Science, Research & Innovation, and Technology
Policy Intelligence Report

12 August 2016

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Intelligence in Science

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ISC Science and Research Intelligence Report, 12 August 2016

This is a policy intelligence report covering relevant decisions within the EU institutions and elsewhere, and conveying policy and regulatory analysis and implications in the fields of science and research for the past month (July 2016).

The first part (p. 1) of this report covers main institutional developments across the science and research portfolios, whereas the second part (p. 5) summarizes policy developments, programmes, past events, and other relevant issues and news. The last section (p. 9) provides an overview of detected upcoming events.

1. Institutional and legislative/regulatory developments

BREXIT AFTERMATH
On 23 June 2016 the British voters headed to polls to decide whether the UK should stay an EU Member State or not. Early on 24 June 2016 it was clear that Britain voted to leave the EU in a "historic divorce", with 52% of the votes in favour of leave.

The new British Prime Minister, Theresa May, took office on 13 July 2016
In her first statement as Prime Minister May, previously described as a "reluctant Remainer", focused on domestic issues and did not develop her views on Brexit. However, she said in the phone talks with EU leaders the UK would "need some time to prepare" for Brexit negotiations, while the EU leaders have started to put pressure on her to trigger the procedure to exit the EU. May was a home secretary for the past six years. (Source)

May is currently attempting to get the Investigatory Powers Bill through parliament. The bill is an update to the UK's surveillance laws and has been widely criticised for introducing new powers, such as retaining internet users' 12-month browsing histories. The bill also appears to ask online service providers to reveal encrypted messages for which they do not have the key – a mathematical impossibility. May has a negative approach to environmental issues: she has generally voted against measures to fight climate change and is also against environmental regulation for fracking in the UK. (Source)

Eurosceptic Philip Hammond, who was foreign secretary, has been appointed Chancellor of the Exchequer. Brexiteer Liam Fox is the new international trade secretary, and the home office went to Amber Rudd, a Remain supporter. Eurosceptic David Davis is the Brexit secretary and Michael Fallon continues as defence secretary. Perhaps the most surprising move was the appointment of Boris Johnson, who was marked as a part of the "retro-nationalists … not patriots" by Jean-Claude Juncker, as a new foreign secretary. (Source) Davis said that *"the ideal outcome, (and in my view the most likely, after a lot of wrangling) is continued tariff-free access. There may be some complexities about rules of origin and narrowly-based regulatory compliance for exports into the EU, but that is all manageable."* (Source)

The new UK European Commissioner
In the beginning of August Jean-Claude Juncker, the president of the European Commission, announced his intention to allocate the Security Union portfolio to Sir Julian King, the candidate for Commissioner

from the United Kingdom. He is to support the implementation of the European Agenda on Security. ([Source](#))

Barnier appointed as the Brexit negotiator

European Commission President Jean-Claude Juncker appointed former French Commissioner for internal market as chief negotiator in charge of Brexit negotiations with the UK. He'll begin his work in this position on 1 October 2016. He'll report directly to Juncker and will be regularly invited to the Commission College meetings. Most of the negotiations are nevertheless expected to be done by the Council, representing Member States. ([Source](#)) UK Prime Minister Theresa May says her government won't launch any formal exit talks before the end of the year. Moreover, the House of Lords could derail or delay the process of leaving the European Union, a Conservative peer has said. ([Source](#)) As mentioned before David Davis is chief UK negotiator.

Estonia to take over UK's EU presidency

Estonia is likely to take over the UK's EU presidency scheduled for the second half of 2017. The idea is to continue with the line-up, instead of having a new country take over; Estonia was due to follow Britain in 2018 at the EU presidency. ([Source](#))

Battle over the future EMA headquarters

Ireland is set for a post-Brexit battle with five other EU countries to be the site of the new headquarters of the London-based European Medicines Agency (EMA), the Guardian reported. The Irish health minister, Simon Harris, has said he will be pressing the case in Brussels for the relocation of the EMA, one of two key EU agencies that will move once Britain leaves the union. Spain has already staked its claim to either the EMA or the European Banking Authority; Sweden, Denmark, Italy and Germany have also expressed interest in hosting the EMA. ([Source](#))

