Hello, everybody, and welcome to the CSIS press briefing previewing the upcoming G-7 summit that’s to be held in Italy from June 13th to the 15th. We’re pleased to have several of our experts ranging various programs on the call today to share their perspectives and expertise as it relates to the summit and the issues likely to be addressed there.

Just a couple of housekeeping notes before we get started. Each of our experts will offer several minutes of introductory remarks after which we’ll turn to your questions. We’ll also be distributing a transcript of today’s call to all participants in the next few hours. This transcript will also be made available on CSIS.org later today.

So with that, why don’t we go ahead and get started? I’ll turn first to Max Bergmann, director of the CSIS Europe, Russia, and Eurasia Program and Stuart Center. Max, over to you.

Max Bergmann: Great. Well, thank you, Sam. Thanks all for joining us.

I’m going to start – so I focus on Europe and Russia, and focus on the G-7 conversation about utilizing – I wouldn’t say seizing – but utilizing the profits on frozen Russian assets for Ukraine. And this, I think, is a very important initiative being pushed by the United States. And the central idea is that right now, especially in Europe, there’s about 200 billion (dollars) or so assets – Russian assets that are frozen at this European financial institution in Belgium called Euroclear. And those generate profits, right? Those are sitting in a bank account accruing interest. And that’s roughly – at least more than two billion (dollars) a year.

And so the U.S. idea is to basically take the profits from those assets, and seize those profits, and then go to a bank and say, OK, give us about a $50 billion loan, and then that money could be used for Ukraine. So that’s a bit like if you’re going to buy a house and the house cost a million dollars, maybe, you know, you’re putting 100,000 or 200,000 (dollars) down. So the downpayment effectively, and then the interest payments, enable you to pay back the loan. I think it’s a really novel, interesting idea. The major purpose of this is that there’s a desperation for how to get Ukraine either – both how to get Ukraine money, and then also to ramp up defense industrial production for Ukraine to provide Ukraine additional security assistance.

However, I will say that there’s a number of complications with this proposal. Number one is that the Europeans have already agreed at the European Council to take the two to three billion (dollars) in profits, and just seize that, and then spend that on weapons. So to not leverage that for a loan. The other question becomes once those assets get seized, or you get the loan, where does the loan go to? Does it go to Ukraine, which I think is what the plan is? And then does Ukraine – does it just go into their government budget? If so,
then is that going to go to buying weapons? And if so, who’s weapons? European weapons? U.S. defense companies? And then there’s a lot of legal complications, right? So in the EU – this is within the EU, yet, it’s a Belgian financial institution so Belgium would likely have to take action to do this and then how would – who would back the loan. There’s – so a lot of complications. But this is all workable.

I think the major problem, though, that we see is that this is being driven or discussed by European finance ministers – (inaudible, technical difficulties) – in particular Germany’s Christian Lindner, who is causing all sorts of problems inside of the German coalition that is trying to push for more German defense spending, and in the German – he comes from a very fiscally conservative party that is part of the coalition, yet, opposed to any sort of debt spending, opposed to basically borrowing at the EU level at all.

So this would sort of go against a major political concern. There’s also other concerns about European – amongst European finance ministers that they will be left holding the bag if Ukraine defaults on the loan or that the EU take the most risk.

I think all of these concerns are rather bogus in the sense that European rhetoric, at least from the defense minister side – those that will be appearing at the NATO summit and the prime ministers – is very bullish on Ukraine and so I think this is a workable way forward. I think it’s rather complicated.

What we have proposed at CSIS, and this is what is also being pushed by the Estonians and being discussed by the European level, is that EU could also just borrow money as it did in response to COVID and I think that almost makes a cleaner solution.

But in some ways the EU should do both. It should both borrow money, invest it in weaponry, but also they could seize these – the profits from these assets and use them to, I think, back up Ukraine’s fiscal reserves.

And with that, maybe I’ll stop there and turn it over to my colleagues.

Mr. Cestari: Thank you, Max.

So next we have Caitlin Welsh, director of the CSIS global food and water security program.

Caitlin Welsh: Thanks, Sam.
Hi, everybody. I’m Caitlin Welsh, director of the CSIS global food and water security program, and before joining CSIS I covered the G-7 at the State Department and at the National Security Council for 10 years. At the NSC I was G-7/G-20 director from 2018 to 2020, and I’m going to address two brief topics now and I’ll have to jump after that. But if anybody has questions please feel free to reach out to Sam and to me.

