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EU cybersecurity: a brave new world for business?

"*Man and his safety must be the first concern of any technological adventure*". Most Europeans still agree with Einstein: 68% of them fear identity theft and 66% dread malware on their devices. European (and global) infrastructures are increasingly interconnected and interdependent, which also reinforces their exposure to terrorism, breakdowns and natural disasters.

The Commission laid the **foundations of its cybersecurity policy in the 2000s**. In 2004, it framed the concept of EU Critical Infrastructure (ECI) – *as facilities, networks and services whose disruption would seriously impact citizens and governments in banking, energy, health, communication, etc.* – and it set up an EU Network and Information Security Agency (ENISA). Two years later, it presented an EU action plan, created an alert-sharing tool and set up expert groups for a public-private dialogue. However, the Commission quickly realised that these tools were insufficiently used due to governance issues (diversity of actors and sectors in multiple jurisdictions).

To address them, the Commission changed tactics in its 2013 strategy to promote a 3-pillar approach:

- Internal market: **protect ECI** and **develop a market** (potentially $100 billion by 2018)
- Law enforcement: fight cybercrime
- Defence: develop policies and capabilities

Accordingly, the Commission opted for a **mandatory framework** to protect ECI through its Network and Information Security (NIS) directive which defines the actors running ECI or providing services through them and compels them to prevent and notify cyber-incidents. In addition, Member States are asked to draft cybersecurity strategies, improve their capabilities and cooperate.

The 2013 strategy also sketched an **EU industrial policy for cybersecurity** which aimed at developing EU supply (including by identifying R&D priorities through a NIS platform), support measures (centres of excellence, standardisation, certification, etc.) and financing through a **public-private partnership** (PPP).

To set up a **PPP on cybersecurity**, the Commission launched a public **consultation** in December 2015**.** This PPP will gather the Commission and providers and users of cybersecurity solutions. It will mainly be financed in the frame of the €117 million envelope earmarked in 2016-2017 for cybersecurity in the R&D program Horizon 2020. It will foster:

- The supply side: it will promote innovation (on the basis of the NIS platform's research agenda) and identify economies of scale
- The demand side: it will raise the industry's awareness about cybersecurity solutions and mainstream them in all sectors
- Cross-cutting measures: it will promote standardisation uptake, ease access to finance and develop human capital

On the basis of the contributions received by the 11th of March, the Commission will propose **before summer 2016 the PPP alongside a communication** on additional measures. These actions open new opportunities for businesses. As Aldous Huxley put it "*a love for nature keeps no factories busy*" ●

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European Defence: a "soft power" getting harder?

"*We need to work on a stronger Europe when it comes to security and defence matters*". After the recent terrorist attacks in France, and in the light of the multiple crises arising in the EU's neighbourhood, this statement by Jean-Claude Juncker in 2014 when he was candidate to become President of the European Commission remains more relevant than ever.

Defence is a core national competency but **the Common Security and Defence Policy** (CSDP) is slowly gaining momentum. Its premises date back to the Maastricht Treaty (1992). Later on, in 2004, a **European Defence Agency** (EDA) whose mission is "*to support the Member States and the Council in their effort to improve European defence capabilities*" was set up but its budget remained low (around €30 million/year). Far from enough to compensate for the **shrinking of the Member States' defence expenditure** which declined from €201 billion to €186 billion between 2006 and 2013!

Taking this evolution into account, and that of Europe's strategic and geopolitical environment, the Commission proposed an Action Plan in July 2013, followed one year later by an implementation roadmap including an industrial policy and a **possible support to R&D** through **a "Preparatory Action"** (PA). To explore the value-added of such an initiative, a high-level group gathering politicians, academics, think-tankers and defence company CEOs was set up in March 2015. It will report in February 2016.

In the meantime, the Commission and EDA are consulting Member States to define the PA's modalities. Its yearly budget will be around €15 million during three years (however experience shows that PAs often lead to a solid section in the next R&D framework programme). The first calls for proposals are expected in 2017. The PA will be included in a **new Defence Action Plan**, as announced by the Commission in its 2016 Work Programme, which is likely to be presented next autumn.

In addition, considering that **external and internal security are increasingly linked**, the European Council asked in June 2015 the High Representative, Federica Mogherini, to prepare for next June a Global Strategy on foreign and security policy. In a nutshell, the European "soft power" is strengthening its muscles.●

Public consultations *

Policy field	Title	Deadline
Competition	Empowering the national competition authorities	12.02.2016
Communications	National wholesale roaming markets	18.02.2016
Networks	Public-private partnership on cybersecurity	11.03.2016
	EU-US cooperation in eHealth/Health IT	15.03.2016
Climate Action	Auctioning Regulation and EU Emissions Trading System	15.03.2016
Justice	Long-term and sustainable investment	25.03.2016
Internal Market	Enforcement of intellectual property rights	01.04.2016

* For an exhaustive list : http://ec.europa.eu/yourvoice/

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