



STCU Spring University on Export Control for the GUAM Countries

Kiev, May 20-24, 2019

EU policies on export controls of dual-use items

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EU GLOBAL STRATEGY(2016)

- **Security of Union**
- **Building State and societal resilience**
- **Integrated approach to conflicts and crises**
- **Strengthening comparative regional orders**
- **Rules-based global governance**



EU Policy for Non-Proliferation of WMD (external aspects)

- EU Security and WMD strategies of 2003 & the New Lines of Action WMD

- **EU Long Term Programme** on Export Controls (2008)

- **EU Partner to Partner (P2P) Programme** (2015)
integrated in the EU CBRN Risk Mitigation Centres of Excellence Initiative
 - A. **Dual-Use Export Controls** Outreach Programme
 - B. Council Working Group on Conventional Arms Exports (COARM) Outreach Programme
 - C. The EU Arms Trade Treaty Outreach Project



CBRN CoE - Objective

- Enhance all-hazard CBRN governance worldwide
- Promote interagency and regional coordination on CBRN-related security (Border Management, Critical Infrastructure, Cyber, Incident Response)
- Address partner countries' priorities, to be identified through a demands-driven approach consisting of:
 - Regional Roundtables
 - Needs Assessment Questionnaires (NAQs)
 - National Action Plans (NAPs)



CBRN Risk Mitigation Centres of Excellence





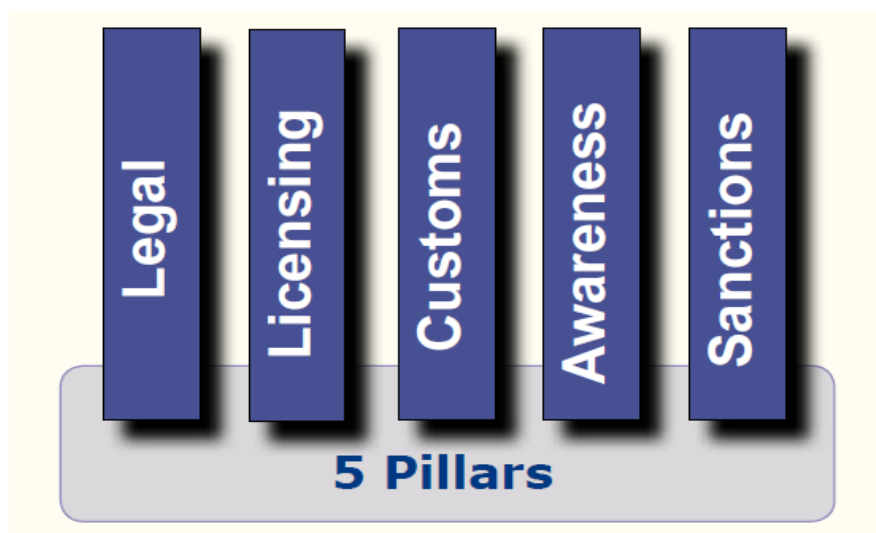
EU P2P Export Control Projects for Dual-Use Goods

2004-2018 : 35.27 million Euros

PPO4 2004 3 countries SIPRI – SE 0.4 M€	PPO5 2006-09 5 countries + RF BAFA – DE 1.5+3 M€	PPO6 2007-08 8 countries BAFA – DE 1.5 M€
LTP1 2008-10 18 countries BAFA – DE 5 M€	LTP2 2011-13 23 countries BAFA – DE 5 M€	LTP3 2013-14 21 countries BAFA – DE 3.65 M€
P2P P43 2015-17 20 countries EF – FR 2.25 M€	P2P P47 2015-18 9 SEA countries EF – FR 3.47 M€	P2P P38 2015-19 2+1 countries BAFA – DE 3.5 M€
P2P P64 2017-20 13 countries 3 M€ EF/BAFA – FR/DE	P2P P64 2017-21 13 + 10 SEA countries + 2,5 M€ EF/BAFA – FR/DE	 Active  Ended