So I’ll start first with a quick note on Italy’s recent G-7 history. My colleagues will lay out the importance of the G-7 summit to Italy and Italian domestic politics. But this G-7 summit and each of Italy’s last G-7 summits have also been particularly important to the United States as well.

Italy’s last G-7 summit in 2017 was President Trump’s first G-7 summit and his first exposure to the G-7. Italy’s summit before then, the 2009 G-8 summit, was President Obama’s first G-8 summit and his first entree to the G-8 stage. During an election year this 2024 G-7 summit takes on additional importance for President Biden, of course.

Now, turning to food security, what is the importance of food security to the G-7, you might wonder. But for the last 15 years at least food security has been a major agenda item at G-7 summits. My colleague Dr. Victor Cha will preview a forthcoming CSIS report that notes that food security has been among the top three of over 20 issues addressed at G-7 summits over the past five years.

Now, why is this important for G-7? For two reasons. First of all, because food insecurity is linked to the political challenges that G-7 leaders are aiming to address including migration, which is top of Italy’s agenda for the G-7 summit this year, and, second of all, because food security is an issue of human development and G-7 summit agendas consistently feature a strong global development angle.

What do I expect this year? First of all, food security has been addressed at many of the ministerial and other meetings leading up to this summit included in a G-7 foreign ministers meeting and others, and so I definitely expect it to be on the agenda at the leaders summit.

According to the outcomes of the lead-up meetings I predict a couple of things. I predict, first of all, a connection between Italy’s focus on migration and food security. Lack of access to food as a contributing factor to unplanned migration to Italy could promote investment in food security and agriculture in food insecure regions from which migrants are immigrating.

Second of all, I predict a continued treatment of food security in the context of Russia’s war in Ukraine likely emphasizing, first of all, the continued impacts
of Russia’s war on global food security as the G-7 has very well done over the past several years.

I also hope that leaders will address the importance of supporting Ukraine’s agricultural recovery and especially as CSIS has been highlighting ways to counter Russia’s manipulation of countries in the Global South through Russia’s own food exports.

And finally, I predict a renewed call for emergency food assistance in Gaza given the famine conditions that are present there today.

On a final note, both Germany and Japan issued standalone statements on food security and launched new initiatives in 2022 and 2023. Whether Italy chooses to simply reinforce those past commitments or opts to launch a new initiative remains to be seen. In 2009, with strong support from the United States, Italy led the G-8 and other countries to announce over $22 billion in new funding for global food security, so there is precedent for an impactful Italy-led G-7 food security initiative.

And with that, I’ll pass it over to my colleague Dr. Victor Cha.

Mr. Cestari: Thank you so much, Caitlin. And just a quick note, as Caitlin noted, she’ll need to drop off the call at this time. But if anyone has questions for her, please feel free to reach out after the call and I’d be happy to connect you.

And our next speaker is Dr. Victor Cha, CSIS senior vice president for Asia and Korea chair. Dr. Cha, the floor is yours.

Victor Cha: Thanks. Thank you for – everyone, for being on the call and to my colleagues.

I’m going to approach this from a little bit of a different perspective, stepping back in terms of the overall significance of the G-7 and to preview for you some of the recommendations we have in a forthcoming report that Max and Caitlin have been a part of.

So my point of departure is that the G-7 in this meeting in Italy, I think they’ve taken on even much more – greater significance than we would normally attribute to it because this meeting is happening in the context of a crisis in which our institutions – our traditional institutions of global governance are really not working anymore. Whether you’re talking about the U.N. Security Council, which is stymied by Russia and China; the G-20, which is way too big and can’t reach decisions; or the WTO; none of our institutions of global governance are working. But at the same time, we have profound advances in things like artificial intelligence, health sciences, digital security, supply chains that mandates an organization of some sort to help create new rules and norms, and to sustain cooperation over these sorts of issues.
And so this is where the G-7, I think, is really important right now. There is no other group of likeminded countries out there that can play this role of supporting the rules-based international order, and helping to define new rules and norms in these uncharted areas like the ethics of AI in military use and other sorts of things. But at the same time, the G-7 is in need of some change.

In 1992, the G-7 countries represented almost 70 percent of the global economy. Today, that number is around 40, 43 percent. Same thing with regard to population. So the world really needs the G-7 to play this role, an institution of global governance, but it needs to change in order to do that. And so in this forthcoming CSIS report we talk about some of the needed changes to the organization. I won’t go through all of them, but I’ll just highlight two.

