> Which non-EU countries can participate in Horizon Europe will be settled alongside the MFF, because law makers want the rules for foreign association to be more or less consistent across different programmes.

<sup>68</sup> [ec.europa.eu/info/sites/info/files/research\\_and\\_innovation/knowledge\\_publications\\_tools\\_and\\_data/documents/h2020\\_monitoring\\_flash\\_112018.pdf](https://ec.europa.eu/info/sites/info/files/research_and_innovation/knowledge_publications_tools_and_data/documents/h2020_monitoring_flash_112018.pdf)

<sup>69</sup> [www.gov.uk/government/publications/the-future-relationship-between-the-united-kingdom-and-the-european-union](https://www.gov.uk/government/publications/the-future-relationship-between-the-united-kingdom-and-the-european-union)

<sup>70</sup> [publications.parliament.uk/pa/ld201719/ldselect/ldcom/283/283.pdf](https://publications.parliament.uk/pa/ld201719/ldselect/ldcom/283/283.pdf)

**ERASMUS**

### **The current context**

Erasmus+ is the EU programme supporting education, training, youth and sport in Europe, primarily by means of mobility activities. Education and training activities account for 77.5 per cent of a total €16.5 billion budget. The higher education sector receives approximately 43 per cent of the budget allocated to training and education. Mobility is the best-known dimension of the programme; two thirds of Erasmus+ funds support mobility actions, while one third supports partnerships and reforms in education and youth.

Erasmus+ actions are divided into decentralised and centralised actions. Decentralised actions are managed at country level by National Agencies appointed by national authorities. Most of the Erasmus+ budget is implemented by National Agencies. Centralised actions are managed at EU level by the Education, Audiovisual and Culture Executive Agency (EACEA) in Brussels. Centralised actions support co-operation in the fields of education, training, youth and sport.

Projects under Key Action 2 particularly foster co-operation among higher education institutions as well as among youth organisations, businesses and other relevant entities in education and training. Key Action 3 projects bring together public authorities and civil society entities that aim to support policy reform and contribute to European policy agendas (Europe 2020 Strategy, Strategic framework for European co-operation in education and training (ET 2020) and the European Youth Strategy). Projects in the field of sports support both public bodies and any organisation active in the field of sport aiming to develop the European dimension in sport, mainly through forming networks and exchanging good practice.

For the 2014–18 period, UK organisations (either as co-ordinators or members of consortia) received a total funding of €679.9 million from Erasmus+ across more than 4,800 projects. The total allocation is expected to reach almost €1 billion for the entire duration of the programme. As expected, most funding was directed to mobility actions, and particularly higher education mobility. During 2014–17, more than 47,000 higher education students and trainees from the UK spent a period abroad,<sup>71</sup> while the UK, in turn, is one of the most popular destinations for Erasmus+ students and trainees. More than 93,300 students spent time in the country. In 2014–15, over 53 per cent of all UK undergraduate university students who undertook a period of study abroad did so through the programme.<sup>72</sup>

Regarding Third countries' participation in Erasmus+, the main distinction is between Programme countries and Partner countries. Partner countries are further distinguished into two categories: Partner countries and Other Partner countries.

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<sup>71</sup> European Commission: [ec.europa.eu/programmes/erasmus-plus/resources/documents/erasmus-annual-report-factsheets-united-kingdom\\_en](https://ec.europa.eu/programmes/erasmus-plus/resources/documents/erasmus-annual-report-factsheets-united-kingdom_en)

<sup>72</sup> [www.universitiesuk.ac.uk/policy-and-analysis/reports/Pages/international-facts-and-figures-2018.aspx](https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Pages/international-facts-and-figures-2018.aspx)

- Programme countries participate under the same conditions as EU Member States. They are eligible to participate in all actions of the programme. As of February 2019, six non-EU countries were eligible to participate as Programme countries (Norway, Turkey, North Macedonia, Iceland, Liechtenstein and Serbia).<sup>73</sup>
- Partner and Other Partner countries can participate in certain actions of the programme under specific criteria and conditions, in accordance with the Erasmus+ regulations and the concluded participation agreements. Partner countries include countries neighbouring the EU and fall under four geographic regions, while Other Partner countries fall under ten geographic regions, with global coverage. More than 160 Partner countries participate in Erasmus+.
- Co-operation with Partner countries notably includes the fields of higher education and youth. In Erasmus+, there are targeted actions for co-operation with Partner countries, particularly those neighbouring the EU.

The table below shows the portion of Erasmus+ funding secured by non-EU countries in 2014–17.

**EU funding to selected non-EU-28 countries and the UK for signed projects in 2014–17 calls<sup>74</sup> (million euros)**

Switzerland	Norway	Israel	Turkey	US	UK
12.1	137.2	1.3	453.7	14.2	735.1

### The situation for the UK

The EU treaties will apply to the UK until a withdrawal agreement enters into force, or until 31 October 2019 in the case of no agreement, following an extension to the negotiating period reached between the UK and the EU on 10 April 2019. This means that the UK is eligible to participate and receive funding for Erasmus+ actions until its withdrawal from the EU.

The UK remains a Programme country in the Erasmus+ programme for as long as it remains a member of the EU. If the UK leaves the EU with an agreement (the agreement of November 2018), its status will not be affected until the completion of the current programme. If there is no agreement, the European Commission has stated that:

*For British applicants, please be aware that eligibility criteria must be complied with for the entire duration of the grant. If the United Kingdom withdraws from the European Union during the grant period without concluding an agreement with the European Union ensuring in particular that British applicants continue to be eligible, you will cease to receive EU funding (while continuing, where possible, to participate) or be required to leave the project on the basis of the relevant provisions of the grant agreement on termination.<sup>75</sup>*

Both the EU and the UK have initiated procedures to reduce disruption to Erasmus+ projects with UK participation. On 25 November 2018, the UK and the EU endorsed a withdrawal agreement. This agreement envisages the uninterrupted continuation of the

<sup>73</sup> [ec.europa.eu/programmes/erasmus-plus/about/who-can-take-part\\_en](https://ec.europa.eu/programmes/erasmus-plus/about/who-can-take-part_en)

<sup>74</sup> Erasmus+ Annual Reports 2014–2017 and Financial Transparency System of the European Commission

<sup>75</sup> Erasmus+ Programme Guide 2019

UK's participation in Erasmus+ until the end of 2020, which is also the end of the current programme cycle. According to the agreement, UK organisations and individuals will continue to participate in Erasmus+ without any changes even after the UK leaves the EU.

Pending ratification of the withdrawal agreement by the UK Parliament, the UK and the EU have also adopted measures to mitigate impacts in case the country leaves the EU without an agreement. In the technical notice published on 29 January 2019, the UK government committed to guarantee the payment of awards to UK applicants for all successful Erasmus+ and European Solidarity Corps bids submitted before the end of 2020. Successful bids are those that are approved directly by the European Commission, or by the UK National Agency and ratified by the European Commission. On 13 March 2019, the European Parliament adopted legislation establishing that all mobility activities that started before the date when the UK withdraws from the EU and either take place in the UK or involve UK participants will be funded until they are completed.

However, there are still important issues to be dealt with in the eventuality that the UK withdraws from the EU without an agreement. These include:

- the terms of participation of UK entities, which still need to be discussed and agreed by the UK and the EU
- the UK government guarantee, which is conditional on a further agreement between the UK and the EU. In addition, the guarantee refers exclusively to UK beneficiaries, and its implementation in practice needs to be further clarified
- issues relating to the movement of individuals, considering the mobility dimension of Erasmus+.

Indicative of the uncertainties surrounding the future of UK participation in Erasmus+ is the advice issued by some European countries to their students to consider other countries instead of the UK for their mobility, while Newcastle University has invested £1 million in underwriting exchanges for its students for 2019–20.<sup>76</sup>

### **Third countries' status for the next Erasmus programme**

The proposed regulations for Erasmus 2021–27 were presented by the European Commission on 30 May 2018. An important element of the proposal is the improved international dimension of the programme, with among its aims the building of stronger relationships with the rest of the world and the boosting of mobility and co-operation with Third countries. The proposal opens up the possibility of continuing UK involvement in the programme.

According to the proposal, Third countries will be able to participate either as associated to the programme or not:

- Associated countries can fully participate in the programme, depending on the association agreements which have been concluded with the EU, and provided that they respect the conditions of their agreements as well as fulfil the obligations of the Erasmus regulations. EEA EFTA countries in particular should comply with the freedom of movement as stated in the EEA agreement

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<sup>76</sup> The Guardian, 19 March 2019

- non-associated countries do not fully participate in the programme and their participation depends on certain conditions.

Associated countries can be countries belonging to the EFTA and EEA; acceding, candidate and potential candidate countries; countries covered by the European Neighbourhood Policy; and other Third countries, provided that their association agreement fulfils the following conditions:

- it ensures a fair balance regarding the contributions and benefits of the Third country participating in the EU programmes
- it lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes and their administrative costs
- it does not confer on the Third country a decision-making power on the programme
- it guarantees the rights of the EU to ensure sound financial management and to protect its financial interests.

### **Negotiating positions**

The participation of the UK in the 2021–27 Erasmus programme has yet to be decided.

Initial positions of important stakeholders, however, are already taking shape. In its policy paper of July 2018, *The future relationship between the UK and the EU*, the UK government stated that it is willing to explore participation in the next Erasmus+ programme, while education has been described by the former Prime Minister as an area where the UK can continue to participate in relevant EU policies and programmes.<sup>77</sup>

The EU has sent possible signals regarding future participation of the UK in the next Erasmus+ programme. The Commission proposal offers the possibility to the UK to participate in the next programme either as an Associated or non-associated country. The EU Council has repeatedly stated that it is determined to have as close as possible a partnership with the UK in the future, mentioning that, for programmes like Erasmus+, participation should be subject to the relevant conditions specified in the regulations. The European Parliament also supports continued co-operation with the UK in the Erasmus+ programme.