EU P2P Export Control Projects – Working Method



TYPE OF ACTIVITIES, e.g.,

- Training workshops
- National and regional seminars/workshops
- Remote assistance
- Study visits
- Advisory visits / meetings
- Awareness raising activities
- Train-the-trainer instruction
- Support for producing relevant documents



ISTC and STCU Targeted Initiatives

ISTC - International Science and Technology Centre based in Astana (KZ):
active worldwide

Targeted initiative with Kazakhstan, Tajikistan, Kyrgyzstan, Pakistan, Afghanistan, Turkmenistan, Uzbekistan, Mongolia, Armenia and Georgia, 2017 - 1.0 M€

STCU - Science and Technology Centre in Kiev (UA): *active worldwide*

Targeted Initiative with Ukraine, Moldova, Azerbaijan, Georgia, 2018 - 1.0 M€

Objective of the TIs: *build capacity in Strategic Trade Control in each country with a regional, cooperative, coordinated approach. Link academia (universities, R&D institutes, schools) with industry, banks, insurances and national strategic trade control (STC) administrations.*

Basic trainings for STC services, setting-up a master in STC related domains, sponsor R&D by awarding PhD Grants, promote mutual recognition of education curricula and diplomas





ISTC and STCU Targeted Initiatives - Activities

- *Awareness raising seminars and workshops on best practices*
- *Targeted trainings and tutoring of experts*
- *Training the trainers*
- *Promoting regional cooperation*
- *Creating a potential clearing house for sources of information about export control*
- *Developing a cadre of export control experts in the region*
- *Creating a network of academic institutions to promote export control and dual-use knowledge in the curricula for scientists and lawyers*





36 Partner countries

PPO and LTP (25):

Russia, Morocco, Tunisia, Albania, Bosnia & Herzegovina, FYROM, Montenegro, Croatia, Serbia, Georgia, Armenia, Azerbaijan, Moldova, Ukraine, Kazakhstan, Afghanistan, Pakistan, China, Malaysia, Philippines, Singapore, Thailand, Vietnam, Jordan, United Arab Emirates

EU P2P Dual Use (30):

Algeria, Morocco, Tunisia, Lebanon, Bosnia & Herzegovina, FYROM, Montenegro, Croatia, Serbia, Kosovo, Georgia, Armenia, Moldova, Ukraine, Malaysia, Philippines, Singapore, Thailand, Vietnam, Laos, Cambodia, Myanmar, Brunei-Darussalam, Jordan, United Arab Emirates, Kazakhstan, Iran, Indonesia. **India, Pakistan, Azerbaijan: contacts suspended**

ISTC & STCU Targeted Initiatives (12):

Georgia, Armenia, Azerbaijan, Moldova, Ukraine, Kazakhstan, Afghanistan, Pakistan, Turkmenistan, Tajikistan, Kyrgyzstan, Uzbekistan, Mongolia

Partner countries that adopted the EU Control List (17):

Albania, Armenia, Belarus, Bosnia Herzegovina, FYROM, Jordan, Kazakhstan, Kosovo, Lao PDR, Malaysia, Montenegro, Philippines, Serbia, Singapore, Thailand, UAE, Ukraine





The EU trade control system (internal aspects)

- Institutional framework of the European Union
- Division of competencies between the EU and its Member States
- A trade measure serving security objectives