Impact on science and research

The UK House of Commons on 13 July 2016 debated on the impacts of Brexit on science and research. Oral and written evidence so far has identified a number of potential risks and opportunities, for example concerning the mobility of scientists, collaborative research opportunities, funding, access to research facilities, regulation and market access, private sector investment, administrative burdens/costs, etc. ([Source](#))

UK scientists dropped from EU projects because of post-Brexit funding fears

Britain's vote to leave the EU has unleashed a wave of discrimination against UK researchers, with elite universities in the country coming under pressure to abandon collaborations with European partners. One leading university said anecdotal evidence that UK applicants were being dropped from EU bids came almost straight after the vote. Since then they had witnessed *"a substantial increase in definitive evidence that EU projects are reluctant to be in collaboration with UK partners, and that potentially all new funding opportunities from Horizon 2020 are closing"*. ([Source](#))

Selmayr's "No" to Brexit side deal for scientists

Chief of staff to EU Commission president Martin Selmayr tweeted to say "No" to suggestion of a post-Brexit deal with freedom of movement for scientists, but not the rest of the population. ([Source](#))

Impact on the economy

The UK "leave" vote has led to increased uncertainty, financial market volatility and abrupt exchange rate movements. The European Commission on 19 July 2016 published a first assessment of the economic outlook for the euro area and the EU after the UK referendum. Commission among others said that *"although the depreciation of the pound sterling mitigates the economic fallout for the UK, the analysis suggests that the UK economy is likely to be more severely affected, with a GDP loss of 1% to 2.75% by 2017"*. ([Source](#))

On 22 July Markit released PMI data showing a "dramatic deterioration" in the economy since the UK voted to leave the EU: the readings for the UK economy showed that composite output fell to its lowest level since March 2009, during the tail end of the global financial crisis. ([Source](#))

EU capitals woo British business after Brexit

"Now is the time to come to France", French prime minister Manuel Valls said. Dublin and Luxembourg also voiced bids to snatch business from the City of London, which is home to a fifth of global banking operations, amid the uncertainty caused by Britain's vote to quit the EU. France's Valls recalled plans to cut corporate taxes from 33 to 28 percent. He announced a new service to help companies relocate. Germany's powerful finance minister Wolfgang Schaeuble warned of a "race to the bottom" on competitive tax cuts, however. Irish state agency for foreign investment, IDA Ireland, said it had already contacted 1,200 British companies since the Brexit vote on 24 June. ([Source](#)) Furthermore, Andrea Orcel, president of UBS investment bank, has warned the Swiss bank is considering moving its staff to a EU country, following UK's vote to leave the EU. *"We would still deal with the UK but the part of the business that is EU business, done from London, would need to be done from elsewhere,"* he added. ([Source](#))

Norwegian model for the UK?

The Norwegian model in based on Norway being a member of the European Economic Area (EEA)[1], but not a member of the EU. This means that much like Iceland and Liechtenstein, Norway has to comply with all EU rules, but it cannot vote on them. Norway also pays grants to poorer EU Member States, which are renegotiated periodically, and makes contributions to a number of EU programs in which it wishes to participate (such as Erasmus student exchanges). ([Source](#))

Moreover, Norway could block Britain's post-EU exit access to the European single market. On 9 August Norway's European affairs minister, Elisabeth Vik Aspaker, said a UK attempt to rejoin the European Free Trade Association (EFTA) may not be in Norway's interest. EFTA states are not members of the EU and include Norway, Iceland, Liechtenstein, and Switzerland. ([Source](#))

Furthermore the UK vote to leave the European Union threatens to claim collateral damage in Switzerland, whose own negotiations with the EU have become much more difficult as a result. ([Source](#))

UK will still defend Europe, NATO chief said

NATO chief Jens Stoltenberg has said Brexit will make no difference to the UK's role in the Western alliance. *"It's important because the UK is a major provider of security in Europe … It accounts for nearly one quarter of defence spending among European NATO allies"*, he said. However, Brexit might

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[1] The EEA unites all the EU Member States and three EEA EFTA States – Iceland, Liechtenstein and Norway, but not Switzerland; see below.

have consequences in the EU security arena. For his part, Stoltenberg warned the EU against duplication of military command and control structures. The UK had opposed the creation of an EU military HQ, but France and Germany are interested in the idea. ([Source](#))