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<sup>77</sup> [www.gov.uk/government/speeches/pm-speech-on-our-future-economic-partnership-with-the-european-union](https://www.gov.uk/government/speeches/pm-speech-on-our-future-economic-partnership-with-the-european-union)



## EXTERNAL AID

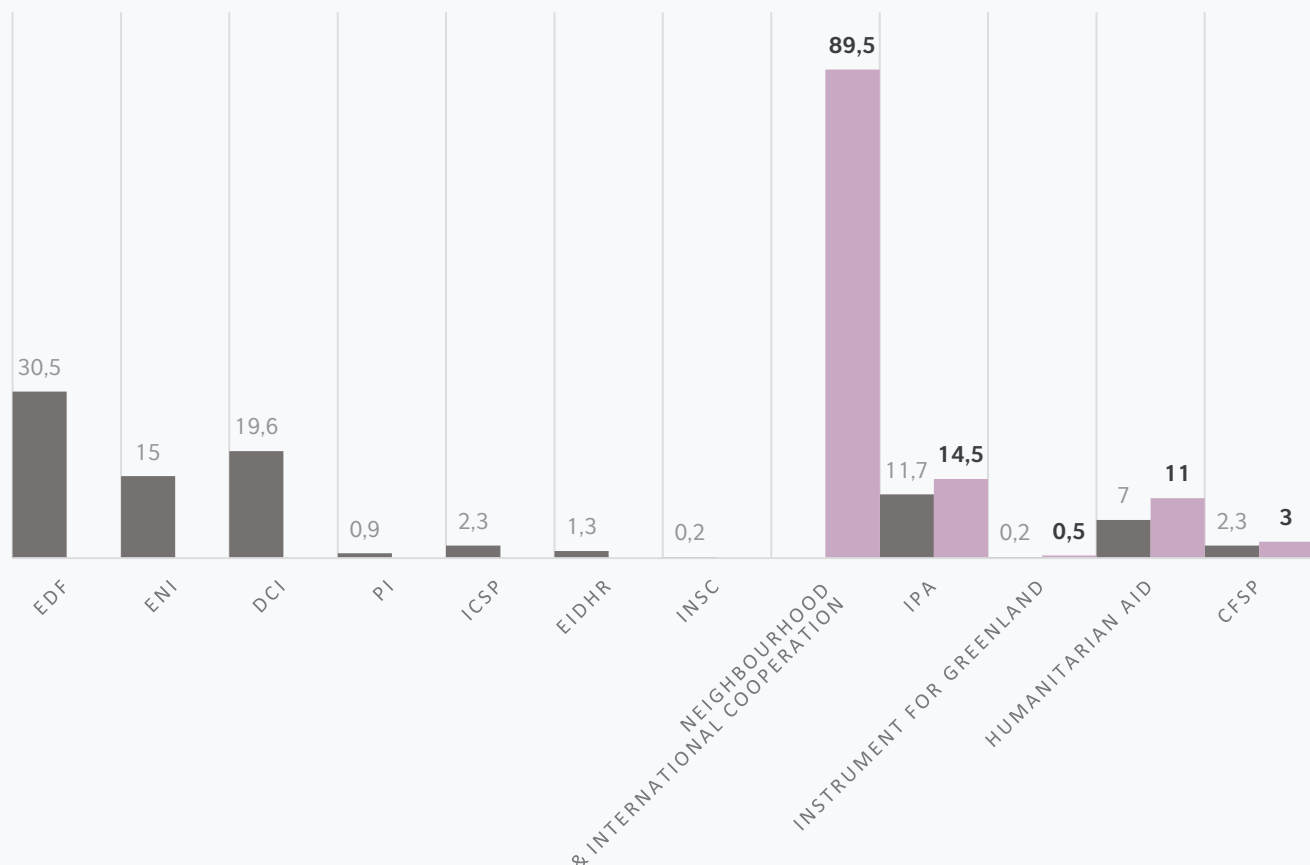
### Third countries' status for the next external aid programmes

The Commission is proposing a new architecture for external aid funding within the next MFF, 2021–27. Most of the current funding instruments, including the off-EU budget EDF, will be merged into the Neighbourhood Development International Co-operation Instrument (NDICI) with the aim of providing greater simplification and effectiveness. Instrument for Pre-accession (IPA) and humanitarian aid funding will remain outside the NDICI. The Commission is also proposing the creation of a European Peace Facility with a budget of €10.5 billion.<sup>78</sup> Existing or forthcoming Trust Funds will continue to operate outside the general EU budget.

The graph below shows the comparison between current external aid funding instruments and their future composition in the next MFF, 2021–27.

### New funding architecture post-2020 (€ billion)

■ 2014-2020 ■ 2021-2027



<sup>78</sup> [www.europarl.europa.eu/legislative-train/theme-new-boost-for-jobs-growth-and-investment/file-mff-european-peace-facility](http://www.europarl.europa.eu/legislative-train/theme-new-boost-for-jobs-growth-and-investment/file-mff-european-peace-facility)

The table below provides a detailed analysis of different external aid funding instruments and their different components according to the Third countries' participation models based on the European Commission proposals.

### External aid funding instruments 2021–27

	Norway	Switzerland	Turkey	Israel	US
<b>Neighbourhood Development and International Co-operation Instrument:</b>					
<b>Geographic pillar and thematic pillar including global public good and challenges and civil society and local authorities</b>					
<b>Neighbourhood Development and International Co-operation Instrument, in LDCs:</b>					
<b>Thematic component: human rights, stability and peace, rapid response actions</b>					
<b>Instrument for Pre-Accession III</b>					
<b>Humanitarian aid</b>					
<b>European Peace Facility (off-EU budget)</b>					
<b>Trust Funds (off-EU budget)</b>					



Full access

Restricted access: only access to specific sub-programmes and instruments<sup>79</sup>

Opted against access

For post-2020 external aid programmes, the Norway and Turkey models provide more opportunities in terms of eligibility. The case of Norway is justified based on the EEA agreement, which guarantees free movement of goods, people, services and capital, as well as non-discrimination and equal competition rules throughout the EEA. Turkey, as a beneficiary of the IPA III programme, is eligible.

In terms of geographic, civil society and local authorities programmes within the NDICI, Switzerland, Israel and the US could be eligible as long as the actions are implemented in a Least Developed Country or a Highly Indebted Poor Country.

<sup>79</sup> The country has signed agreements with the EU to participate in only some strands of the programme or instrument, or only under certain conditions.

For the thematic programmes on human rights, stability and peace, and rapid response actions within the NDICI, participation of Third countries will be open, in principle, without limitations.

While participation in the IPA III programme is open to Norway (under the EEA agreement), Turkey (as a beneficiary of IPA) and Israel (as an EU Neighbourhood country), it is closed for Switzerland and the US.

In relation to humanitarian aid, the European Commission is considering whether NGOs from non-EU countries should still be eligible to participate as lead applicants.

For funding instruments outside the EU general budget, such as the newly proposed Trust Funds and European Peace Facility, participation of Third countries should be possible provided they contribute financially to the instruments.

Contribution of Third countries to the existing EU Trust Funds is as follows:

*EU Trust Fund: dealing with the root causes of migration*<sup>80</sup>

Norway: €15 million

Switzerland: €4 million

UK: €6 million

Total mobilised: €4.2 billion

*EU Madad Trust Fund: in response to the Syrian crisis*<sup>81</sup>

UK: €3 million

Turkey: €24 million

Total mobilised: €1.6 billion

*EU Bekou Trust Fund: for the Central African Republic*<sup>82</sup>

Switzerland: €1 million

Total mobilised: €240 million

## Negotiating positions

In principle, for external aid programmes overall, the default position in direct management would be that UK entities will no longer be eligible as direct contractors with the EU, except in the case of EU actions implemented in Least Developed Countries and Highly Indebted Poor Countries, and actions within thematic programmes such as human rights and stability and peace.

In relation to this, on 10 April 2019, the UK Department for International Development (DFID) issued a communication regarding a ‘no-deal’ scenario, in which it reaffirmed that UK entities will remain eligible to participate in EU-funded development and humanitarian actions taking place in Least Developed Countries and Highly Indebted Poor Countries as well as EIDHR and IcSP, as participation in these instruments is without restrictions. However, as large portions of EU external aid funding are also implemented by indirect management with international organisations and Third countries (e.g. the UN or the World Bank), these contracts will remain legally

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<sup>80</sup> [ec.europa.eu/trustfundforafrica/sites/euetfa/files/table\\_i\\_2.pdf](https://ec.europa.eu/trustfundforafrica/sites/euetfa/files/table_i_2.pdf)

<sup>81</sup> [ec.europa.eu/trustfund-syria-region/sites/tfsr/files/table\\_of\\_contribution\\_april\\_2019.pdf](https://ec.europa.eu/trustfund-syria-region/sites/tfsr/files/table_of_contribution_april_2019.pdf)

<sup>82</sup> [ec.europa.eu/europeaid/countries/central-african-republic/eu-bekou-trust-fund\\_en](https://ec.europa.eu/europeaid/countries/central-african-republic/eu-bekou-trust-fund_en)

accessible to UK-based pillar-assessed entities.<sup>83</sup> Although legally possible, there is a need for political will and co-financing from the UK's side.

A more interesting scenario for the UK could be the untying of aid (reciprocal access to external assistance). In the past, the EU explored allowing full access to participants from countries which in return allowed full access to their aid budgets for EU-based actors. Only Australia implemented this, for a time, but then suspended the arrangement. However, the UK was one of the first countries to untie the aid managed by DFID. If this policy were to be maintained after the UK's withdrawal from the EU, it might be a good negotiation basis to ask the EU to reciprocate and to allow equal open access to its aid for UK-based entities.

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<sup>83</sup> [ec.europa.eu/europeaid/funding/about-funding-and-procedures/audit-and-control/pillar-assessments\\_en](https://ec.europa.eu/europeaid/funding/about-funding-and-procedures/audit-and-control/pillar-assessments_en)

# IMPLICATIONS AND RECOMMENDATIONS FOR THE UK CULTURE, RESEARCH AND EDUCATION SECTORS

## IMPLICATIONS

An end to EU funding for culture, research, education, training, youth and sports programmes would affect UK players beyond direct financial losses.