The first is the need to expand membership of the G-7 in order to have the capabilities to be effective. As Caitlin said, if we look at the Hiroshima Summit, the G-7 summit last year, the grouping identified eight priority global issues to deal with which really reflected these aspirations of the G-7 leaders to try to play this role of an institution of global governance. And as Caitlin said, food security is one of them, digital security is another, the war in Ukraine, economic resilience and supply chains. There are a whole list of these – of these eight.

And there are two countries in particular – South Korea and Australia, respectively the 12th- and 13th-largest economies in the world today – that are – when we look across these eight priority global issue areas, they are outperforming a number of G-7 countries in these areas. So, for example, on digital security Australia and South Korea are outperforming France, Japan, and Italy. On economic resilience and economic security, Australia’s performance is ranked higher than all G-7 members except for three – the U.S., the U.K., and Germany. And on climate change, South Korea’s currently performing better than every G-7 member except the U.S. and the U.K.

So the point of all this is that there are countries with capabilities of great importance to the issues that matter for G-7 leaders, that currently sit outside the group. So adding countries like Australia and South Korea would diversify the membership of the G-7, while at the same time improving the effectiveness of the G-7. Additionally, in this regard, one of the things that we’ve looked at is whether the heavy European bias of the G-7 should be diluted, not only by adding new members but also consolidating the European Council and the European Commission seats.

Second, the G-7, you know, admittedly, is a group of advanced industrialized democracies. So they don’t speak for the whole world. And the Global South,
emerging and middle economies naturally question the legitimacy of a group like this. So it's important for the G-7 to create formal consultation mechanisms with other key constituencies. In the report we talked about in particular the African Union, Southeast Asia, China, and the Organization for Islamic Cooperation. These informal mechanisms exist now, because much of what the G-7 does is informal, but these probably need to be formalized and prioritized if the G-7 is going to play this important role that some of us think that it should be playing.

So why don’t I stop there and hand it back?

Mr. Cestari: Thank you so much, Dr. Cha.

At this time, I’d like to mention that if you want to ask a question, please press one and then zero. After a few more speakers we will turn to your questions and answer them as best we can.

So next we have Greg Allen, director of the CSIS Wadhwani Center for AI and Advanced Technologies. Greg, over to you.

Gregory C. Allen: Well, thanks very much for joining today.

Artificial intelligence has been a stated priority of the Italian G-7 presidency even since before it assumed the presidency. And at the leaders’ summit, there is actually going to be a special session on artificial intelligence. And artificial intelligence will also feature into many of the ministerial meetings. In fact, for the ministerial meetings that have already happened it’s already featured prominently.

So what might actually occur in this special session? Well, the first thing that is known is that the pope has accepted Prime Minister Meloni's invitation to attend both the G-7 summit and to participate in the special session on artificial intelligence. The Vatican has what is called the Rome Call for AI Ethics, which is an initiative that was started several years ago and that some prominent AI companies are already members to.

For example, Microsoft and IBM have already announced that they are a party and a signatory to the Rome Call for AI Ethics. And more recently, this past April, Cisco announced that they will be a party to the Rome Call for AI Ethics. So presumably, during his participation in the summit, the pope will again call for companies and countries to become signatories to the Rome Call for AI Ethics, which would – which would commit the participants to six ethical principles for AI. That’s in the main leaders’ session on artificial intelligence.

Other topics that have already come up in some of the ministerial meetings that I think will also feature in the leaders’ summit would be around AI and
labor. This is a stated concern for Prime Minister Meloni. She said back in January that she was, quote, “hugely concerned” about AI’s impact on the labor market and had even gone so far as to say that more – quote, “more and more people will no longer be necessary in a world ever-dominated by disparities, by the concentration of power and wealth in the hands of the few.” So that concern around what AI might do to the automation of labor, and what it might do around the concentration of power and wealth, is something that Meloni has stated is an overall priority.

And then the final area I would say is likely to feature in the conversation is around AI and its foreign policy implications, and the intersection of AI and foreign policy. There’s a few areas where this comes up, and did feature prominently in a foreign ministerial meeting that was had earlier this year. The first is around AI and disinformation, foreign information interference, and election interference.

Recently, Open AI – one of the leading AI companies worldwide – announced that Chinese and Russian propaganda services we’re using Open AI’s ChatGPT service to mass produce propaganda messaging at really low cost. And while Open AI has taken steps to sort of kick those folks off its platform, it is noteworthy. And then in elections around the world, and in political campaigns around the world, we’re already seeing the use of AI to generate synthetic media around images, audio, and video as a mechanism of spreading higher quality, and thus more dangerous, disinformation.