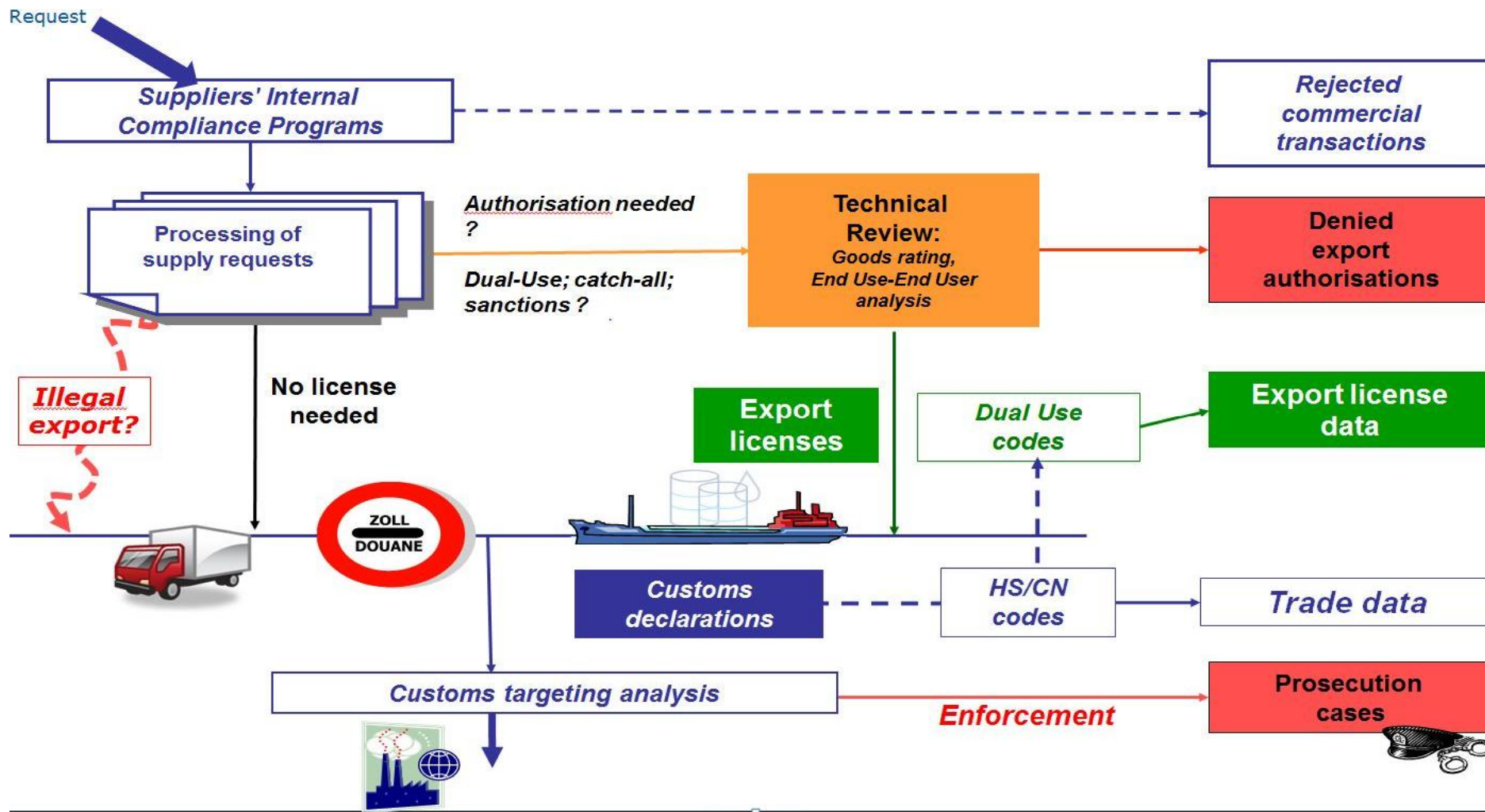
Two treaties ruling trade control...

- Treaty for Functioning of the EU and Euratom Treaty



European Commission

Export Controls in practice





Key Players

Ministries:

- **(Inter)national policy decisions / Legislation**

Licensing Authority:

- **Licenses / Preventing sensitive exports / Technical knowledge**

Customs:

- **Border controls / Company audits**

Intelligence Agencies:

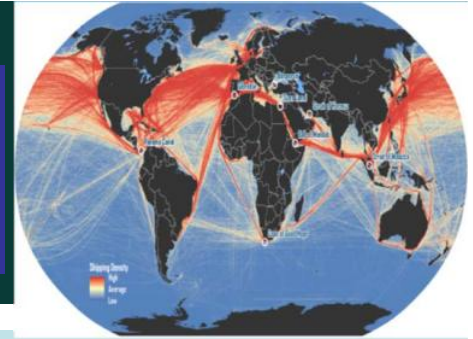
- **Information / Analysis**

Police / Investigation Agencies and Public Prosecutor:

- **Investigation and Prosecution**



Globalisation of the supply chain

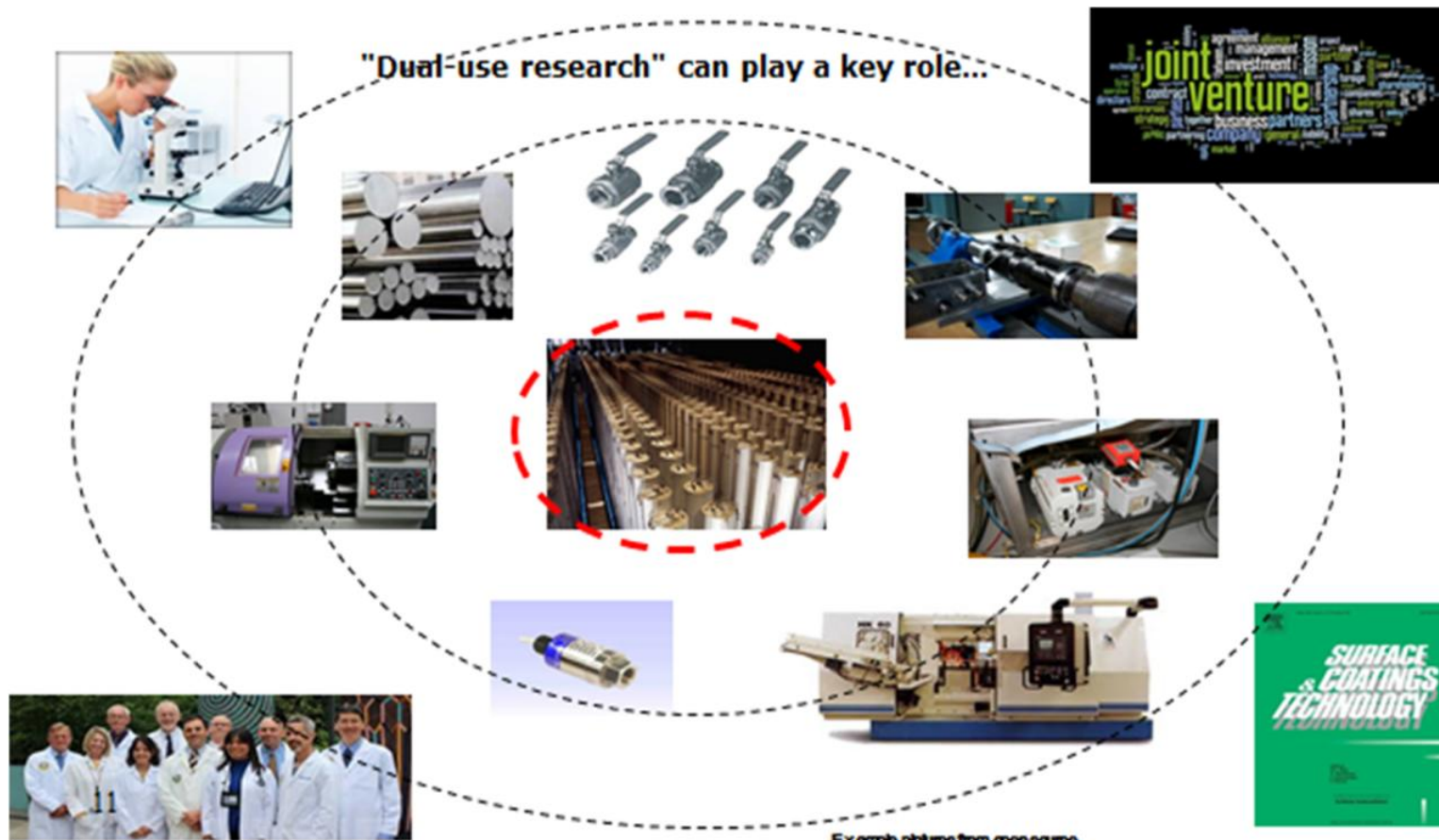


- **Subsidiaries** located in third countries increase trade and technology transfer
- Various important **transit and trans-shipment points** are located along the supply routes to EU
- Increased importance of having **effective and efficient export control** systems in partner countries
- **Awareness and compliance of exporters**, including research organisations is a key element of success





