



Council of the
European Union

Brussels, 3 May 2021
(OR. en)

8390/21

Interinstitutional File:
2018/0328(COD)

CYBER 120
TELECOM 177
COPEN 210
CODEC 631
COPS 171
COSI 75
CSC 174
CSCI 68
IND 111
RECH 188
ESPACE 42

COVER NOTE

From:	Secretary-General of the European Commission, signed by Ms Martine DEPREZ, Director
date of receipt:	3 May 2021
To:	Mr Jeppe TRANHOLM-MIKKELSEN, Secretary-General of the Council of the European Union
No. Cion doc.:	COM(2021) 225 final
Subject:	COMMUNICATION FROM THE COMMISSION TO THE EUROPEAN PARLIAMENT pursuant to Article 294(6) of the Treaty on the Functioning of the European Union concerning the position of the Council on the adoption of a Regulation of the European Parliament and of the Council establishing the European Cybersecurity Industrial, Technology and Research Competence Centre and the Network of National Coordination Centres

Delegations will find attached document COM(2021) 225 final.

Encl.: COM(2021) 225 final



Brussels, 3.5.2021
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2018/0328 (COD)

**COMMUNICATION FROM THE COMMISSION
TO THE EUROPEAN PARLIAMENT**

pursuant to Article 294(6) of the Treaty on the Functioning of the European Union

concerning the

**position of the Council on the adoption of a Regulation of the European Parliament and
of the Council establishing the European Cybersecurity Industrial, Technology and
Research Competence Centre and the Network of National Coordination Centres**

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1. BACKGROUND

Date of transmission of the proposal to the European Parliament and to the Council (document COM/2018/630 final – 2018/0328(COD))	12 September 2018
Date of Council agreement on a negotiation mandate	13 March 2019
Date of trilogue 1	13 March 2019
Date of trilogue 2	20 March 2019
Date of the position of the European Parliament, first reading	17 April 2019
Date of Council agreement on a revised negotiation mandate	3 June 2020
Date of trilogue 3	25 June 2020
Date of Council agreement on a revised negotiation mandate	22 July 2020
Date of trilogue 4	29 October 2020
Date of Council agreement on a revised negotiation mandate	9 December 2020
Dates of the trilogue 5 (final)	11 December 2020
Date of political agreement in the Committee of Permanent Representatives	16 December 2020
Date of the ITRE Committee of the European Parliament voted to endorse the compromise agreement	14 January 2021
Date of adoption of the Council first reading position	20 April 2021

2. OBJECTIVE OF THE PROPOSAL FROM THE COMMISSION

The Commission proposal on the European Cybersecurity Industrial, Technology and Research Competence Centre by ('hereinafter 'the Centre') and the Network of National Coordination Centres ('hereinafter 'the Network'), was aimed at strengthening European

cybersecurity capacities, shielding our economy and society from cyberattacks, maintaining research excellence and reinforcing the competitiveness of the Union's industry in this field. It foresaw that the Centre would be managing the funds for cybersecurity under the next Multi-annual Financial Framework for 2021-2027, and implement funding from both the Digital Europe Programme and the Horizon Europe Programme, as well as contributions from Member States.

The proposal aimed for the Centre and the Network to help the Union and Member States take a proactive, longer-term and strategic perspective to cybersecurity industrial policy, going beyond research and development. This approach should help not only to come up with breakthrough solutions to the cybersecurity challenges that the private and public sectors are facing, but also to support effective deployment of these solutions. The Network and the Centre together were foreseen enhance our technological sovereignty through large-scale cybersecurity projects.

Furthermore, the proposal aimed to allow relevant research and industrial communities and public authorities to gain access to key capacities such as testing and experimentation facilities, which are often beyond the reach of individual Member States due to insufficient financial and human resources.

3. COMMENTS ON THE POSITION OF THE COUNCIL

The Council's position reflects the agreement reached in the trilogues. The most important changes to the Commission's proposal include:

- *Seat*: the seat of the Centre is Bucharest, as stated in a recital.
- *Objectives and tasks*: the objectives and tasks of the Centre are laid down in separate articles. A distinction is made between strategic and implementation tasks.
- *Civilian-military synergies and dual use*: no explicit reference is made to the European Defence Fund.
- *National Coordination Centres (NCCs)*: a positive Commission assessment of the entities nominated by Member States is no longer a requirement for becoming an NCC. However, in order for an NCC to be eligible for direct Union financial support, a positive Commission assessment remains necessary.
- *Strategic "Agenda"*: the Centre is adopt an "Agenda", i.e. "a comprehensive and sustainable cybersecurity industrial, technology and research strategy which sets out strategic recommendations for the (...) sector and strategic priorities for the Competence Centre's activities (...)"
- *Voting*: all Member States have one vote in the Governing Board. The Commission has a blocking minority for all decisions directly affecting the allocation of EU funds and administration, with the exception of the Agenda. In the case of the Agenda a safeguard was added stating that the Agenda is not binding with respect to decisions to be taken on the annual work programmes. For decisions not directly affecting the allocation of EU funds and administration, the Commission has one vote. The only exception to the rule that all Member States have one vote in the Governing Board concerns the Governing Board task of adopting decisions regarding the description of Joint Actions. For such decisions, Member States and the Union hold voting rights in proportion to their relevant contribution to the joint action in question.
- *Co-financing*: the Member States' contribution to the Centre's activities is not quantified in the Regulation, and it has been given a voluntary nature. Accordingly,

the text provides that as far as Horizon Europe is concerned, the Union will only contribute as much as Member States commit to contributing on an annual basis.

The Commission issued the following statement on this subject: ‘The Commission takes note of the agreement of the European Parliament and the Council on the co-financing by Member States. While the Commission can accept that Member States’ contributions are not specified as part of the Regulation, the Commission regrets the inclusion in the political agreement of the notion of “voluntary” contributions from Member States to the extent that this does not demonstrate the long-term commitment of all involved parties.

The success of the Centre lies in the effective contribution by Member States, without which its mission would not be accomplishable.

The Commission clarifies that the Union will contribute with funding from the Horizon Europe programme only as much as Member States are ready to commit on an annual basis. Furthermore, the Commission wishes to stress that once one or more Member States commit, such a commitment will be binding.’

- *Staff*: the human resources needs of the Centre are to be met in the first instance by redeployment of staff or posts from Union institutions, bodies, offices and agencies, and additional human resources through recruitment.

The Commission considers that the agreement reached preserves the objectives of the Commission’s original proposal.

4. CONCLUSION

The Commission accepts the position taken by the Council.