For the cultural sector, the impact of losing EU funds under Creative Europe will also affect the building of new international networks, audience expansion and the generation of jobs and skills.<sup>84</sup> As will be the case for education, training, youth, sports and research, there may also be an indirect impact from possible reduction in the mobility of workers. Media, fashion, film and other creative arts are very international industries and the UK currently attracts some of the best talent from around the world. A more stringent access to the labour market for Europeans puts the attractiveness of the industry at risk.

Britain's arts exports are set to increase to £31 billion by 2020 – and the EU is the principal export market.<sup>85</sup>

From a policy and legislative perspective, the main concern would be the willingness of the UK to apply EU regulations and directives granting EU access to the UK media industry. By leaving the EU, the UK will lose the capacity to formally influence the decisions taken by the European Council and European Parliament in shaping these regulations and directives.

The UK's future engagement with and access to Horizon Europe and Erasmus will depend directly on the UK government's willingness to make financial contributions and co-fund participation. The level of that engagement depends fully on respecting the principle of freedom of movement. Research is particularly sensitive to access to the Single Market as patents and access rights are regulated at EU level.

Future participation of UK entities in EU external aid funded activities will depend on the legal position defining the eligibility rules of EU external aid programmes within the next MFF.

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<sup>84</sup> [www.britishcouncil.org/organisation/press/new-reports-show-impact-creative-europe-extends-far-beyond-%E2%82%AC74-million-received-uk](https://www.britishcouncil.org/organisation/press/new-reports-show-impact-creative-europe-extends-far-beyond-%E2%82%AC74-million-received-uk)

<sup>85</sup> [i-d.vice.com/en\\_uk/article/pap7gy/what-brexit-could-mean-for-the-creative-industries](https://i-d.vice.com/en_uk/article/pap7gy/what-brexit-could-mean-for-the-creative-industries)

## RECOMMENDATIONS

Drawing on the analysis of the existing Third country models outlined above, this study recommends that UK culture, education and research organisations advocate for:

1. the most relevant agreements to be negotiated
2. the programmes' entry fees to be paid
3. an active policy-shaping role to be maintained and reinforced.

### Overall recommendations per programme

	Creative Europe	Horizon Europe	Erasmus
<b>Type of agreement</b>	Non-EU Third country	Associated Third country	Associated Third country
<b>Programme entry fee</b>	Direct fee/pay per component	Direct fee/pay per component	Direct fee/pay per component
<b>Policy-shaping role</b>	Active	Active	Active

### 1. Negotiating the most relevant agreements

Although association cannot be secured until negotiations on the draft 2021–27 Creative Europe, Horizon Europe and Erasmus regulations are complete, the UK government will confirm its intentions regarding future UK participation in these programmes as soon as possible to maximise certainty and stability for potential participants and enable them to plan for changes.

For each programme, these are the main recommendations concerning the type of agreement to aim for.

#### *Creative Europe*

##### Non-EU Third country agreement

It is currently unclear whether the UK will seek to continue participation in the Creative Europe programme after withdrawing from the EU.

The UK Creative Industries Federation has proposed maintaining participation in EU funding programmes, including Creative Europe, after the UK has left the EU. It will be extremely difficult, if not impossible, for domestic funding to replicate the role of these EU programmes in developing networks and cross-border collaboration.<sup>86</sup>

<sup>86</sup> [www.creativeindustriesfederation.com/sites/default/files/2017-06/Creative%20Industries%20Federation%20-%20Our%20Red%20Lines%20on%20Brexit.pdf](http://www.creativeindustriesfederation.com/sites/default/files/2017-06/Creative%20Industries%20Federation%20-%20Our%20Red%20Lines%20on%20Brexit.pdf)

It is advisable for the UK government to:

- maintain the UK's reputation as an open and welcoming cultural hub
- ensure the creative industries are at the heart of negotiations
- ensure that the UK's creative businesses can trade as they do now during the implementation period.

It is in the interest of UK creative industries to continue to play an active role in evolving EU legislation. This study recommends exploring the possibility of an association to the Creative Europe programme under non-EU Third country status, as well as the creation of a UK advisory group to work with UK–EU policy makers. In this way, the creative industries can be part of the negotiations on the Culture and Education Agreement, and any future agreement between the UK and the EU in this area.

### *Horizon Europe*

#### *Associated Third country agreement*

The UK government has stated that it would like to explore the option of an association with Horizon Europe. This would involve an appropriate UK financial contribution. Given the anticipated increase in the budget for Horizon Europe, the future financial contribution of the UK to the programme is likely to be larger than its contribution to Horizon 2020. The financial rebalancing mechanism set out in the draft Horizon Europe regulations would also prevent the UK from being a net beneficiary of EU research funding, as is currently the case. Nonetheless, an increased programme budget means that Horizon Europe will be able to support more grants and collaborative research projects than its predecessor. An appropriate level of financial contribution will need to be provided to ensure the UK can access these strategic opportunities.

As an associated Third country, the UK would have observer status in Horizon Europe programme committees. Without the right to vote, the UK would not have the same influence over the strategic direction of the programme as an EU Member State. Given the strength of the UK's science base and the significant role played by UK scientists in shaping research programmes, the UK can remain an influential player in European research and innovation, certainly in the short-term and particularly at programming level. UK influence may be weakened in the longer term as critical decisions relating to the nature and content of new instruments, such as missions, or new forms of co-operation, such as the partnerships, will be influenced by political criteria as well. To ensure long-term influence, the UK is advised to expand its current presence in Brussels (e.g. the British Council, UK Research Office) with the aim of establishing an influential advocacy body like the recently created Norwegian House of Research and Innovation (NOHRI) or AmCham.

If the UK participates in Horizon Europe on a non-associated Third country basis, it will lose access to important funding opportunities, including European Research Council grants and Marie Skłodowska-Curie Actions. It will furthermore be left without concrete means of influencing the development and funding priorities of the programme. While limited participation in Horizon Europe would still provide the UK

with unique opportunities for collaboration that are difficult to replicate at the national level, full association, following the Norwegian, Turkish or Israeli models, is by far the most beneficial for UK research and innovation.

In a non-association scenario, the UK is advised to replace EU funding opportunities with national research programmes. Some bilateral programmes are already in place. New programmes should maintain the breadth of funding across different subject areas and institutions provided by EU research programmes, and should support advanced scientific research and international collaboration.

This study recommends that the UK government work with the research community to determine which essential features of EU funding should be retained in UK replacement programmes, such as the excellence-based funding criteria of the European Research Council.

This study recommends that UK Research and Innovation (UKRI) work to develop prestigious domestic alternatives to EU schemes. However, it is likely to take many years to emulate the tried and tested mechanism for international research collaboration provided by the EU framework programmes, the established research partnerships they support, and the EU's joint infrastructure capabilities.

## *Erasmus*

### *Associated Third country agreement*

The Erasmus+ programme's wide-ranging positive impact is well documented.<sup>87</sup> Erasmus+ has played a significant role, not only for grant funding but also for employment prospects for participants, economic growth, opportunities for people from disadvantaged backgrounds and the internationalisation of UK organisations. To maintain the UK's leadership role in the programme, full association for the 2021–27 Erasmus programme under the Associated Third country status is the best option.

The cost of participating in the 2021–27 Erasmus programme is likely to be higher than for the current Erasmus+ programme, as it will have double the overall budget if the current proposal is approved. Nevertheless, it could be considered a worthwhile investment to maintain access to Erasmus and the partnerships the UK has built within Europe by means of the programme over the past 30 years.

If association to Erasmus cannot be negotiated, it will be essential to establish an alternative UK mobility scheme that is sufficiently resourced. Replacement schemes cannot replicate all parts of the Erasmus programme and it will be very difficult to replicate the strong brand, reputation and current network of partners of the programme.

As an Associated Third country under the new terminology (such as Norway or Turkey), the UK would be able to attend Erasmus programme committees but would lose its voting rights, reducing its strategic influence over the programme. Non-EU countries, such as Norway or Turkey, have decision-shaping and not decision-making power. This means that they can exercise influence at the early stages of the preparation of the legislative proposal at European Commission level through participation in expert groups and committees, but do not have a seat or vote in the European Parliament and the European Council – the EU institutions which decide on the adoption of the legislation.

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<sup>87</sup> Mid-term evaluation of the Erasmus+ Programme, United Kingdom, National Authority Report, October 2017

As a non-associated Third country under the new terminology, the UK would not be able to participate in Erasmus programme committees, and UK participants would have access to less funding and fewer exchange opportunities. Access will again depend on the future relationship of the UK with the EU. Only Associated countries and candidate countries have the right to sit on the committees without voting rights. An association agreement is therefore essential.

## **2. Paying the programmes' entry fees**

Based on the analysis above, there are different ways for the UK to retain access to central EU funds as a Third country, through either:

- direct payment to the EU budget for the right to fully participate in the programmes in the same way as EU Member States, but without voting rights (as in the Norwegian model)
- direct payment to each programme or to certain components of the programmes, but also without voting rights (as in the Swiss model).

From this analysis, it appears that the precedents of the other Third countries as well as the rules governing EU programmes give the EU and UK a template on which to negotiate and build a new model.

## **3. Maintaining an active policy-shaping role**

By withdrawing from the EU, the UK will lose its seat at the negotiating table of one of the most influential donors in the world. This is the main reason why the informal policy-influencing capacity will be of paramount relevance in the future.

To overcome any loss of policy influence, the UK culture, research, education, training, youth and sports sectors can be proactive by:

- developing and transmitting policy positions at all stages of the policy development process
- holding co-ordination meetings with both UK sector representatives and EU institutions
- working with UK representations in Brussels to ensure experts can clearly inform EU committees on national perspectives
- maintaining a high level of sector expertise; this might involve sending the same experts for years to EU advisory committees
- establishing influential policy-shaping structures which may include the reinforcement of a UK research advocacy body in Brussels, such as the recently created Norway Research Office, or the creation of a UK advisory group to guide UK-EU policy makers during the programme's negotiations.

