



## The urgent need for sustainable EU-UK relations in space

### 1. *The politicisation of EU-UK space relations*

On 13 June 2022, the UK Government introduced a Bill that would unilaterally disregard part of the legal discipline of the Protocol on Ireland/Northern Ireland (NI Protocol). The Protocol constitutes an integral part of the Withdrawal Agreement (WA) signed by the UK and the EU on 31 January 2020. The Bill was first announced to the Parliament on 17 May and justified by the Secretary of State Elisabeth Truss on the ground that the partial implementation of the Protocol was already creating "significant costs and paperwork" for companies due to the checks and customs on the Irish border. The announcement received firm criticism from the EU and now risks generating far-reaching impacts on many areas of the EU-UK relationship, including space.

EU-UK relations are regulated by the Trade and Cooperation Agreement (TCA), originally signed on 31 December 2020 and then updated on 30 April 2021, in order to better define their reciprocal obligations. Space is one among many areas referred to in the TCA. The agreement addresses the topic of UK participation in EU space programmes, by setting up a two-pillar mechanism:

- The establishment of a Specialised Committee on Participation in Union Programmes (SCPUP) to discuss and adopt two Protocols containing norms on UK participation in specific EU programmes.
- The provision of a UK contribution to each programme in which it aims to participate.

This mechanism was created because some EU programmes were still unsettled at the date of the stipulation of the TCA, so the discussion on UK participation had to be postponed. However, the SCPUP has not yet adopted Protocol I and Protocol II, notwithstanding the publication of the legislation concerning the EU programmes in which the UK wishes to participate.

The EU has put the adoption of the protocols on hold in an attempt to pressure the UK to fully implement the NI Protocol. European Commissioner Mariya Gabriel recently acknowledged that "the current political setting of this relationship should be recalled", despite recognising that the UK participation in EU programmes "is a 'win-win' for both sides".

These developments further underpin the idea of increasing politicisation of space in Europe, which is a recent trend that has emerged over multiple instances, including, most notably, the war in Ukraine ([ESPI Brief 57](#)). Regarding its relations with the UK, the EU has its own reasons to use space as a bargaining chip to achieve political objectives. This approach is in stark contrast with the one pursued by the UK, which is calling for keeping space isolated from other political matters. Actually, the UK has no advantage in linking space matters with other policy topics, given the fact that pairing them with the NI Protocol negotiations, on which the parties have different positions, may eventually harm its national interests in space.

### 2. *From practical concerns...*

This ongoing politicisation of space is creating additional challenges to negotiations over the UK's participation in EU space programmes after Brexit, especially if coupled with the growing security dimension of EU space initiatives. Specifically, the UK has lost its previously crucial role in a large number of initiatives funded by the EU:

- Despite its former role in developing Galileo's technology for signal generation, the UK has now been excluded both from the Public Regulated Service of **Galileo** and EUSPA under article 127 of the WA and has only access to the open signal.
- The UK has left the **EU SST** Consortium pursuant to article 127 of the WA and lost access to SST services from 1 January 2022 because of the pending adoption of Protocol II to the TCA.
- Similarly, the UK will not join the **Union Secure Connectivity Programme** since it is no longer a member of the EU. OneWeb was notably not part of any consortia working on preliminary studies for the European Commission and its future involvement is unclear.
- Participation in **Copernicus**, regulated by Protocol I to the TCA, remains uncertain.

- UK association with **Horizon Europe** is similarly uncertain due to the pending adoption of Protocol I to the TCA. While initially granting UK entities access to the calls, the Commission has suspended the right of signing the grant agreements until association with the programme is formalised, consequently reallocating the leading positions to non-UK members of the consortia.
- The exclusion from Horizon Europe would also mean the UK would not be able to take part in the **European Quantum Communication Infrastructure (EuroQCI)** initiative, despite the leading role of its companies, such as ArQit, in quantum key distribution ([ESPI Brief 51](#)).

While primarily affecting the UK space sector, forcing the British government to re-shape its national space policy and re-orient its international cooperation towards the United States, these recent developments are also bound to influence the very implementation of European programmes and the overall European space governance. The most evident impact regards the evolution of Copernicus. The Contribution Agreement (CA) between ESA and EC, as a supporting document of the FFPA, is currently under revision due to the lack of the UK's €750 million contribution to Copernicus in consequence of its pending participation. ESA DG received the mandate for the amendment of the CA during the meeting of the ESA Council in March 2022. On its end, the EC decided to provide approx. €30 million as an interim solution, while the decision on the remaining part was postponed to the Critical Design Review (CDR) of the 6 Copernicus Sentinel Expansion missions (Q2 2024), where major issues may arise.

Irrespective of this specific matter, it is clear that issues are, in fact, broader. What is in particular at risk is the optimal implementation of EU programmes, including Horizon Europe, raising key questions on the future outlook and sustainability of the European space governance itself. Indeed, the UK exclusion may eventually turn into a lose-lose situation where the EU would no longer benefit from the valuable UK industrial capabilities and specific areas of expertise of its entities.

### **3. ...to broader questions for European space governance**

Due to the increasing politicisation, the relations between the UK and the EU after Brexit may have reached a new turning point. Several major issues urgently require the parties to find an agreement that would allow them to get out of what might become an unsustainable situation adversely affecting European space activities. Beyond decisions on current practical matters, a reflection on the future of relations with the UK is also needed to avoid the situation to become a pervasive and persistent issue for European space activities in the long term.

In the immediate future, a key question for all ESA Member States is the potential impact on the output of the ESA Council Meeting at Ministerial Level if the UK and the EU do not reach an agreement by November 2022. The UK has a clear interest in maintaining and potentially strengthening its membership within ESA to continue contributing to European space activities and the industrial ecosystem. However, the membership mismatch between EU and ESA may create new hurdles for future ESA and EU space programmes, in particular in light of the growing security dimension of space activities that both ESA and the EU seek to address. In this respect, sustainable EU-UK relations will be a cornerstone of future developments. This situation is specific and requires a tailored approach. However, it might also affect the participation of Switzerland and Norway in European space activities for the sake of consistency in EU policy regarding relations with non-EU member states. The recent developments regarding Swiss non-participation in Horizon Europe might be interpreted as an advanced signal of such a trend.

In the longer term, the main question regards how to ensure an appropriate and sustainable scheme for the smooth and effective implementation of both EU and ESA space programmes. For both the UK and the EU, a decisive aspect to be tackled might be the preservation of constructive relationships in the space sector, regardless of the future developments of ESA-EU relations in a post-Brexit landscape; given its strategic implications, the UK should play a significant role even if completely detached from the EU system.

At the same time, these outstanding issues are pushing European stakeholders to tackle urgent but complex questions on the evolution of the space governance in Europe, in light of the need for a whole-of-Europe approach to space ([ESPI Brief 52](#)) adapted to the new international, industrial and commercial space ecosystem.

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