Export Controls Implications for Research





EU DUAL USE LEGISLATION: Council Regulation 428/2009 and amendments

- ❖ *A common set of rules*
- ❖ *WMD non-proliferation international commitments*
- ❖ *Annex I: One single control list*
- ❖ *Annex IV: most sensitive list (subset of Annex I)*
- ❖ *Catch-all/ end-use controls*
- ❖ *Dual-use items (including **technology & software**)*
- ❖ *Operations (**export, transit, brokering, intra-EU transfers**)*
- ❖ *Exceptionally **additional national controls***
- ❖ ***Administrative cooperation & coordination** (e.g. DUES, DUCG)*



Types of authorisations

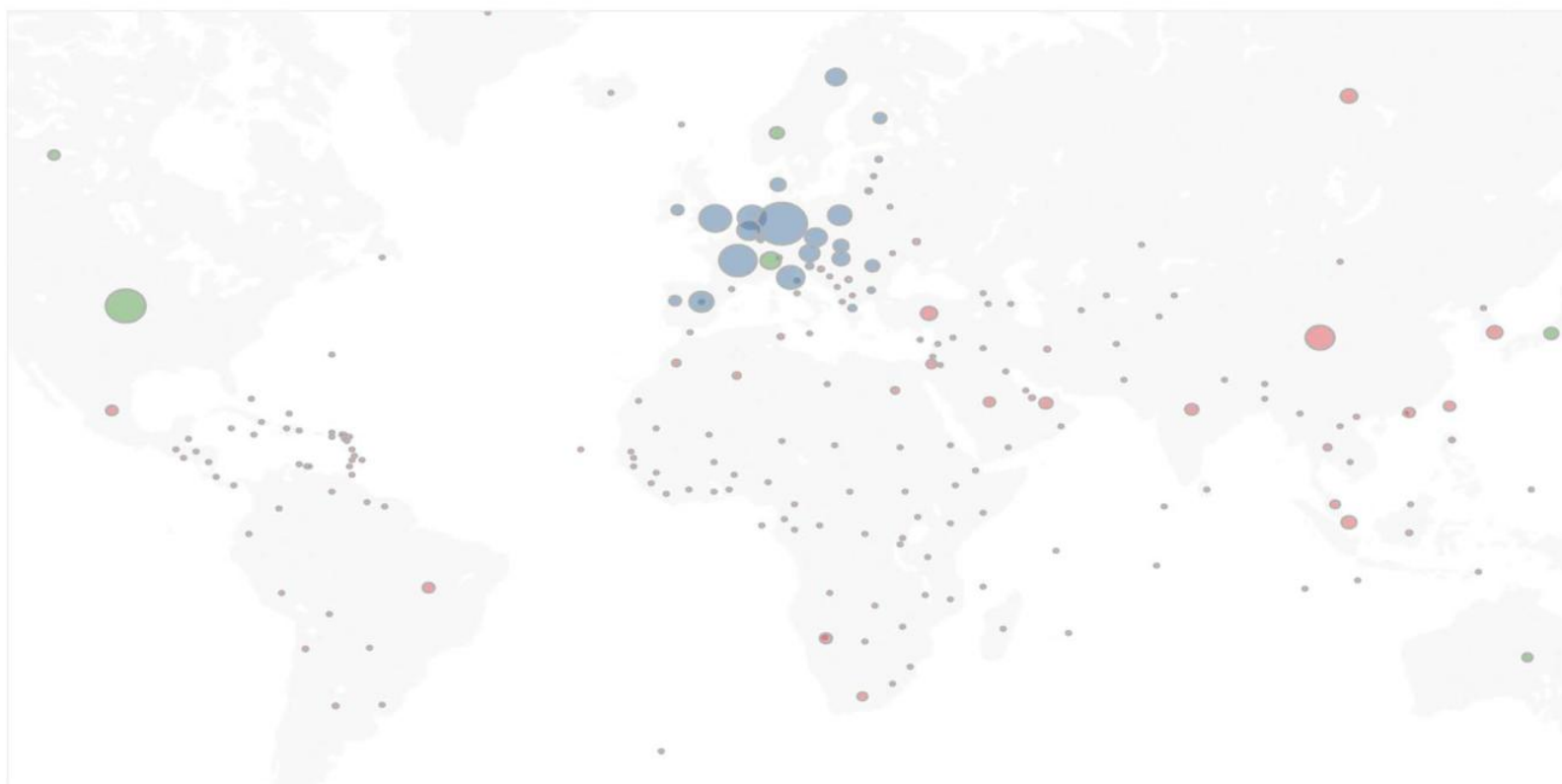
- ❑ **Individual:** One exporter, one or more types of items to one end-user
- ❑ **EU General Export Authorizations (EU GEAs):**
 - 1- exports to Australia, Canada, Japan, New Zealand, Norway, Switzerland (including Liechtenstein) and US
 - 2 - export of certain dual-use items to certain destinations
 - 3 - export after repair/replacement
 - 4 - temporary export for exhibition or fair
 - 5 - telecommunications
 - 6 - chemicals
- ❑ **Global Authorisations:** One exporter, multiple countries or end-users
- ❑ **National General Export Authorisations (NGEAs)**