## ANNEX I

## Third countries definitions

## How Third countries are defined under the different programmes in the different programming periods

	2014–20 Other countries	2021–27 Third country participation (legal terms)
<b>Creative Europe</b>	<p><b>Article 8 of the Regulation (EU) No 1295/2013</b></p> <p><b>1. EU countries</b> – automatically part of Creative Europe</p> <p><b>2. Other countries having negotiated participation in the programme and usually part of a group or bloc of countries</b> – acceding countries, candidate countries and potential candidate countries; EFTA countries that are party to the EEA agreement; the Swiss Confederation; and countries covered by the European Neighbourhood Policy. These non-EU countries can take part in the programme if they:</p> <ul style="list-style-type: none"> <li>• pay a programme contribution ('entry fee')</li> <li>• align themselves to the Audiovisual Media Services Directive (AVMSD), in the case of the media sub-programme.</li> </ul> <p><b>3. Other selected countries and regions</b> for bilateral or multilateral cooperation actions. The participation of these non-EU countries is also subject to the conditions that:</p> <ul style="list-style-type: none"> <li>• they pay a programme contribution</li> <li>• specific arrangements are agreed upon with the EU.</li> </ul>	<p><b>Article 8 of the Proposed Regulation for Creative Europe</b></p> <p><b>1. Other countries having negotiated participation in the programme and usually part of a group or bloc of countries</b> – acceding countries, candidate countries and potential candidate countries; EFTA countries that are party to the EEA agreement; the Swiss Confederation; countries covered by the European Neighbourhood Policy. The participation of these countries is in accordance with the agreements signed between the EU and those countries and is still subject to the fulfilment of the conditions set out in the Audiovisual Media Services Directive (AVMSD).</p> <p><b>2. Other non-EU Third countries in accordance with the conditions laid down in a specific single agreement covering the participation to any Union programme,</b> provided that the agreement:</p> <ul style="list-style-type: none"> <li>• ensures a fair balance as regards the contributions and benefits of the Third country participating in the Union programmes</li> <li>• lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes and their administrative costs</li> <li>• does not confer on the Third country a decision-making power on the programme</li> <li>• guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.</li> </ul>

**Erasmus+ Article 24 of the Regulation (EU) No 1288/2013<sup>88</sup>**

1. The Programme shall be open to the participation of the

following countries (the 'Programme countries'):

- a)** the Member States;
- b)** the acceding countries, candidate countries and potential candidates benefiting from a pre-accession strategy, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements, Association Council decisions or similar agreements;
- c)** those EFTA countries that are party to the EEA agreement, in accordance with the provisions of that agreement;
- d)** the Swiss Confederation, on the basis of a bilateral agreement to be concluded with that country;
- e)** those countries covered by the European Neighbourhood Policy which have concluded agreements with the Union providing for the possibility of their participation in the Union's programmes, subject to the conclusion of a bilateral agreement with the Union on the conditions of their participation in the Programme.

2. The Programme countries shall be subject to all the obligations, and shall fulfil all the tasks set out in this Regulation in relation to Member States

**Articles 16 and 17 of the proposal for a Regulation COM(2018) 367 final<sup>89</sup>****Article 16****Third countries associated to the Programme**

1. The Programme shall be open to the participation of the following Third countries:

**a)** members of the European Free Trade Association, which are members of the European Economic Area (EEA), in accordance with the conditions laid down in the European Economic Area agreement;

**b)** acceding countries, candidate countries and potential candidates, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;

**c)** countries covered by the European Neighbourhood Policy, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries;

**d)** other Third countries, in accordance with the conditions laid down in a specific agreement covering the participation of the Third country to any Union programme, provided that the agreement:

- ensures a fair balance as regards the contributions and benefits of the Third country participating in the Union programmes
- lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes and their administrative costs. These contributions shall constitute assigned revenues in accordance with Article [21(5)] of the Financial Regulation
- does not confer on the Third country a decision-making power on the programme

<sup>88</sup> [eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0050:0073:EN:PDF](http://eur-lex.europa.eu/LexUriServ/LexUriServ.do?uri=OJ:L:2013:347:0050:0073:EN:PDF)

<sup>89</sup> [eur-lex.europa.eu/resource.html?uri=cellar:147de752-63eb-11e8-ab9c-01aa75ed71a1.0003.03/DOC\\_1&format=PDF](http://eur-lex.europa.eu/resource.html?uri=cellar:147de752-63eb-11e8-ab9c-01aa75ed71a1.0003.03/DOC_1&format=PDF)

- guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.

2. The countries referred to in paragraph 1 shall fully take part in the Programme only insofar as they fulfil all the obligations which this Regulation imposes on Member States.

#### Article 17

##### Third countries not associated to the Programme

As regards the actions referred to in Articles 4 to 6, points (a) and (b) of Article 7, and Articles 8 to 10, 12 and 13, the Programme may be open to the participation of the following Third countries:

- a) Third countries referred to in Article 16 which do not fulfil the condition set out in paragraph 2 of that Article
- b) any other Third country.

#### Horizon 2020

From the Horizon 2020 Online Manual<sup>90</sup>

Depending on the context, it means either:

- a country that is not an EU Member State
- a country that is neither an EU Member State nor an Associated country.

**Associated country:** non-EU country that has entered into a specific agreement ('association agreement') with the EU to participate in a specific EU fund/funding programme.

#### Article 12<sup>91</sup>

##### Third countries associated to the Programme

1. The Programme shall be open to association of the following Third countries:

- a) European Free Trade Association (EFTA) members which are members of the European Economic Area (EEA), in accordance with the conditions laid down in the EEA agreement
- b) acceding countries, candidate countries and potential candidates, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries
- c) countries covered by the European Neighbourhood Policy, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries

<sup>90</sup> [ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/international-cooperation\\_en.htm](https://ec.europa.eu/research/participants/docs/h2020-funding-guide/cross-cutting-issues/international-cooperation_en.htm)

<sup>91</sup> [eur-lex.europa.eu/resource.html?uri=cellar:b8518ec6-6a2f-11e8-9483-01aa75ed71a1.0001.03/DOC\\_1&format=PDF](https://eur-lex.europa.eu/resource.html?uri=cellar:b8518ec6-6a2f-11e8-9483-01aa75ed71a1.0001.03/DOC_1&format=PDF)

**d)** Third countries and territories that fulfil all of the following criteria:

**i.** a good capacity in science, technology and innovation

**ii.** commitment to a rules-based open market economy, including fair and equitable dealing with intellectual property rights, backed by democratic institutions

**iii.** active promotion of policies to improve the economic and social wellbeing of citizens.

Association to the Programme of each of the Third countries under point (d) shall be in accordance with the conditions laid down in a specific agreement covering the participation of the Third country to any Union programme, provided that the agreement:

- ensures a fair balance as regards the contributions and benefits of the Third country participating in the Union programmes
- lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes and their administrative costs. These contributions shall constitute assigned revenues in accordance with Article 21(5) of the Financial Regulation
- does not confer to the Third country a decisional power on the programme
- guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.

**2.** The scope of association of each Third country to the Programme shall take into account the objective of driving economic growth in the Union through innovation. Accordingly, with the exception of EEA members, acceding countries, candidate countries and potential candidates, parts of the Programme may be excluded from an association agreement for a specific country.

**3.** The association agreement shall, where appropriate, provide for the participation of legal entities established in the Union in equivalent programmes of Associated countries in accordance with the conditions laid down therein.

**4.** The conditions determining the level of financial contribution shall ensure an automatic correction of any significant imbalance compared to the amount that entities established in the Associated country receive through participation in the Programme, taking into account the costs in the management, execution and operation of the Programme.

**Articles 16 and 17 of the proposal for a Regulation<sup>92</sup>**

**Third countries associated to the Programme**

**1.** The Programme shall be open to association of the following Third countries:

- a)** European Free Trade Association (EFTA) members which are members of the European Economic Area (EEA), in accordance with the conditions laid down in the EEA agreement
- b)** acceding countries, candidate countries and potential candidates
- c)** countries covered by the European Neighbourhood Policy, in accordance with the general principles and general terms and conditions for the participation of those countries in Union programmes established in the respective framework agreements and Association Council decisions, or similar agreements, and in accordance with the specific conditions laid down in agreements between the Union and those countries
- d)** Third countries and territories that fulfil all of the following criteria:
  - i.** a good capacity in science, technology and innovation
  - ii.** commitment to a rules-based open market economy, including fair and equitable dealing with intellectual property rights, backed by democratic institutions
  - iii.** active promotion of policies to improve the economic and social well-being of citizens.

Association to the Programme of each of the Third countries under point (d) shall be in accordance with the conditions laid down in a specific agreement covering the participation of the Third country to any Union programme, provided that the agreement:

- ensures a fair balance as regards the contributions and benefits of the Third country participating in the Union programmes

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<sup>92</sup> [eur-lex.europa.eu/resource.html?uri=cellar:b8518ec6-6a2f-11e8-9483-01aa75ed71a1.0001.03/DOC\\_1&format=PDF](http://eur-lex.europa.eu/resource.html?uri=cellar:b8518ec6-6a2f-11e8-9483-01aa75ed71a1.0001.03/DOC_1&format=PDF)

- lays down the conditions of participation in the programmes, including the calculation of financial contributions to individual programmes and their administrative costs. These contributions shall constitute assigned revenues in accordance with Article 21(5) of the Financial Regulation
- does not confer to the Third country a decisional power on the programme
- guarantees the rights of the Union to ensure sound financial management and to protect its financial interests.

**2.** The scope of association of each Third country to the Programme shall take into account the objective of driving economic growth in the Union through innovation. Accordingly, with the exception of EEA members, acceding countries, candidate countries and potential candidates, parts of the Programme may be excluded from an association agreement for a specific country.

**3.** The association agreement shall, where appropriate, provide for the participation of legal entities established in the Union in equivalent programmes of Associated countries in accordance with the conditions laid down therein.