Next is around the possibility of AI for sustainable development. The Italian government has been working closely with the United Nations Development Program on multiple topics, one of which is artificial intelligence. And I think there’s a connection here between the potential for AI and then also for what Italy has been going – has going on with the Mattei Plan, which is a development initiative focused on Africa and the African Union. So I wouldn’t be surprised to see some kind of connection between AI development and the Mattei Plan here, thinking about how the G-7 can communicate that these countries want to spread the benefits of artificial intelligence widely while mitigating its risks.

I’ll stop there. Thank you.

Mr. Cestari: Greg, thank you.

Our next speaker is Emily Benson, director of CSIS’s Project on Trade and Technology, and senior fellow with the Scholl chair in international business. Emily, please go ahead.

Emily Benson: Thanks, Sam. And thank you to everyone for dialing in today. I would like to make three major points about the economic security and resiliency aspects
of the upcoming G-7 summit in Italy. The first is that the G-7 shares a general common direction when it comes to economic security. The second is that, despite this commonality, very real differences persist among G-7 leaders. The third point I will make is on outstanding questions about durability and where we can see the future of the economic security doctrine and policies unfold.

First, on the common general direction, we’ve seen a tremendous rethink of what it means to have a secure economy in the last couple of years. We’d like to attribute this largely to COVID-19 supply chain disruptions, however there’s a growing recognition that the risks of climate change will increasingly imperil a resilient economy. Japan is one of the foremost leaders of economic security doctrine. This actually predates the Hiroshima summit last year. Japan has been very steadfast in encouraging other G-7 partners to adopt a similar repositioning, to retool governance and domestic legislative priorities to better suit these economies for the future.

This has resulted in a broader focus on de-risking, resiliency, and diversification of the supply chains, particularly on critical deemed – sectors deemed critical to national security. These include medical products, critical minerals, and, of course, technologies like semiconductors and increasingly quantum and AI. This wholesale reassessment of global economic engagement, as Dr. Cha noted, coincides with a deterioration of authority of existing institutions, like the WTO. That in turn has afforded the G-7 tremendous ability to set the agenda when it comes to economic security, that then translates into a host of other fora including the G-20 and OECD.

Despite this broad agreement on the utility of pursuing a de-risking agenda, there are very significant differences that remain in the approach that each G-7 partner is taking. I’ll highlight just a couple of those here. As I mentioned, Japan has been extraordinarily forward looking in putting forth legislation at the domestic level and also retooling some of its executive branch authorities that give it additional power to create resiliency throughout the economy. In some ways, the United States lags here. It seems the U.S. has an outstanding and robust toolkit, but institutionally is not really as advanced as Japan in kind of resituating for the economic security agenda.

Italy announced in December 2023 that it would be leave the Chinese Belt and Road Initiative. I think that signals an ongoing and very significant risk reassessment in Italy. This coincides, of course, with Chinese nonmarket economic practices continuing to affect a couple of sectors that are very near and dear culturally to the Italian economy. This includes recent news about the tomato sector and broader agricultural sector, but also textiles and clothing production. I think Italy is happy in some ways to have DG Trade at the European Commission take the lead on some of these policies, but Italy is nevertheless very focused on the de-risking agenda.
This contrasts a bit with countries like Germany that continue to regard China as a major export market. It is, therefore, significantly more reluctant than other G-7 partners to engage in this wholesale turning up the temperature on the de-risking agenda. This also begs fundamental questions about the ability of the European Commission to carry out some of these deeper rethinks of de-risking when there are so many differences at the member-state level, so we’ll have to see how that plays out.

One critical difference between non-U.S. G-7 partners and the United States is that for many G-7 partners, mostly in a European context, the primary motivation for this rethink is very much a neighborhood issue. As Greg noted, Italy is quite concerned about the effects on employment from AI on the continent of Africa leading to growing migration. That is very much a regional problem for Italy. If you look at the European Union as a whole – including Germany, France, the Baltics – you can see that the primary motivation remains Europe in how to de-risk more broadly from Russia and how to make greater use of sanctions and export controls to stymie the Russian war machine.

For the United States, the primary motivation continues to be China. The United States is continuing to sound alarm bells about China shock 2.0, which Paul Krugman recently wrote about. The United States believes that this incoming flow of goods from China will be more acute and broader than the previous China shock, and so they’re doing everything that they can to convince allies and partners to join a more protective U.S. approach.

