Explanatory Memorandum on the Protocol of accession of the Government of the Russian Federation to the Convention of 16 December 1988 concerning the construction and operation of the "European Synchrotron Radiation Facility"

Title of Agreement

Protocol of accession of the Government of the Russian Federation to the Convention of 16 December 1988 concerning the construction and operation of the "European Synchrotron Radiation Facility"

Command Paper No: 9134

Subject Matter

1. To inform Parliament that the UK has reduced its shareholding in the European Synchrotron Radiation Facility (ESRF) to 10.5%. This Protocol, signed in June 2014, sets out the new level of shareholding for each Member country - in effect our subscription is reduced from 14% to 10.5%, or 9.5M€ a year.

2. We have assessed the political and sanctions related angles of this transfer and the FCO are content for it to go ahead.

3. The Protocol does not raise human rights issues.

Ministerial Responsibility

4. Lead Minister: Jo Johnson, Minister of State for Universities and Science, Department for Business, Innovation and Skills

Hugo Swire, Minister of State at the Foreign and Commonwealth Office has an interest in science and innovation.

Policy Considerations

General

5. The European Synchrotron Radiation Facility (ESRF) is the most powerful synchrotron radiation source in Europe. Each year several thousand researchers

travel to Grenoble, where they work in a first-class scientific environment to conduct exciting experiments at the cutting edge of modern science.

6. A synchrotron is a stadium-sized machine that produces many beams of bright X-ray light. Each beam is guided through a set of lenses and instruments called a beamline, where the X-rays illuminate and interact with samples of material being studied. Many countries operate synchrotrons—there are 10 in Europe—but only four worldwide are similar in design and power to the ESRF.

7. At more than 40 specialised experimental stations on the beamlines, physicists work side by side with chemists and materials scientists. Biologists, medical doctors, meteorologists, geophysicists and archaeologists have become regular users. Companies also send researchers, notably in the fields of pharmaceuticals, consumer products, petrochemicals and microelectronics.

UK usage of the ESRF

8. In 2014, there were 575 visits made by 389 unique UK scientists for public beam time usage; 10 UK companies paid for industrial access to the facility. In 2014 ESRF had 3 UK PhD students co-financed with other universities and also 17 UK trainees. 41 FTE (6.2% of total staff [660 FTE] employed at the facility) are UK nationals. Of the 1820 publications to date from the ESRF for 2014, 294 are associated with UK users.

Protocol

9. The UK signed the European Synchrotron Radiation Facility (ESRF) Convention on 16 December 1988. Under the terms of the Convention the UK paid 12% of the construction costs of the facility, accepting a shareholding of 14% once the facility was constructed. This obliged the UK to pay 14% of the overall operational costs in return for 14% usage of the facility by UK scientists.

10. In 2013, Russia agreed to become a Member of the ESRF at the 6% level. When it came to negotiating a reallocation of the shareholding two other countries, Germany and Belgium, also stated that they wanted to reduce their shareholding. The overall outcome was that the UK managed to negotiate a share transfer of 3.5% to Russia, reducing the UK's overall liability for the ESRF by this amount.

11. This Protocol, signed in June 2014, sets out the new level of shareholding for each Member country - in effect a reduction for the UK. Once ratified by all Member countries the legal transfer of the shares will take place. All Member

countries have agreed to contribute to the operational costs at the new level from 01 January 2015, prior to full ratification taking place.

Financial

12. In 2015, the UK's contribution to the ESRF at the 10.5% level will be 9.486M€. This is 10.5% of the overall Members' contribution of 90.345M€, and 3.16M€ lower than if the UK had continued to contribute at the 14% level.

13. The annual operating budget of the ESRF in 2015 is 100.492M€; the balance in funding being a combination of contributions from short term Scientific Associate members (those who pay small amounts via five year contracts), industrial and grant funding. The budget includes both operational funding and funding for the upgrade programme that is currently being carried out at the facility.

14. In addition to the annual subscription costs, under the terms of the Convention each Member is liable for the decommissioning costs, at the level of their shareholding, when the facility closes. The current estimated cost for decommissioning the facility is 18.1M€. Until the formal transfer of 3.5% of the UK's shareholding to Russia takes place, the UK's legal liability would be 14% of 18.1M€ i.e. 2.53M€; this will reduce to 1.90M€ once the share transfer has been completed.

Reservations and Declarations

15. No reservations or declarations were made at the time of signature.

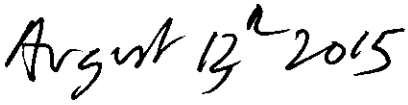
Implementation

16. As the Protocol only reduces the UK's current liability and is part of an on-going process / membership nothing specific needs to occur in terms of new legislation. In fact ESRF Council has already agreed to implement the terms of the Protocol prior to ratification taking place; this is beneficial to the UK.

17. The One-in, One-out rule has been considered as part of the process of concluding the Protocol, but is not applicable.

Consultation

18. The decision to reduce the UK's usage was made as part of the overall discussions between STFC and BIS to reduce the UK's international subscriptions liability as part of the 2010 Comprehensive Spending Review negotiations, which included consultation with various stakeholders.

Signed 	Date 
Jo Johnson, Minister of State for Universities and Science Department for Business, Innovation and Skills	