**4.** The conditions determining the level of financial contribution shall ensure an automatic correction of any significant imbalance compared to the amount that entities established in the Associated country receive through participation in the Programme, taking into account the costs in the management, execution and operation of the Programme.

## ANNEX II

### List of relevant stakeholders

#### *Research*

- European Commission, Directorate-General for Research and Innovation, Unit RTD.A5. ([ec.europa.eu/info/departments/research-and-innovation\\_en](https://ec.europa.eu/info/departments/research-and-innovation_en)): Unit in charge of the interim evaluation of Horizon 2020 that will contribute to improving its implementation and provide a solid evidence base for designing future activities and initiatives
- Royal Society ([royalsociety.org/](https://royalsociety.org/)) and Campaign for Science and Engineering ([www.sciencecampaign.org.uk/](https://www.sciencecampaign.org.uk/)): UK research organisations lobbying the government to make the best possible arrangements for science during the UK's withdrawal from the EU talks
- European University Association ([www.eua.eu](https://www.eua.eu))
- UK Government Department for Business, Energy and Industrial Strategy ([www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy](https://www.gov.uk/government/organisations/department-for-business-energy-and-industrial-strategy))
- European Parliament, Committee on Industry, Research and Energy (ITRE) ([www.europarl.europa.eu/committees/en/ITRE/home.html](https://www.europarl.europa.eu/committees/en/ITRE/home.html))
- Science and Business ([sciencebusiness.net](https://sciencebusiness.net))
- Most successful universities in Horizon 2020: University of Cambridge ([www.cam.ac.uk/](https://www.cam.ac.uk/)), University College London (UCL) ([www.ucl.ac.uk/](https://www.ucl.ac.uk/)) and Imperial College London ([www.imperial.ac.uk/](https://www.imperial.ac.uk/))

#### *Education, Training, Youth and Sport*

- European Commission, Directorate-General for Education and Culture, Unit B.4 ([ec.europa.eu/info/departments/education-youth-sport-and-culture\\_en](https://ec.europa.eu/info/departments/education-youth-sport-and-culture_en)): European Unit in charge of the evaluation of Erasmus+
- Education, Audiovisual and Culture Executive Agency (EACEA) ([ec.europa.eu/info/departments/education-audiovisual-and-culture\\_en](https://ec.europa.eu/info/departments/education-audiovisual-and-culture_en)): manages the centralised actions of the Erasmus+ programme
- Universities UK ([www.universitiesuk.ac.uk](https://www.universitiesuk.ac.uk))
- University of Cambridge ([www.cam.ac.uk](https://www.cam.ac.uk))
- Russell Group ([www.russellgroup.ac.uk/](https://www.russellgroup.ac.uk/)): represents 24 leading UK universities committed to maintaining high-level research, teaching and learning experience, and links with business and the public sector

#### *Culture*

- The European Commission Directorate-General for Education and Culture (DG EAC, Unit D.2) ([ec.europa.eu/info/departments/education-youth-sport-and-culture\\_en](https://ec.europa.eu/info/departments/education-youth-sport-and-culture_en)): manages the Creative Europe programme and is in charge of its review for the next programming period, 2021–27. The aim of DG EAC's cultural activities is to promote cultural diversity and intercultural discussion, culture as a catalyst for creativity, and European culture as a vital part of external relations.

- Education, Audiovisual and Culture Executive Agency (EACEA) ([ec.europa.eu/info/departments/education-audiovisual-and-culture\\_en](http://ec.europa.eu/info/departments/education-audiovisual-and-culture_en)): manages the Creative Europe programme by drawing up conditions and guidelines for funding opportunities; evaluating applications; selecting projects and signing project agreements; keeping close contact with the beneficiaries; providing information and support to applicants; and providing policy support to the European Commission.
- Creative Industries Federation ([www.creativeindustriesfederation.com/](http://www.creativeindustriesfederation.com/)): the independent national organisation for the UK's creative industries, cultural education and arts. It is financed by its members who are businesses, institutions and individual practitioners working across the creative industries in the UK.

### *External aid*

- Directorate-General for Development and Cooperation (DG DEVCO) ([ec.europa.eu/europeaid/general\\_en](http://ec.europa.eu/europeaid/general_en)): the main body of the European Commission in charge of development and co-operation. It will have a prominent role in administering the new main funding instrument for development (NDICI) within the next MFF. Inside DEVCO, there are different units dealing with thematic and geographic co-ordination as well as institutional and legal relationships:
  - DEVCO.A.3 International organisations and development dialogue with other donors
  - DEVCO.A.6 Co-ordination and programming of external financing instruments
  - DEVCO.B.1 Gender equality, human rights and democratic governance
  - DEVCO.B.4 Culture, education and health
  - DEVCO.D.3 Strategic partnerships EU-ACP (African, Caribbean and Pacific region) and EU-African Union
  - DEVCO.R.2 Audit and control.
- Directorate-General for European Neighbourhood Policy and Enlargement Negotiations (DG NEAR) ([ec.europa.eu/neighbourhood-enlargement/about/directorate-general\\_en](http://ec.europa.eu/neighbourhood-enlargement/about/directorate-general_en)): together with DEVCO, DG NEAR is in charge of administering funding instruments directed at Third countries, namely the Western Balkans and Turkey, the EU Eastern Neighbourhood and the North Africa region. The different relevant units are:
  - NEAR.A.1 Strategy, policy; EEA/EFTA
  - NEAR.A.4 MFF, programming and evaluation
  - NEAR.D.5 Western Balkans regional co-operation and programmes.
- Directorate-General for European Civil Protection and Humanitarian Aid Operations (DG ECHO) ([ec.europa.eu/info/departments/humanitarian-aid-and-civil-protection\\_en](http://ec.europa.eu/info/departments/humanitarian-aid-and-civil-protection_en)): in charge of civil protection and humanitarian assistance. The relevant units are:
  - ECHO.E.1 International and inter-institutional relations, legal framework
  - ECHO.E.2 Programming, control and reporting.
- Service for Foreign Policy Instruments (FPI) ([ec.europa.eu/fpi/home\\_en](http://ec.europa.eu/fpi/home_en)): a service of the European Commission that reports directly to the High Representative of the Union for Foreign Affairs and Security Policy and Vice-President of the European Commission.

It works very closely with the European External Action Service (EEAS) ([eeas.europa.eu/headquarters/headquarters-homepage\\_en](http://eeas.europa.eu/headquarters/headquarters-homepage_en)) and with EU delegations ([ec.europa.eu/neighbourhood-enlargement/about/eu-delegations\\_en](http://ec.europa.eu/neighbourhood-enlargement/about/eu-delegations_en)) around the world, and has the task of preparing and implementing foreign policy-related actions through the Partnership Instrument. The relevant unit administering the Partnership Instrument is FPI.4 Partnership Instrument.

- The European Parliament ([www.europarl.europa.eu/portal/en](http://www.europarl.europa.eu/portal/en)), as co-legislator with the Council, is in charge of implementing the new MFF, and the different funding instruments and programmes associated with it. These negotiations are led by rapporteurs.

## ANNEX III

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## ANNEX IV

### Glossary

AFMP: Agreement on the Free Movement of Persons

AmCham EU: American Chamber of Commerce to the European Union

AVMSD: Audiovisual Media Services Directive

CERN: European Organisation for Nuclear Research

CH: Switzerland

CHF: Swiss Francs (currency)

DCMS: UK Department for Digital, Culture, Media and Sport

DFID: UK Department for International Development

DG DEVCO: European Commission Directorate-General for Development and International Co-operation

DG EAC: European Commission Directorate-General for Education and Culture

DG ECHO: European Commission Directorate-General for European Civil Protection and Humanitarian Aid Operations

DG NEAR: European Commission Directorate-General for European Neighbourhood Policy and Enlargement Negotiations

DG RTD: European Commission Directorate-General for Research and Innovation

EACEA: Education, Audiovisual and Culture Executive Agency

EASO: European Asylum Support Office

ECHO: European Civil Protection and European Humanitarian Aid Operations Office

EDF: European Development Funds

EEA: European Economic Area

EEAS: European External Action Service

EFTA: European Free Trade Area

EEA-EFTA: European Economic Area and European Free Trade Area

EIC: European Innovation Council

EIDHR: European Instrument for Democracy and Human Rights

ENI: European Neighbourhood Initiative European Neighbourhood Instrument

ERC: European Research Council

ESIF: European Structural and Investment Funds

ET 2020: Strategic framework for European co-operation in education and training

EU: European Union

EU MS: European Union Member States

FP: Framework Programme

FP7: Framework Programme for Research and Technological Development 7

FPI: Service for Foreign Policy Instruments

GDP: Gross Domestic Product

GNI: Gross National Income

GVA: Gross Value Added

H2020: Horizon Europe Research and Development Framework Programme

HIPC: Highly Indebted Poor Country

IcSP: Instrument contributing to Stability and Peace

IPA: Instrument for Pre-accession

ITRE: European Parliament, Committee on Industry, Research and Energy

MEP: Member of the European Parliament

MFF: Multi-annual Financial Framework

NDICI: Neighbourhood, Development and International Co-operation Instrument

NGO: Non-Governmental Organisation

NOHRI: Norwegian House of Research and Innovation

NORAD: Norwegian Agency for Development Co-operation

PAGODA: Procurement and Grants for European Union External Actions Pillar Assessed Grants or Delegation Agreements

RTD: European Union Framework Programme for Research and Technical Development

SNE: Seconded National Experts

UCL: University College London

UK: United Kingdom

UKRI: UK Research and Innovation

## **ANNEX V**

### **Factsheet**

See attached.

**CULTURE AND MEDIA • RESEARCH AND INNOVATION • EDUCATION**  
CREATIVE EUROPE • HORIZON EUROPE • ERASMUS

# **EU FUNDING PROGRAMMES POST-2020**

# EU FUNDING

## STATE OF PLAY

The European Union plans its budget through seven-year programming periods. Each programming period is shaped by what is called a Multi-annual Financial Framework (MFF).