I would draw one distinction here. The United States a couple of weeks ago announced a new tranche of tariffs on critical inputs from China. This includes electric vehicles, semiconductors, critical minerals, and others. However, the United States’ approach to combating this China shock is anticipatory. It is taking a preemptive action, which it has the statutory authority to do. It is unclear if other G-7 members can do this without a current-data justification about Chinese overcapacity. So one element that I am particularly curious to watch heading into the G-7 summit is whether or not we will see greater convergence on actual tariff rates of inbound products from China into the G-7 bloc.

The final point regards durability. As Dr. Cha mentioned, the G-7 has been really reinvigorated, I think, thanks in large part to outstanding leadership from Japan, from Italy this year, and of course from the United States in reprioritizing economic security and resiliency. However, a lot of these conversations will continue to unfold at the bilateral level. We have ongoing talks, for example, on supply chain security with the European Commission; ongoing advance in emerging tech discussions with Japan. And so I’m also curious to see to what degree the next tranche of policies on economic
security will either emanate from the G-7 or whether not the G-7 will play more of an agenda-setting role while leaving some of the meatier details to be worked out at the bilateral level.

Overall, I think we’ll see an expansion of affirmative inducements intended to deepen cooperation and a concerted effort to do better on cooperating. I think there is a recognition that we need both a protect and promote side of the agenda. And so I’m curious to see exactly what that language looks like heading into the summit.

With that, let me pass it over to my colleague Erin Murphy.

Mr. Cestari: Thanks, Emily.

Just one more reminder here before we get to Erin that if anyone wants to ask a question please press one and then zero. After Erin, we will open it up to your questions.

So next we have Erin Murphy, senior fellow with the CSIS Asia Program. Erin, over to you.

Erin L. Murphy: All right. Thank you.

I will be focusing more on the infrastructure side of the efforts that the G-7 is doing, and this is primarily in an effort to combat the problems that they’re seeing with China’s Belt and Road Initiative, primarily what’s been coming out of that in terms of debt sustainability and was seen as sort of shoddy projects that are going on, and also in terms of influence whether diplomatically or economically. This isn’t going to necessarily be front and center on the G-7 initiative or the agenda. There will probably be sort of side conversations on this. It might be part of the communique or there might be side meetings and little announcements.

But the Partnership for Global Infrastructure and Investment, if anybody recalls it being called Build Back Better World several years ago, this was announced at Carbis Bay during the U.K. presidency in 2021, and this was meant to be a $600 billion infrastructure meant to mobilize private-sector financing as well. And the 600 billion (dollars) was supposed to be generated in five years, 200 billion (dollars) coming from the United States. We’re now about three years into it; I’m not sure where that 600 billion (dollars) is coming from or that 200 billion (dollars) is coming from. But PGI – the Partnership for Global Infrastructure and Investment – is now focused more on developing economic corridors, and two have been announced: one more recently in April, the Luzon Corridor in the Philippines; and another last year, the Lobito Corridor in Africa. So I would expect some announcements or some engagements being announced around that.
There’s certainly a lot more momentum around the Indo-Pacific and the Luzon Corridor and engagements more there, primarily because we just had the trilateral summit between the U.S., Japan, and the Philippines in April, the Indo-Pacific Business Forum last month. Gina Raimondo, the secretary of commerce, is in Singapore right now. And there’s a lot of movement on the Indo-Pacific Economic Framework as well, particularly on the clean economy pillar and the fair economy pillar, pillars two and four.

But just focusing on the economic corridors, I mean, these are exciting, it’s ambitious, but it’s really we’ll have to see how it’s going to come to fruition. But these are supposed to be geographic areas with integrated investments and are supposed to stimulate economic development. They are supposed to have transportation elements, clean energy supply chains, agricultural assistance, ICT, health. So they’re quite ambitious.

So in terms of the Luzon Corridor, expect to see more investment or announcements around that. There were announcements on the sidelines of the Indo-Pacific Business Forum in Manila last month. There were MOUs signed. And again, this is primarily announcements that were, again, under the G-7 PGI rubric, but really kind of a Japan-U.S. initiative. But there are priority sectors and engagements under this, but the Luzon Corridor is meant to support connectivity among Subic Bay, Clark, Manila, and Batangas. And it’s meant to have high-impact infrastructure projects including rail; port modernization, including both military and civil ports; agribusiness; clean energy; and semiconductor supply chains and deployments.

In terms of the semiconductor supply chain, you know, the Philippines has some piece of the pie, as does Southeast Asia in terms of Thailand and Malaysia, in terms of packaging. But you know, I think that there is a growing effort to have Southeast Asia as helping in terms of diversifying supply chains.