~3% of EU exports are dual-use

1% under license,
2% intra-EU or General Export Authorisation



Source of data: COM (2017) 679 final , COMEXT, elaboration by JRC.

Trade estimation method published as JRC Science for Policy report JRC97664 – 2015

The EU dual-use control List



**Telecommunication,
electronics, industrial
equipment**



**Missiles, UAV,
fuels, navigation
systems,
structural
materials**



The Australia Group

**Biological, chemical
processing**



**Chemical Weapons
Convention**



The structure of the EU list

4. Chemical Weapons Convention

3. The Australia Group

2. Nuclear Suppliers Group

**1. Missile Technology Control
Regime**

0. Wassenaar Arrangement





Balancing EC competency and national prerogatives:

Mitigating provisions	
Immediate notification of the Commission after resort to art. 8 (art. 8.2)	<i>"MS shall notify the Commission of any measures adopted pursuant to public security or human right considerations"</i>
Exchange of information on exporters deprived of the right to use an EU GEA (art. 9.1)	<i>"MS shall exchange info on exporters deprived of the right to use an EU GEA"</i>
Communication to the Commission of any NGEA issued or modified art. 9.4 (b)	<i>"MS shall notify immediately of any NGEA issued or modified"</i>
Consultation procedures under article 11 when more than one MS are involved in an export (art. 11.1)	<i>"any objections of all MS engaged in an export shall bind the MS in which the application has been made" "In case a MS decides to grant an authorisation for which another MS was objected, this should be notified to the Commission and other MS"</i>
Consultation prior the granting of an authorisation of an essentially identical transaction denied by another MS art. 13.5	Before MS grant an authorisation shall examine all valid denials or decisions to prohibit a transit taken by other MS for an essentially identical transaction.
Coordination & Transparency	Publication of national measures & lists of national auth. to the EU OJ, DUCG

COMMISSION PROPOSAL FOR THE MODERNISATION OF EU EXPORT CONTROLS

Adjusting to an evolving environment

Human Security

- Acknowledging the link between **security and human rights**
 - *Review definition of dual-use items (Art. 2.1)*
 - *Review control criteria – incl. human rights (Art. 14)*
 - *Introduce controls on cyber-surveillance technologies (Art. 3 - Annex I-B and Art. 4)*

Smart Security

- Building an **EU Technological Reaction Capacity**
 - *Technical Expert Groups (Art. 21.3), coordination of technical discussions in multilateral regimes*
 - *Guidance for exporters (Art. 24)*
 - *Capacity to amend annexes: delegation of competence with MS technical experts (Art. 16.6)*

Update of key control provisions

- Definition of export, exporter, determination of competent authority, jurisdiction clause, anti-circumvention clause...
- Controls on brokering, technical assistance and transit
- Control framework for intangible technology transfers, (ITT) and Dual-use research (DURC)



**Thank you for your
attention!**

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