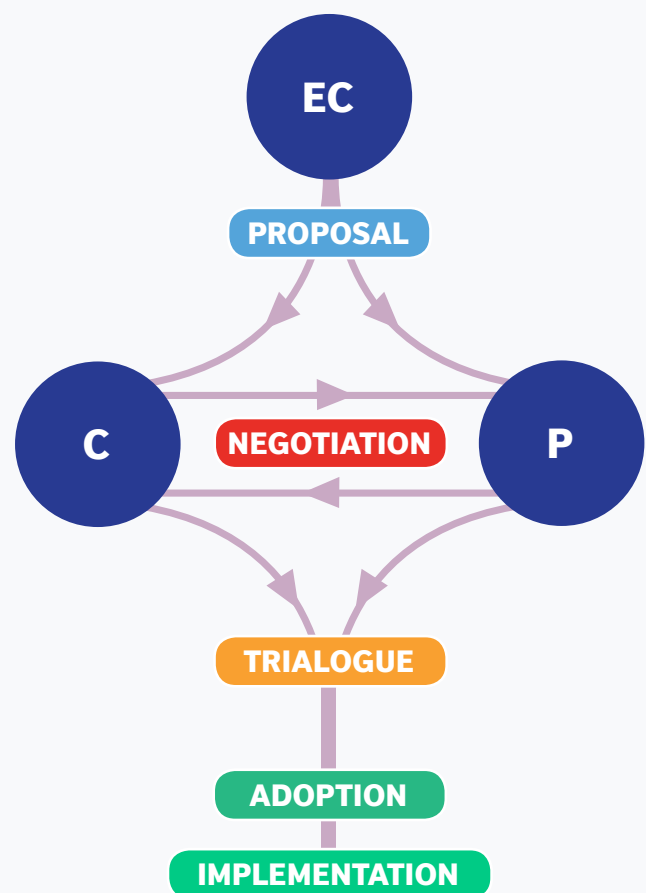
The MFF outlines the thematic funding instruments (or programmes) to be funded under each programming period. The MFF is subject to negotiations (usually for two years).

The next programming period will cover 2021–27. Negotiations started in 2018 and the final MFF will be approved by the end of 2020.

There are three main institutions involved in EU legislation:

- The **European Commission** is the executive body of the EU and represents the interests of the Union as a whole
- The **European Parliament** represents EU citizens. Members of the European Parliament (MEPs) are directly elected by citizens of Member States
- The **Council of the European Union** represents the governments of the EU Member States. The Presidency of the Council is shared by the Member States on a rotating basis.

The MFF is first **drafted** by the European Commission, then **negotiated** by the European Parliament and the Council of the European Union during the two years prior to its implementation. To reach agreement, negotiations finally enter a **trialogue** process, after which the MFF is approved. Member States and the European Commission then **adopt** and begin its **implementation** in the new programming period.



2018	May	European Commission proposal on establishing <b>Creative Europe</b> and <b>Erasmus</b> programmes for the next MFF
	June	European Commission proposal on establishing <b>Horizon Europe</b> programme for the next MFF
	July	
	August	
2019	September	European Parliament Industry, Research and Energy Committee adopts report and amendments to <b>Horizon Europe</b> programme
	October	European Council reaches partial agreement ( <i>without budgetary provisions</i> ) on <b>Horizon Europe</b> and <b>Erasmus</b> programmes
	November	European Council reaches partial agreement ( <i>without budgetary provisions</i> ) on <b>Creative Europe</b> programme
	December	European Parliament plenary adopts draft report and amendments to <b>Horizon Europe</b> programme
	January	Triologue period begins for the European Council and European Parliament to reach agreement on <b>Horizon Europe</b>
	February	European Parliament Culture and Education Committee adopts draft reports and amendments to <b>Creative Europe</b> and <b>Erasmus</b> programmes
	March	European Parliament plenary adopts draft reports and amendments to <b>Creative Europe</b> and <b>Erasmus</b> programmes
	April	
2020	May	European Parliament elections
	June	
	July	Triologue period begins for the European Council and European Parliament to reach agreement on <b>Creative Europe</b> and <b>Erasmus</b> programmes
	August	
	September	
	October	
	November	New European Commission
	December	
	January	
	February	
2021	March	
	November	Approval of the programmes for the next MFF
	December	
2021	January	Implementation of the 2021-2027 MFF begins

# EU FUNDING PROGRAMMES FOR **CULTURE, RESEARCH AND EDUCATION**

The Creative Europe, Erasmus and Horizon Europe programmes are critical to the culture, education and research sectors, in terms of both funding and the access they provide to partnerships, skills and knowledge.

Creative Europe makes an important contribution towards the employment priorities of the EU. The programme stimulates investment for job creation. It contributes to a deeper and fairer internal market with a strengthened industrial base. Exchange and dissemination of learning help to make the market more sustainable. This in turn leads to sector professionalisation and allows strengths to be shared across different sectors. It gives individuals higher capacity to work internationally and enables them to develop new skills and competences. Collaboration between partners often continues beyond the lifetime of projects.

Erasmus offers funding to schools, colleges, universities and youth organisations for life-changing international opportunities. Through Erasmus, young people can study, train, volunteer and gain work experience abroad. Erasmus funding also supports professional development for education and youth staff, and innovation in education and youth work. Organisations can collaborate with international partners, share best practice and forge stronger links between the worlds of work and education.

The cultural and creative sectors also benefit from the Erasmus and Horizon Europe programmes. Erasmus helps to equip individuals with the knowledge, skills and competences they need to face social and economic challenges and fulfil their potential for innovation, creativity and entrepreneurship. The Horizon Europe programme supports research and innovation. This can benefit a range of areas, from the improvement of ICT technologies to preserve cultural heritage, to the development of creative hubs and research that strengthens the link between cultural policies and urban development.

# CREATIVE EUROPE



Creative Europe is a programme with limited budget but great ambitions and a large scope. From 2014 to 2016, Creative Europe channelled €544 million in funding to 2,580 entities in the cultural and creative sectors (such as film production companies, innovative audiovisual start-ups and artist-run organisations). Creative Europe generated an estimated 3,000 jobs over the same period.

The programme focuses on cultural and linguistic diversity, cultural heritage and creativity. It aims to develop a professional and competitive sector and to bring people and communities together.

There are currently 40 countries participating in Creative Europe, including Tunisia and the Ukraine. The programme is therefore open to non-EU countries who need to agree participation with the European Commission and contribute to the programme budget.

## CURRENT PROGRAMME

### CREATIVE EUROPE (2014–20)

The current Creative Europe programme runs from 2014 to 2020 with a budget of €1.46 billion. It is made up of three sub-programmes:

- **MEDIA** - to support the European audiovisual industry
- **Culture** - to promote other European cultural and creative sectors
- **Cross-sectoral** - to support actions spanning across the audiovisual and other cultural and creative sectors.

The Culture sub-programme covers all art forms ranging from literature to visual art, cultural heritage, fashion, architecture and dance. It encourages partners to work across art forms on thematic areas such as climate change, disability and access and gender equality.

The Culture sub-programme has four strands: literary translation, European networks, European platforms and cooperation projects. The last of these strands receives 80 per cent of the budget.

## BENEFITS OF THE PROGRAMME FOR THE UK

- **During its first four years (2014–17), €74 million were awarded** to 334 UK-based cultural and creative organisations and audiovisual companies, helping to distribute 145 UK films in other European countries
- **Creative Europe grants leverage to additional funding.** UK organisations involved in the Culture sub-programme have more than doubled their Creative Europe grants, generating over €20 million in match-funding. MEDIA sub-programme beneficiaries in the UK leveraged match-funding worth nearly €120 million in 2014–17
- **Creative Europe helps the UK's creative industries reach audiences at home and internationally.** Culture projects funded with UK partners from 2014–17 are set to reach 61 million audience members – with seven million of those based in the UK
- **The value of the UK to other countries in Creative Europe is evident from how widely UK businesses and organisations are embraced as partners.** UK organisations in culture projects worked with 743 partners across 34 countries from 2014–17
- **Creative Europe helps the wider circulation of UK films.** In media, distributors and sales agents outside the UK spent 19 per cent of grants awarded to their sector on acquiring and releasing UK films in their territories. The revenue generated by these films by 2017 was just under €400 million. The benefit of Creative Europe to the UK was highlighted in a report produced by Creative Europe Desk UK.<sup>1</sup>

## PROPOSED FUTURE PROGRAMME CREATIVE EUROPE (2021–27)

On 30 May 2018, the European Commission adopted a proposal for a new Creative Europe programme to run from 2021 to 2027. The proposed budget is €1.85 billion.

	TOTAL BUDGET	MEDIA	CULTURE	CROSS- SECTORAL
2014–20	€ 1.46 billion	€ 824 million	€ 455 million	€ 121 million
2021–27	€ 1.85 billion	€ 1.08 billion	€ 609 million	€ 160 million

<sup>1</sup> [http://www.creativeeuropeuk.eu/sites/default/files/CE\\_ImpactUK\\_\\_FINAL.pdf](http://www.creativeeuropeuk.eu/sites/default/files/CE_ImpactUK__FINAL.pdf)

## STRUCTURE

The proposal focuses on three sub-programmes, as per the current programme:

- **MEDIA** (€1.08 billion) - to stimulate collaboration and innovation in the creation and production of European audiovisual works, including support to the EU film and other audiovisual industries
- **Culture** (€609 million) - to continue to support transnational partnerships, networks and platforms; develop sector specific initiatives; support cultural and creative operators in their efforts to reach audiences in Europe and beyond; and enhance existing actions such as the European Capitals of Culture and the European Heritage Label
- **Cross-sectoral** (€160 million) - to promote cross-cutting activities spanning the audiovisual and other cultural and creative sectors.