The United Kingdom has often expressed interest to be part of this Luzon Economic Corridor. It’s unclear what role they’ll play. But they’ve expressed some concern that, you know, the G-7 PGI is supposed to be kind of a concerted effort among G-7 partners, and this is kind of a big question among this effort, which is: Is it coordinated? How are the G-7 partners working together on this? How are we financing this? And how are these projects being selected? And it seems like this was – this announcement was a bit of a surprise to some of the members of the G-7. So, you know, we’ll be – we’ll have to see how this works out.

The other corridor will probably be of more interest to the Italian, the French, and the German side of the G-7 – the Lobito Corridor, which links Angola, Zambia, and the DRC mining areas. And this is expected to be a gamechanger.
in terms of African trade and transportation, especially in the critical mineral area. It’s the first economic corridor that was announced under the PGI rubric in May of 2023. There were MOUs signed in October of 2023. But it’s meant to connect railways in Zambia, to the Lobito Atlantic Railway, to Port of Lobito. And there’ll be coordination among these three countries.

Now, there’s a big question on the financing and the offtake agreements that will finance this. But when you look at what the companies are involved in some of these countries that could potentially finance this, there’s a lot of Chinese companies in these countries, not necessarily G-7 countries, so – or, companies. So there’s a lot of questions, again, as to how these infrastructure projects will work. Especially do you cut China out? Are you looking for companies that adhere to the types of standards that the G-7 is trying to promote? Transparency you know, strong rule of law, anticorruption measures, you know, high labor standards? So it remains to be seen. But PGI is still going to be, at least, you know, for the foreseeable future, the flagship infrastructure initiative for them, and a way to counter BRI.

But there’s still, you know, kind of a lot of questions about whether or not, you know, the longevity of this and how it’s going to continue to go forward. Especially as Europe has its own initiatives as well, including Global Gateway. And that it’s really hard to coordinate and to find projects to work together and to cofinance, because it’s a competitive place. And you want your own companies to be able to take advantage of these types of projects. And, you know, it’s really difficult to find bankable projects as well in these areas. So remains to be seen. Again, I don’t think it’s going to be front and center of the G-7 initiative, or the G-7 agenda, but I think it will be certainly part and parcel of discussions, at least on the side. So I do expect some announcements.

But with that, I will turn it over for the Q&A section. Thank you.

Mr. Cestari: Thanks, Erin. I really appreciate it. And thank you to all of our speakers for your contributions here.

So why don’t we open it up for questions now? I’ll turn it over to our operator, Eric, to open up the line. We have a number of great questions here in the queue. So, Eric, why don’t we go ahead with our first question?

Operator: And the first question goes from the line of Darlene Superville with Associated Press. Please go ahead.

Q: Hi. Thanks again for the briefing. And thanks for taking my question.

I didn’t hear anyone talk about what President Biden had to say last week, with the new proposal he announced for Israel and Hamas to end the war. And I was curious if someone could talk a little bit about how much they think
that will be a focus of the G-7 and, you know, why do you think Biden is, you know, putting this forward? Is he trying to show while he’s abroad that he’s still actively trying to bring a resolution to what’s happening in the Middle East? And then the second question quickly, I think it was Victor Cha who mentioned something about a forthcoming report on the G-7. When would we – should we expect to see that? Thank you.

Mr. Cestari: Dr. Cha or Max, would you like to take the first question?

Dr. Cha: I’ll let Max go first.

Mr. Bergmann: Thanks, Victor.

Great question. So I guess my sense – and I don’t know this for sure – but I’m not sure that Israel and Gaza will be a major topic of discussion at the G-7, in part for a few reasons. One, the Europeans themselves do not have a united position on their approach to the conflict. There are countries, like Germany for instance, that is – very much have been a long supporter of Israel. And then there are other countries, like Spain, that have recognized a Palestinian state and are calling for Netanyahu to go. And so I think that Europe isn’t quite up to it. I don’t see Israel-Gaza as an issue that Japan is also wanting to discuss.

So I think it’s one that sort of, in some ways, divides the G-7 – or, at the very least, is not necessarily – this, I think, is not seen as the right venue to maybe discuss Israel-Gaza. That may change just given the political circumstances, but that’s, I think, part of the reason why we haven’t touched that issue. I don’t think it was on the agenda or discussed in kind of the meetings that have been coming up – that have been in the runup to the summit.

Q: Thank you.

Dr. Cha: On the report we will probably release it next week but we can also get you an embargoed copy in advance.

Q: OK. Thank you.

Mr. Cestari: And, Eric, if you’d like to move us forward to our next question, please.