"Brexit is an opportunity for EU defence policy"
It is easy to understand why the United Kingdom's departure can be seen as a substantial setback for the Union's ambitions as a defence player: the UK has the highest defence expenditures of any European country. However, the French and German foreign ministers published a joint declaration supporting several initiatives reflecting precisely a deepening of CSDP integration - including the introduction of a permanent civil-military chain of command, the establishment of "standing maritime forces", and a return to the idea of permanent structured cooperation on defence between member states. ([Source](#))

Does Britain need a new place to park its nukes?
In Scotland, 62 percent voted to stay in the EU; as a result, the Brexit referendum has given fresh legs to another referendum on Scottish independence. The Scottish nationalists have made clear that if Scotland secedes, it will no longer play host to Britain's nuclear-armed submarines at Faslane on the River Clyde. There is currently no alternative base to host the subs if Scotland chooses to kick them out. British Defense Secretary Michael Fallon told Parliament in June that the country's allies *"can rest assured that our commitment to NATO, and our commitment as a nuclear power to NATO, is not altered by the result of the referendum."* ([Source](#))

SLOVAKIAN COUNCIL PRESIDENCY
On 1 July 2016 the Slovak Presidency of the Council of the EU officially started: *"While aware of its novice status, Slovakia will take over the EU Presidency at a time when political instability requires strong leadership."* ([Source](#)) The topics to feature at the forefront of the Slovak Presidency of the Council of the EU, apart from the obvious – Brexit, are economic growth, internal market and the Digital Single Market, migration, the establishment of an Energy Union, migration, and EU enlargement. ([Source](#)) Among some of the relevant issues for R&D is the much awaited copyright reform, on which the Presidency should be able to initiate the Council discussions. Furthermore the European Commission is expected to table the Free Flow of Data initiative in this period. ([Source](#))

Praise for Dutch Presidency efficiency
Dutch Prime Minister Mark Rutte and his team were praised by a majority of political group speakers in the European Parliament for the efficient way in which the Netherlands has managed the Council Presidency in the first half of 2016. The highlights that they mentioned included the EU-Turkey deal on migration, the agreement on a European Coast and Border Guard agency, anti-tax avoidance measures and the fourth railway package. ([Source](#))

Furthermore, the Dutch Presidency had the task to support the development and adoption of the new EU Global Strategy (EUGS) at a time of growing insecurity in Europe and across the world, as well as emerging uncertainty regarding the future of the EU, as observed by the Hague Institute for Global Justice, which believes that *"in contrast to the European Security Strategy of 2003, the EUGS shows a more mindful approach regarding the EU's limitations, now coined as 'principled pragmatism'/.../ It is now up to the next EU Presidencies to provide coherent common action to implement it".* ([Source](#)) A revamped role for the EU in defence one of the important parts of the EU Global Strategy presented to Member States at the European Council in June 2016. ([Source](#))

2. Topical issues and policy developments

2.1.1. General - EU Science, Research & Innovation, and Technology:

Horizon 2020: Work Programme update supports competitiveness through open science

On 25 July 2016 the European Commission confirmed the calls and other actions of the second year of the two-year work programmes setting out funding opportunities for 2017. The calls and other actions under the current work programme updates have a budget of €8.5 billion. Horizon 2020 Work Programme is directly aligned with the agenda of the Commission. It will contribute to the Jobs, Growth and Investment Package helping to strengthen Europe's global competitiveness through innovation to create new and sustainable jobs and promote growth. Important novelties include the introduction of open research data in all new Horizon 2020 calls. (Source)

Europe becoming less innovative, scoreboard says

Switzerland continues to set the pace for innovation in Europe, followed by Sweden, according to this year's edition of the European Innovation Scoreboard. The innovation scoreboard charts a decline in the performance of 17 out of 28 member states. The EU is outperformed by South Korea, the US, and Japan. China is also growing faster than the EU and closing the gap. Germany is again the leading investor in science R&D, followed by Estonia. (Source)

New reports look at research and innovation challenges and developments across the EU

The European Commission's Research and Innovation Observatory (RIO) published the second edition of the RIO country reports, which assess the evolution of national research and innovation systems and identify key challenges. According to the 2015 release, industry collaboration and commercialisation of public research results remain two of the major challenges for R&I systems in many EU countries, to name one of the findings. (Source)

The OECD has published the Main Science and Technology Indicators, Volume 2016 Issue 1

Among others, the findings show that among countries for which 2015 data are available, more than half have decreased their R&D budgets in real terms and the estimated area total has dropped by 1.3%. In a number of cases, this decline may have been mitigated through growing support through R&D tax incentives, which have been increasing in relative importance over time. Available here.

