NEWS FROM THE BRUSSELS’ BUBBLE
#2019-1, 08 March 2019

News items:

• Defence Fund 2021-2027: provisional political agreement reached between EU Parliament and Council
• ‘Corbett report’ improves MEPs’ transparency

Links to interesting news/articles
✓ EP resolution on robotics and AI calls for no EU funding to projects integrating AI in armament
✓ EU budget diversion: ERASMUS+ call for proposals on defence technologies
✓ EU Commission launches pilot projects to reinforce EU’s cybersecurity capacity

2019 EU Calendar related to EU Defence Fund

21-22 March  EU summit

March - April  EP votes on Defence Fund (before 18 April)

14-15 May: Foreign Affairs Council with formal Defence meeting

23-26 May: European Parliament elections

October  Planned adoption of the next EU budgetary cycle for 2021-2027 (“multi-annual financial framework”)

Access the previous Newsletters here

“Provisional political agreement” reached on the EU Defence Fund for 2021-2027

ON 20 February at 3am, the Parliament and the Council reached a provisional agreement on the EU Defence Fund for 2021-2027.

A “cleaned” version of this provisional agreement dated March 1 has been released: introduction says that “while it reflects a common understanding between the European Parliament and the Council on the progress of negotiations, it is without prejudice to the final outcome of the negotiations on the full text”.

In a nutshell, the EP gave up on almost everything, as the main negotiator (Polish conservative) and most influential MEPs (mainly French right-wing) were just willing to please Member States and get the Fund running at any cost.

➢ why a partial agreement? 2 main issues postponed for discussion under next EP

1) The exact amount: the EC proposes €13 billion, but this will be discussed in the framework of the larger – and difficult- discussion on the EU next budgetary cycle for 2021-2027, to start in the autumn; it might be that the Council and/or the EP try to reduce the
amount around €10 billion. But this does not make a serious difference for us

2) Upon request of the Member States, the definition of ‘associated countries’ (art.5 of the draft proposal) was also excluded from the discussion, in part because of the Brexit issue: the current definition of associated countries would exclude UK once out of the EU. Maybe also because of strong divergences on the controversial issue of participation of non-EU countries more broadly, and intense lobbying from the American industry and government.

➢ What has been agreed? The main problematic points from our point of view

a) arms exports and IPR transfers

The original language largely remains, with only a limited level of control on transfer or exclusive licence of Intellectual Property Rights generated by EU-funded R&D results to non-European entities/countries. If such transfer/exclusive licence "contravenes the security and defence interest of the Union and its Member States [...] funding provided under the Fund shall be reimbursed". This provision is probably not deterrent enough compared with the potential profits. A lot will also depend on the final definition of ‘associated countries’ who have so far a status equivalent to an EU country. Arms exports licences remain in the hands of governments, with a reference to the Common Position added in the recitals only.

To note that the objective of "global competitiveness" has been reduced to "competitiveness". Probably an -insufficient- attempt to counter the "arms race" critics.

b) type of technology to be funded or excluded:

killer-robots are excluded from the funding, and the text gives a definition of 'lethal autonomous weapons', but with possible loopholes (art.11.6):

"Actions for the development of lethal autonomous weapons without the possibility for meaningful human control over the selection and engagement decisions when carrying out strikes against humans shall also not be eligible for financial support by the Fund, without prejudice to the possibility to provide funding for actions for the development of early warning systems and countermeasures for defensive purposes."

An issue will be to define the red line between offensive and defensive purposes; another could be "without the possibility for meaningful human control": could this mean that provided that the weapon includes an option to activate or de-activate this human control, it could be EU-funded? And all other types of unmanned/ autonomous systems not falling under this strict definition would also be eligible like armed drones of course.

Weapons and technologies the development, use or production is prohibited under international law would be excluded too. But apparently this does not cover all types of weapons of mass destruction like nukes, nor depleted uranium ammunition or white phosphorus, that would remain eligible according to the Greens. In the same vein, SALW are allowed as the EP amendment was dropped too.

Between 4 and 8% of the budget would be allocated to "disruptive technologies" (see previous Newsletter)

c) ethical review to be based on self-evaluation by the industry!!

The agreement remains weak on this point too, as the list of independent experts will not be disclosed, and the experts should be of “various background” but "in particular on defence ethics". So probably from defence ministries. More problematic, this ethical screening will happen only "before the signature of the funding agreement" and carried out "on the basis of an ethics self-assessment prepared by the consortium, to identify those raising serious ethical issues" (art.7, emphasis added). In other words, not all projects will be ethically screened, but only those which the companies who have submitted them will say that it raises potentially problematic ethical issues... 'Defence ethics' experts might not be overloaded by work...

d) the EP still excluded from the implementation:

The negotiator even gave up on the EP scrutiny role. Normally the EP has a say at least on the annual and multi-annual work programmes to implement EU funds. Already under the EDIDP the Commission introduced derogatory rules to exclude the Parliament in this step and the same precedent is being applied under the Defence Fund for the next 7 years. In parallel another derogatory rule provides a de facto
veto power to MS (read previous Newsletter for details). This is highly worrying in terms of democratic scrutiny and also a dangerous precedent against EU community rules: now Member States can dig into the EU pot without having to play the democratic game. Be sure this is just a beginning...