Operator: And the next question comes from the line of Crispian Balmer with Reuters. Please go ahead.

Q: Hello. Can you hear me? Hello?

Mr. Cestari: Yes, we can.
Q: Yes. Hello. One point I wanted to raise is the outreach partners. There’s an awful lot of countries that have been invited to this G-7, well over 10. And I’m just wondering, the summit itself is just one full day; then, you know, it spills over onto the Saturday. How much can we expect from these meetings? We’re talking about countries, you know, as varied as Brazil, Argentina, then you go to a number of African countries; you’ve got the UAE, maybe Saudis. What’s the point of that? Why so many? And what do you think, you know, this might achieve? Is it just one great photo opportunity, or is there something much more important behind it? It’s much more than recent years, as far as I can tell, or maybe more. Thank you.

Mr. Cestari: Would anyone like to take that one?

Dr. Cha: This is Victor. I’ll start.

So I think your question is a good one because it gets at some core questions in general about the G-7 and how it’s organized. When we talk to a lot of the sherpas and former sherpas there are two things that we often hear. One is that the G-7 is meant to be an informal, flexible, nimble grouping, the core of which are these seven countries whose leaders can have very intimate conversations without using talking points, things of that nature.

But the other is that also because of its informality the host – the annual host basically gets to decide how they want to do the G-7 each year. So I think as a number of our speakers referred to, the Hiroshima G-7 summit last year in Japan was in many ways a watershed for the G-7 leaders because it had a statement that clearly talked about, you know, eight key areas that were important for – that the G-7 leaders need to focus on in terms of maintaining global order, sustainable development, food security, digital security, all these sorts of things.

And then we come to the summit in Italy where a completely different group of countries have been invited, you know, outside the core members, and in addition the agenda, although it pays lip service to some of the issues from the previous year, you know, really focuses for the most part on migration from North Africa which is clearly an issue for Italy.

So your question, I think, you know, gets at this core question of, like, is this the way the G-7 should be. I mean, if it is – you know, I think, as Erin and others said, if, like, the U.N. Security Council doesn’t work, the WTO doesn’t work, the G-20 doesn’t work, the BRICS don’t work – if it’s really the G-7 then shouldn’t there be, you know, a better way to do this that is a little bit more organized – maybe not completely formalized but a little bit more organized and a little bit more consistent in which there is follow through on these areas that are deemed as being very important. That would be my answer.
Mr. Cestari: Would anyone else like to add on there for that question?

Ms. Benson: Hi. This is Emily. I’m happy to chime in.

I think in the background there is a growing reluctance particularly among G-7 leadership to lean into this idea that the G-7 is a bloc that is countering another evolving bloc, which in this case would be China, Russia, North Korea, Iran.

I think that’s true, to a degree. But there is really a concerted effort underway to build reciprocity with other organizations. The G-20, for example, is I think functioning suboptimally right now, but that’s not to say that the G-20 can’t offer real concrete policy lessons for the G-7. For example, this year one Brazil’s priorities relates to biodiversity. The G-7 has a lot to learn from Brazil when it comes to Brazilian leadership within that forum.

And so by extending an invitation to these other countries, there is a very concrete sense that the G-7 isn’t an end-all, be-all; and that as we go forward, particularly in the next chapter of resiliency discussions, that there will need to be very concrete outreach with emerging economies. And I think widening the scope to include 12 guests countries, I think, several international organizations, and then other political leadership, is certainly a sign of ongoing flexibility within G-7 leadership.

Mr. Cestari: Great. Thank you, Emily.

If no one else would like to jump in with comments there, then, Eric, why don’t we move on to our next question?

Operator: Sure. And the next question comes from line of Mariam Baksh with Inside AI Policy. Please go ahead.

Q: Hi. So thanks for taking my question.

I’m hoping someone can speak to the extent to which Europe might be a bloc or not when it comes to export controls on artificial intelligence. So I’m specifically interested in open source models being export controlled, which seems like it’s part of this push in the U.S. Yeah.

Mr. Allen: Hi. This is Gregory Allen. I can take that question.

There’s a few things I would point out here. The first of which is that the United States has not formally made up its mind on this topic either. There is a request for comments that was put out by the U.S. government requesting input from corporate, academic, and other stakeholders about how to
approach the AI software part of export controls. The export controls that the United States has right now on AI are targeting the hardware part of the ecosystem. And open source software might not be viewed as an export, because it is being given away for free, of course – hence, the openness part of the story.