2.1.2. Climate action and energy:

G20 Energy Ministers commit to tackle together global energy and climate challenges

European Commissioner for Climate Action and Energy Miguel Arias Cañete participated in the second ever G20 Energy Ministerial meeting in Beijing, China. Energy ministers agreed on a communiqué reaffirming their commitment to ensure access to affordable, reliable, sustainable and modern energy for all. (Source)

EU Energy Council to debate Energy Union governance, financing and energy prices and costs

EU Energy Ministers and Maroš Šefčovič, European Commission Vice-President for Energy Union, met for the Informal Energy Council in Bratislava, Slovakia on 12-13 July 2016. Governance of the Energy Union was on top of the agenda, alongside a discussion on what type of financing is needed for the EU to meet its long-term climate and energy objectives. (Source)

UK sets ambitious new 2030s carbon target
The UK has announced an ambitious new carbon target for the early 2030s, allaying fears that the climate goal would be a casualty of the EU referendum. UK set a target of reducing carbon emissions 57% by 2030 on 1990 levels. ([Source](#))

"Cutting carbon emissions isn't enough. We need negative emissions"
The Paris Climate Agreement negotiated last year seeks to cap warming to below 2 degrees C, while at the same time pursuing an even more ambitious goal of limiting warming to 1.5 degrees C. Up to this moment only 18 out of 195 countries have ratified the agreement. But according to a new National Center for Atmospheric Research study, just cutting emissions under the Paris agreement may not be enough to keep global warming from blasting past 2 degrees C, said Benjamin Sanderson, the study's lead author. Negative emissions technology isn't being used anywhere in a significant way today, and the best options for carbon removal have major land and environmental impacts. ([Source](#))

2.1.3. *Data protection, Big Data, and the EU Digital Agenda:*

European Commission launches EU-U.S. Privacy Shield: stronger protection for transatlantic data flows
On 12 July 2016 the European Commission adopted the EU-U.S. Privacy Shield. The new framework protects the fundamental rights of anyone in the EU whose personal data is transferred to the United States as well as bringing legal clarity for businesses relying on transatlantic data transfers. The agreement is fully operational from 1 August 2016 on. ([Source](#))

However, Austrian activist Max Schrems, who brought against the previous "Safe Harbour" Agreement to the European Court of Justice, reckoned the latest data-sharing deal between the EU and US is vulnerable to legal challenges, and will not last long, saying that the deal had not addressed the ECJ's concerns and was full of loopholes. ([Source](#))

UK to set up independent patient data taskforce
The research charity Wellcome Trust is to host a taskforce formed in response to new recommendations on the use of patient data, with an aim to develop a framework for a clear and transparent discussions with the public, patients and healthcare professionals about how patient data can be used to improve health. ([Source](#))

Bulgaria's lead in choosing open source software for governance
The Bulgarian Parliament has passed amendments to its Electronic Governance Act which requires all software written for the government to be open source and developed in a public repository. France, Norway, Brazil and the US use open source tools to various degrees. ([Source](#))

2.1.4. *Defence and security:*

Cybersecurity: new rules to protect Europe's infrastructure
MEPs voted in favour of the proposed Network and Information Security directive on 6 July 2016. The directive lists critical sectors such as energy, transport and banking where companies would have to ensure they are able to resist a cyberattack. ([Source](#))

Commission signs agreement with cybersecurity industry to increase measures to address cyber threats

European Commission on 5 July 2016 launched a new public-private partnership on cybersecurity that is expected to trigger €1.8 billion of investment by 2020. This is part of a series of new initiatives to better equip Europe against cyberattacks and to strengthen the competitiveness of its cybersecurity sector. (Source)

NATO summit: "Europe has to do more on its own defence"

During the NATO summit in Warsaw in the beginning of July 2016, the EU and NATO signed a declaration aimed at strengthening cooperation, while setting out an effective division of responsibilities. (Source)