➢ What will be the next steps?

At the EP level, it should be voted first in the ITRE Committee and then in a plenary session (early or mid-April) as a ‘1st reading’ step of an ordinary legislative procedure. This means that new amendments could be submitted by MEPs or political groups. However the possibility to have amendments win the vote is really low at this stage. Once the text is agreed, in principle the new Parliament should respect this agreement for the 2nd reading phase, during which only the pending issues should be discussed.

At Council level it is a bit unclear: Member States speak about a ‘common understanding’ rather than an ‘agreement’. And the ‘clean version’ only says that the EU ambassadors “took note of the progress report”. No formal adoption is foreseen at Council level. In principle the Council should also respect this agreement and not re-open discussions on the agreed points. But this is a ‘gentleman agreement’ rather than a formal procedure, so wait and see...

related links

Provisional agreement on proposal for a European Defence Fund (progress report 01.03.2019)
European Defence Fund agreed amid ethics concerns, Euractiv, 22.02.2019
Next week a more exhaustive summary of the text will be available upon requested

Corbett Report on Parliament’s rules of procedures introduces greater transparency on corporate influence over EP decision-making

On 31 January, a majority of MEPs (496 out of 751) voted in favour of the so-called “Corbett Report” (UK S&D Richard Corbett was in charge of this report) on a revision of the Parliament’s rules of procedure “in order to operate in a more efficient and transparent way”.

Of particular interest to us is the new article 11a relating to transparency, and according to which:

➢ Members should adopt the systematic practice of meeting only with representatives of interests that are officially registered in the transparency register. They will have to publish online all planned meetings with interest representatives in the transparency register.

➢ Rapporteurs, shadow rapporteurs and committee chairpersons shall publish online, for each report, all scheduled meetings with interest representatives from the transparency register. The Bureau will provide the necessary infrastructure for this purpose on Parliament’s website.”

This will help Vredesactie and ENAAT EU programme in their research related to arms industry influence on EU policies: we have already sent a letter to all Rapporteurs, shadow Rapporteurs and ITRE Committee chair involved in the EU Defence Industrial Development Programme (EDIDP) and the EU Defence Fund 2021-2027 decisions, asking them to share all their meetings and exchanges with representatives of public and private stakeholders, whether registered or not in the Transparency register. Indeed not all of corporate representatives are formally registered in it.

Access the full text of the Report and its official summary, as well as the GREENS/EFA press release
Links to interesting news/articles

➢ EP resolution on robotics and AI calls for no EU funding to projects integrating AI in armament

on 12 February 2019, the EP adopted a non-binding resolution “on a comprehensive European industrial policy on artificial intelligence and robotics”. This was lead by the ITRE Committee with UK ECR Ashley FOX as Rapporteur. In this Resolution, the EP “notes that automated weapons systems should continue to have a human-in-command approach to artificial intelligence” and “urges the Commission to not allow EU funding for weaponised AI” as well as “to exclude from EU funding companies that are researching and developing artificial consciousness”. It also “recommends that the Commission ensure that the intellectual property of research conducted with EU funding remains in the EU and in European universities”.

The text was adopted with an overwhelming majority (572 in favour, 54 against and 45 abstentions). It is the second time that the EP calls for excluding fully-autonomous weapons from EU funding.

➢ EU budget diversion: ERASMUS+ call for proposals on defence technologies

Defence is one of the eligible sectors under the 2019 Erasmus+ call for Sector Skills Alliances Lot 3, published on 24 October. A successful proposal will be awarded a €4 million grant for 4 years. Proposals should address at least 2 of the following areas: a) complex weapon systems, b) ballistics, c) robotics, autonomous systems, artificial intelligence or d) C4ISTAR (command, control, communications, computers, information/intelligence, surveillance, targeting acquisition and reconnaissance).

The call was published on the Official Journal 2018/C 384/04 and the deadline for submission of proposals was 28 February 2019.

More info here

➢ EU Commission launches pilot projects to reinforce EU’s cybersecurity capacity

“The European Commission is investing more than €63.5 million in four pilot projects to lay the ground work for building a European network of centres of cybersecurity expertise which will help to reinforce research and coordination of cybersecurity in the EU.

The four pilots, CONCORDIA, ECHO, SPARTA and CyberSec4Europe are tasked to contribute to a common European Cybersecurity Research & Innovation Roadmap beyond 2020 and a European cybersecurity strategy for industry. Mariya Gabriel, Commissioner for Digital Economy and Society, said: “We are counting on CONCORDIA, ECHO, SPARTA and CyberSec4Europe to assist us in pooling Europe's cybersecurity expertise and preparing the European cybersecurity landscape in order to efficiently implement our vision for a more secure digital Europe. These projects will assist EU in defining, testing and establishing the governance model of a European Cybersecurity Competence Network of cybersecurity centres of excellence.”

The pilot projects were announced in September 2017 together with a wide-ranging set of measures to equip Europe with the right tools to deal with cyber-attacks and to build strong cybersecurity in the EU. In 2018 the Commission organised a dedicated call under Horizon 2020 to select the pilots, which involve more than 160 partners, including large companies, SMEs, universities and cybersecurity research institutes from 26 EU Member States. More information on the four pilot projects is available online.

Read the press release