## CREATIVE EUROPE WILL INVEST IN:

- **Culture**
  - Cooperation projects, networks and platforms
  - Mobility of artists
  - Music
  - Books and publishing
  - Architecture and cultural heritage
  - Design, fashion and cultural tourism
  - Special initiatives such as the European Capitals of Culture and the European Heritage Label
- **MEDIA**
  - Development, distribution and promotion of European films, TV programmes and video games
  - Creative collaboration across borders
  - High-quality training for producers, directors and screenwriters
  - Digital transformation of the audiovisual industry
  - Support for networks of film festivals and cinemas showing European films and reaching new audiences
- **Cross-sectoral**
  - Policy development and data collection on cross-sectoral activities
  - International exchange of experience, skills, peer learning activities and networking
  - Creative and innovative laboratories, i.e. projects run by different cultural and creative players, such as the use of virtual reality during live performances
  - Support for social inclusion through culture
  - Support for media pluralism, quality journalism and media literacy.

## WHAT'S NEW IN THE PROPOSAL?

- **More opportunities for cultural and creative actors to run cross-border projects:**
  - Increased cross-border cooperation for culture operators
  - More funding for European cultural networks
  - Opportunities to learn by spending time in a cultural organisation abroad
- **More support for the promotion of European cultural and creative works beyond the EU:**
  - Promote, market and brand European works internationally
  - Bring more European works to international festivals
  - Encourage networking for young creative entrepreneurs
- **More attention to digital transformation affecting the cultural and creative sector:**
  - A focus on innovative storytelling and virtual reality
  - Establish a network of video on-demand platforms
  - Create a directory of European movies
  - Create a network of European festivals
  - Support more cinemas featuring EU movies
  - Invest in 5,000 audiovisual professionals
  - Pan-European distribution strategies
  - Work with updated rules for audiovisual media
  - Develop more successful European works.

## KEY ISSUES DEBATED

- **Budget**

The Parliament is proposing an increased budget of up to €2.806 billion (compared to the €1.85 billion proposed by the Commission and the current budget of €1.64 billion). The budget will be split percentage-wise between sub-programmes. The Council, in its partial general approach, did not cover any budgetary aspects; these will depend on the agreement reached in the MFF
- **Definitions and objectives**

The Parliament has stated that the Seal of Excellence certification<sup>2</sup> needs to be supported with cross-references in other programmes. A new general objective needs to be introduced that recognises the intrinsic value of culture, emphasises the promotion of artists and cultural operators, and highlights the contribution that culture makes to citizens' personal and social development
- **International dimension and Third countries associated**

The Parliament has stated that the agreements with Third countries already associated with the current Creative Europe programme should be facilitated and accelerated in order to include those countries from the very beginning of the implementation of the new programme. The Parliament also considers that more should be done to encourage new countries to join the programme and that the Commission should adopt a proactive approach to admitting new countries through bilateral agreements. The Council has not discussed this yet as Ministers are waiting for further clarity on the UK's leaving date from the EU.

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<sup>2</sup> A high-quality label awarded to projects submitted to Creative Europe which are deemed to deserve funding but do not receive it due to budget limitations.

# HORIZON EUROPE



The European Union funds research in the European Research Area (ERA) through the Framework Programme for Research and Technological Development. Funding objectives and actions vary between funding periods.

With Horizon 2020, the Framework Programme became a larger programme covering all aspects of the innovation process and implementing various EU policies.

The focus is on innovation, accelerating economic growth and delivering solutions to end users (often governmental agencies).

## CURRENT PROGRAMME

### HORIZON 2020 (2014–20)

Horizon 2020 is the biggest EU research and innovation programme ever, with a total budget of nearly €80 billion for the seven-year period.

By coupling research and innovation, Horizon 2020 contributes to achieving the EU's goals for smart, sustainable and inclusive growth and jobs. It places emphasis on excellent science, industrial leadership and tackling societal challenges.

As of May 2018, Horizon 2020 has supported over 18,000 projects, with over €31 billion awarded.

Horizon 2020 is divided into three pillars corresponding to its main priorities:

- **Excellent science** supports world-class science in Europe by developing, attracting and retaining research talent and supporting the development of the best research infrastructures
- **Industrial leadership** supports key technologies and aims at attracting more private investment into research and innovation and supporting the increase of innovative SMEs in Europe
- **Societal challenges** supports research and innovation that target society and citizens (climate, environment, energy, transport, etc.) and the development of breakthrough solutions coming from multi-disciplinary collaborations.

## BENEFITS OF THE PROGRAMME FOR THE UK

The UK is currently a net contributor to the EU budget. Between 2007 and 2013, the UK contributed nearly €5.4 billion to EU research projects and received approximately €8.8 billion.

Top UK universities, such as the Universities of Cambridge, Oxford, Edinburgh, Manchester and King's College London, are leading or are in partnership with H2020 projects amounting to approximately €500 million.<sup>3</sup>

Some facts:

- Across the programme, the UK ranks only second to Germany in terms of project participation, with UK researchers and innovators awarded 14 per cent of all funds, totalling around €4 billion
- Britain is the second best-funded country in Europe for the Horizon 2020 SME Instrument, second for the number of topics submitted and third for the number of projects funded<sup>3</sup>
- The UK has more joint publications with the EU27 than it does with the USA<sup>4</sup>
- Under FP7, the UK received €8.8 billion in direct EU funding for research, which was an excellent return on an estimated contribution of €5.4 billion
- UK-based researchers receive around €1.3 billion each year through Horizon 2020<sup>5</sup>
- In 2017, the proportion of UK participation in Horizon 2020 was 15 per cent of the total, with just under a 16 per cent share of the funding. However, the UK universities' figures show that, this year, UK participation fell to 12 per cent and UK funding fell to 13 per cent
- According to data in the science journal, *Nature*, UK participation as a lead co-ordinator in EU multilateral projects through Horizon 2020 has reduced significantly since 2016.

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<sup>3</sup> H2020 Dashboard: <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/opportunities/horizon-dashboard>

<sup>4</sup> Web of Science; analysis, King's College Policy Institute: <https://www.universitiesuk.ac.uk/policy-and-analysis/reports/Documents/2017/international-collaboration-uk-post-exit.pdf>

<sup>5</sup> <https://www.nature.com/articles/d41586-019-00023-1>

**PROPOSED FUTURE PROGRAMME****HORIZON EUROPE (2021–27)**

Horizon Europe will be the ninth framework programme (FP9).

The Commission's new proposal for a regulation establishing Horizon Europe envisages a financial envelope for the implementation of the framework programme of €94.1 billion. In addition, the Commission proposes to contribute another €3.5 billion from the InvestEU Fund for Horizon Europe. Together with the €2.4 billion for the Euratom research and training programme, this makes a total budget allocation of €100 billion for science, research and innovation related projects.

This would represent an increase of 29 per cent in comparison with the current (2014–20) MFF.

PROGRAMME	HORIZON 2020	HORIZON EUROPE
PERIOD	2014–20	2021–27
BUDGET	€80 billion	€100 billion
PILLARS	Excellence in science	Open science
	Industrial leadership	Global challenges
	Societal changes	Open innovation
STRATEGIC SECTORS	Health	Health
	Food security	Inclusive and secure society
	Secure, clean and efficient energy	Digital and industry
	Smart and green transport	Climate, energy and mobility
	Climate action and environment	Food and natural resources
	Secure society	
	ICT and space	

STRUCTURE

The objectives for 2021–27 will be organised in three pillars:

Pillar 1 OPEN SCIENCE  €25.8 billion	Pillar 2 GLOBAL CHALLENGES AND INDUSTRIAL COMPETITIVENESS  €52.7 billion	Pillar 3 OPEN INNOVATION  €13.5 billion
European Research Council	Clusters: Health Inclusive and secure society	European Innovation Council
Marie Skłodowska-Curie Actions	Digital and industry Climate, energy and mobility Food and natural resources	European innovation ecosystems
Infrastructures	Joint Research Centre	European Institute of Innovation and Technology

STRENGTHENING THE EUROPEAN RESEARCH AREA

Sharing excellence	Reforming and enhancing the European research and innovation system
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● **Open science** pillar: €25.8 billion

- Supports frontier projects ('research taking place at the frontiers of knowledge') defined and driven by researchers themselves through the European Research Council (€16.6 billion)
- Funds fellowships and exchanges for researchers through Marie Skłodowska-Curie Actions (€6.8 billion)
- Invests in world-class research infrastructures

● **Global challenges and industrial competitiveness** pillar: €52.7 billion

- Reinforces technological and industrial capacities and sets EU-wide missions with ambitious goals tackling some of our biggest problems
- Directly supports research relating to five societal challenges: €7.7 billion for health, €2.8 billion for inclusive and secure society, €15 billion for digital and industry, €15 billion for climate, energy and mobility, and €10 billion for food and natural resources
- Includes activities pursued by the Joint Research Centre (€2.2 billion), which supports EU and national policymakers with independent scientific evidence and technical support

● **Open innovation** pillar: €13.5 billion

- Aims to make Europe a front-runner in innovation that develops the market. It does this via the European Innovation Council (€10 billion)
- Will help develop the overall European innovation landscape. Part of this will involve strengthening the European Institute of Innovation and Technology to foster integration of business, research, higher education and entrepreneurship (€3 billion).