2.1.5. *Development and capacity building:*

UNCTAD14: From decision to action - delivering the post-2015 development agenda

The fourteenth session of the United Nations Conference on Trade and Development brought together Heads of State and Government, ministers and other prominent players from the business world, civil society and academia to Kenya on 17-22 July 2016 to tackle global trade and economic development issues, especially on delivering the post-2015 agenda and deciding on UNCTAD's programme of work. (Source)

EU development aid to finance armies in Africa

The EU commission proposed to finance foreign armies as part of a larger effort to stop people from fleeing to Europe, including in countries with patchy human rights. Some €100 million that were initially slated for development aid will be diverted to finance military-led border control exploits and other initiatives like mine-clearing. The EU money can also be used to finance anything from troop transport vehicles to uniforms and surveillance equipment. (Source)

Global academic collaboration: a new form of colonisation?

In recent years a new consciousness has emerged about higher education's historical roots. People are calling strongly for a decolonised academy. There's little doubt that Africa's universities need to be locally relevant – focusing their teaching and research on local needs. Unavoidably, though, they're simultaneously expected to internationalise and participate in the heated global higher education competition. (Source)

2.1.6. *Transatlantic relations and US policies:*

EU and US strengthen their collaboration on eHealth IT

The European Commission's Directorate General for Communications Networks, Content and Technology (DG CONNECT) and the United States Department of Health and Human Services (DHHS), after consulting with stakeholders, have updated the roadmap for their Memorandum of Understanding on eHealth/Health information technologies. (Source)

US Senate passes GMO-labelling bill

The bill, passed with strong Republican support, requires food companies to tell consumers if there are any genetically engineered ingredients in their products. Companies wouldn't necessarily need to do that by writing "contains GMOs" on the package — they could provide that information with a scannable QR code and small businesses could comply by simply providing a phone number or website. The House of Representatives will have to pass yet another bill before this Senate bill could become law. (Source)

"Top US Science Organizations Hammer Congress on Climate Change—Again"
Thirty-one of the largest U.S. science societies—collectively representing millions of scientists—sent a letter to Congress urging lawmakers to recognize anthropogenic climate change and take decisive action to combat it and its effects. The letter ends with a promise of collaboration, saying, *"We in the scientific community are prepared to work with you on the scientific issues important to your deliberations as you seek to address the challenges of our changing climate."* ([Source](#))

3. Upcoming events

ICT Proposers' Day 2016 - Registration open until 19 September 2016
ICT Proposers' day 2016 is a networking event promoting European ICT Research & Innovation and focusing on the Horizon 2020 Work Programme for 2016-17. The event will take place on 26-27 September 2016. (Source)

OECD Blue Sky Forum, 19-21 September 2016, Ghent, Belgium
Every 10 years the OECD Blue Sky Forum engages the policy community, data users and providers into an open dialogue to review and develop its long-term agenda on science, technology and innovation (STI) data and indicators. (Source)

Call for participation - Digital Infrastructures for Research conference 2016, 28-30 September, Krakow, Poland
The conference on Digital Infrastructures for Research (DI4R 2016) is designed with research communities in mind and aims to foster broader adoption of digital infrastructure services and promote user-driven innovation. (Source)

Science and Policy Making: towards a new dialogue, 29-30 September 2016, Brussels, Belgium
The conference will bring together users and providers of scientific advice on critical, global issues. Policy-makers, leading practitioners and scholars in the field of science advice to governments, as well as other stakeholders, will explore principles and practices in a variety of current and challenging policy contexts. It will also present the new Scientific Advice Mechanism of the European Commission to the international community. (Source)

Code Week EU 2016, 15-23 October 2016
On the occasion of the Code Week EU millions of children, young adults, adults, parents, teachers, entrepreneurs, and policymakers will again come together at events, in classrooms and libraries across Europe and beyond to learn to create with code. (Source)

European Summit on Innovation for Active and Healthy Ageing: Transforming the future of Health and Care in Europe, 5-8 December 2016, Brussels, Belgium
This year's event will look into how digital innovation will "Transform the future of health and care in Europe" and will unveil a shared-vision on how the Digital Single Market can turn demographic change into an opportunity for social development and economic growth in Europe. (Source)

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