## WHAT'S NEW IN THE PROPOSAL?

Support breakthrough innovation	--->	European Innovation Council
Create more impact through mission-orientation and citizens' involvement	--->	EU-wide research and innovation missions
Reinforce openness	--->	Open science policy
Rationalise the funding landscape	--->	New approach to partnerships
Reduce administrative burden	--->	Simpler rules

## KEY ISSUES DEBATED

- **Budget**

The Council is unlikely to accept the increase of budget proposed by the European Parliament (€120 billion)

- **Third country participation**

Not yet discussed in the Council as Ministers are waiting for further clarity on the UK's leaving date from the EU

- **Excellence or inclusiveness**

Parliament and the Council fully support the principle of excellence but are also looking for incentives to reduce research and innovation gaps between European regions

- **Issue of oversubscription and low success rates**

Reintroduction of a two-stage evaluation procedure. This involves a standardised first stage followed by a more tailored second stage for selected applicants

- **Concept of missions**

The Commission proposes to create projects focused on specific challenges, such as curing cancer and addressing climate change 'something that will make people on the street talk about science'. This proposal remains to be further defined and the Parliament would like to be more involved in designing the missions

- **Focus on Science / Humanities**

Still under debate is the need for understanding innovation as a factor for transforming society, as it presents new approaches to integrating the Social Sciences and Humanities and calls for a conceptualisation of impact that takes wider social, cultural and political developments into account

- **Involvement of citizens in the programme's research focus**

Discussions around possible variations that could be used to involve citizens in setting the missions and work programmes for the future Horizon Europe

- **European Innovation Council**

Lacks proper description of activities, governance and implementation and the coordination of activities with the European Institute for Innovation and Technology

- **Stronger intellectual property provision**

To protect smaller and new participants in the programme in particular

- **European defence**

The majority of Member States insist on a clear separation between the two programmes within Horizon Europe, i.e. with a separate specific programme for defence research in the European Defence Fund. Member States have stressed the importance of maintaining the civil character of Horizon Europe

- **SMEs**

Several Member States are disappointed that the new proposal lacks a targeted instrument for small and medium-sized enterprises of the type that has benefited thousands of SMEs across Europe in Horizon 2020.

# ERASMUS



Erasmus+ is the European Union's funding scheme to support activities in education, training, youth and sport.

It is an investment in knowledge, skills and competences to tackle major socio-economic challenges, contributing to growth, prosperity and social inclusion.

## **CURRENT PROGRAMME** ERASMUS+ (2014–20)

Erasmus+ runs from 2014 to 2020 with a budget of €14.7 billion, plus €1.68 billion for funding actions with Third countries (Partner countries).

Through Erasmus+, over four million young people study, train, volunteer, learn and gain work experience abroad, improving their cultural understanding and equipping them with critical skills and competences for their future careers.

Erasmus+ is also designed to modernise education, training, youth work and sport across Europe. It does so by enabling organisations in different countries to share best practice, develop strategic partnerships and support professional development for staff.

The programme is composed of three 'Key Actions' (KA) and two additional actions:

- **Learning mobility of individuals** (KA1) supports mobility in the education, training and youth sectors
- **Cooperation for innovation and good practices** (KA2) allows organisations to work together, develop, share and transfer best practices and innovative approaches in the fields of education, training and youth
- **Support to policy reforms** (KA3) aims to stimulate innovative policy development, policy dialogue and implementation, and the exchange of knowledge in the fields of education, training and youth
- **Jean Monnet activities** are designed to promote excellence in teaching and research in the field of European Union studies worldwide
- **Sport activities** aim to support European partnerships on grassroots sport.

They are managed partly at the national level by National Agencies and partly by the Education, Audiovisual and Culture Executive Agency (EACEA).

## **BENEFITS OF THE PROGRAMME FOR THE UK**

### ● **Funding**

Around €1 billion of the Erasmus+ budget is reserved for projects led by UK-based schools, colleges, universities, youth organisations and sport organisations. This funding helps organisations to improve their capabilities and drive innovation. From 2014 to 2017, 3,982 Erasmus+ grants were awarded to UK organisations, worth around €571 million in total

### ● **Boosting skills and employability for students and young people**

Through Erasmus+, young people can study, train, volunteer and gain work experience abroad. This enables them to develop new skills, gain vital international experience and boost their employability. Former Erasmus+ students are half as likely to experience long-term unemployment as students who do not go abroad, while 90 per cent of mobile students reported improved intercultural, foreign language and communication skills<sup>6</sup>

Every year, Erasmus+ funds around 16,000 UK higher education students to study or do a work placement abroad. Around 6,000 UK vocational education and training students benefit from a work placement abroad and 5,000 young people, often from disadvantaged backgrounds, benefit from a volunteering experience abroad

### ● **Professional development**

Through Erasmus+, staff can teach or train abroad to develop their professional practice, build relationships with international peers and gain fresh ideas. Each year, over 3,600 UK higher education staff, 1,800 school staff, 1,200 vocational education staff and 400 adult education staff benefit from professional development abroad. Over 90 per cent of higher education institutions regard staff mobility as an effective means of achieving major objectives, such as internationalising the campus, promoting new pedagogical methods and enriching course offerings.<sup>6</sup> Likewise, 80 per cent of school and vocational education and training (VET) teachers apply new teaching methods through Erasmus+<sup>7</sup>

### ● **Partnerships and collaboration**

Erasmus+ funding enables organisations to collaborate with international partners, share best practice and forge stronger links between the worlds of work and education. All higher education respondents reported that Erasmus+ has supported their institutional internationalisation, European or research strategies<sup>8</sup>

Similarly, 74 per cent of practitioners in the higher education sector reported the creation of new research projects and 37 per cent supported the creation of new spin-offs resulting from their involvement in Erasmus+.<sup>9</sup>

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<sup>6</sup> Erasmus Impact Study

<sup>7</sup> European Commission, 2017

<sup>8</sup> Erasmus+ interim evaluation, UUKi

<sup>9</sup> Mid-term evaluation of the Erasmus+ Programme United Kingdom National Authority report, October 2017

## PROPOSED FUTURE PROGRAMME

### ERASMUS (2021–27)

On 30 May 2018, the Commission adopted a proposal for the Erasmus programme that would double its budget to €30 billion. The proposed budget increase reflects increased ambitions both in the scope and aims of the programme. Its objective is to triple the number of participants offering learning and mobility opportunities to 12 million, compared to four million under the current programme.

Building on the success of Erasmus+, the new programme intends to contribute effectively to key political objectives, most notably the establishment of the European Education Area by 2025. It also intends to consolidate European identity and awareness of the European Union's values, and to empower young people through youth, education and culture policies.

The proposed Erasmus 2021–27 programme has been described as the 'evolution, not revolution' of Erasmus+. It will continue to cover schools, VET, higher education and adult education in a more streamlined manner. The new programme will reinforce existing actions and introduce a limited number of new ones.

## STRUCTURE

The objectives for Erasmus 2021–27 will be pursued through three key actions, which are the same as in the current programme, and which fall under four areas: **education and training, youth, sports, and National Agencies**.

AREAS	EDUCATION AND TRAINING	YOUTH	SPORTS	NATIONAL AGENCIES
BUDGET	€24.94 billion	€3.1 billion	€550 million	€960 million
KEY ACTIONS	<ul style="list-style-type: none"> <li>● Learning mobility</li> <li>● Cooperation among organisations and institutions</li> <li>● Support for policy development and cooperation.</li> </ul>			

Of the proposed €24.94 billion for **education and training**, €8.64 will be allocated to higher education, €5.23 to VET, €3.79 to school education, €1.19 to adult education and €450 million to Jean Monnet Actions, which promote excellence in teaching and research in the field of European Union studies.

Of the proposed €3.1 billion for **youth**, €700 million will be allocated to DiscoverEU, an initiative offering young people the chance to discover other EU countries.

A budget of €960 million has been proposed for allocation to **National Agencies** as a contribution to their operational costs.

## WHAT'S NEW IN THE PROPOSAL?

- **Double budget**  
€30 billion
- **Expand participation**  
Aim to reach 14 million people
- **Increase inclusiveness**  
Reach more young people with fewer opportunities and from disadvantaged backgrounds by expanding mobility opportunities, introducing the DiscoverEU initiative and using new formats such as virtual exchanges
- **Improve accessibility**  
Open the programme to smaller and grassroots organisations to set up small-scale partnerships
- **Simplification**  
Lighter procedures to reduce administrative burden for all beneficiaries, such as simpler online application forms. This is intended to increase the relevance, attractiveness and inclusiveness of the programme
- **Enrich mobility**  
Greater use of virtual mobility, blended mobility and introduction of a student e-card
- **Forward-looking fields of study**  
Focus on development of digital skills and knowledge and competences in future-oriented areas such as climate change, clean energy, artificial intelligence, robotics, data analysis, arts and design
- **Boost cooperation**  
Support the emergence of European university networks across the EU by 2024 and develop 'centres of vocational excellence'
- **More international**  
Increase mobility and cooperation with Third countries through a combination of virtual and physical mobility.

## KEY ISSUES DEBATED

- **Total programme budget**

The Parliament wants a budget of €46.7 billion. However, the Council is already questioning the €30 billion budget increase in the Commission proposal. Negotiations on the total budget are linked to the negotiations on the total EU MFF for 2021–27

- **Budget allocation per sector**

The issue of how the total budget will be allocated per sector has not been discussed since it depends on the total budget. Negotiations are likely to be long

- **Third country participation**

This has not been discussed yet in the Council as Ministers are waiting for further clarity on the UK's leaving date from the EU

- **DiscoverEU initiative**

DiscoverEU is not supported by the Council, but is supported by the Parliament

- **Work programmes**

The Parliament supports the adoption of work programmes through delegated acts (where European Parliament and the Council have power to scrutinise and control the process), while the Commission and the Council support their adoption as implementing acts (where the oversight of the act is undertaken by the Member States)

- **National Agencies**

The Parliament and the Council want closer cooperation between the National Agencies and the Commission

- **Inclusion**

The Parliament welcomes greater inclusion in the proposed programme but asks for concrete measures to make it happen

- **Simplification**

The Parliament considers that the Commission proposal should include more specific measures to simplify processes.

## **THE BRITISH COUNCIL IN EUROPE**

This report is to inform members of the arts, culture and education sectors in the UK about the planning process of Creative Europe, Erasmus and Horizon Europe – the three major European Union programmes that fund arts, culture, education and research collaboration.

The British Council is the UK's international organisation for cultural relations and educational opportunities. We create friendly knowledge and understanding between the people of the UK and other countries. We work with over 100 countries across the world in the fields of arts and culture, English language, education and civil society. Our roots lie in Europe: our first offices opened here in 1938 and we have supported educational cultural relations with countries of Europe ever since. We are working with our partners to ensure that cultural, educational and scientific collaboration is prioritised within any agreement negotiated between the UK and EU Member States.

For more information on the work of the British Council in Europe in support of cultural, educational and scientific collaboration, please contact:

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