But there’s concern that China’s interest in open source, not just an AI but in many categories of technology, is precisely because that’s a path for them to get around export controls and other types of blockages. Within the EU, there is a stated preference for open-source technology that is revealed in several ways. Among them is the fact that in the European Union’s AI Act, open-source technology is exempt from certain categories of AI regulations.

However, it’s worth noting that the European Union’s definition of open-source AI software does not perfectly align with the marketing claims of some companies who claim to be open source or advocates of open source. So, for example, Meta, which with its Llama model is one of the key providers of open-source AI at the large language model stage, would actually not meet the definition of an open-source company and an open-source AI model under the European Union’s AI Act.

The other thing is that for – there’s different categories of AI. There is application-specific AI and then there are these large, highly generalized AI models. And in the case of the large, generalized AI models, that falls in the EU AI Act under the category of general purpose AI models, GPAI, that could pose a systemic risk. And, you know, for models that are of a certain size and a certain seriousness with certain capabilities, even these are not actually exempt from the regulations.

In the United States, the NTIA, the National Telecommunications Information Administration, they have put out a – they put out a request for comment, you know, regarding what should be the U.S. policy regarding open-source AI software. And they have already closed that request for comment period. And they are going to write a report that they will submit to the White House in a number of months here. And I think that the White House is eagerly awaiting the recommendations of that report.

All of which is to say that there’s no indication that a big movement on this topic is likely to happen at the G-7. There’s other things in motion, most notably the NTIA report, that just won’t be ready in time for the G-7 leaders’ summit. So if the G-7 does take up this issue, I think it will be after the leaders’ summit. And then with regards to the export controls, you know, the United States has the demonstrated most willingness to impose export controls related to artificial intelligence, and even it has not yet made up its mind on AI software. So I doubt that Europe or other countries will be a first mover in this regard.
Q: Can I ask a quick follow up question?

Mr. Cestari: Sure. Go ahead.

Q: Thanks so much for that. That was really good. Yeah, I think the NTIA report is coming out July 26th, I want to say, so not too many months ahead. But outside of that, in terms of a push does exist, there’s a bill that would attempt to control open source and that software piece, in terms of the model weight, that just cleared the House Foreign Affairs Committee last week, I think. And it’s a total bipartisan effort. I think it cleared committee 43 to three, or something like that. And whether or not it comes up at the G-7, I was curious about the extent to which you might have observed any tensions with Europeans in the U.S., especially in light of the Mistral model that is meeting the definition of open source in France.

Mr. Allen: Yeah. Maybe I could ask Sam Cestari to connect you and I privately just to respect the focus of the call on the G-7.

Q: Sure. Thank you.

Mr. Cestari: Thank you for that, Greg.

And would anybody else like to jump in on the first question, or should we? All right, we can move on to our next question then, Eric. Thank you.

Operator: And the next question comes from the line of Ashley Burke with Canadian Broadcasting Corporation. Please go ahead.

Q: Thanks for doing this briefing today.

I’m hoping one of you can talk about how AI is changing military warfare in the conflicts underway right now. And if you expect the G-7 to discuss that element of AI. And what you’re going to be watching to potentially come out of it on that front.

Mr. Allen: Sure. I take that question as well. Artificial Intelligence is a general purpose technology, meaning that it’s useful in a lot of different categories of things. Not just civilian things and military things, but even within the military domain many different types of military activities. So it’s useful for planning, logistics, and doing predictive maintenance schedule planning. It’s useful for intelligence, surveillance, and reconnaissance, analyzing imagery collected by intelligence assets. And then it’s also useful for actual weapons systems that are involved in fighting.
I think the conflicts in both Israel-Gaza and Ukraine are, of course, revealing many of the ways in which military technology is evolving, and many of the ways in which artificial intelligence is at the heart of that evolution. I think that the conversation around AI ethics that I mentioned previously, historically that has been a term with a lot of resonance in the military community. When I was serving in the Department of Defense, one of the things I worked on was the Department of Defense AI ethics principles. And the pope is obviously attending and, you know, tends to be opposed to all conflict, and has called for an immediate ceasefire in all the ongoing conflicts.

In terms of the most salient issue that typically comes up in diplomatic circles related to military AI, that is the issue of autonomous weapons. And autonomous weapons do not have a definition in international law, but they do have a definition in the United States Department of Defense policy. This comes out of Department of Defense Directive 3000.09. And that defines autonomous weapon as one that can, once activated, select and engage targets without further intervention by a human operator.

So autonomous weapons are old. Dozens of militaries have them in their arsenals and have for decades. What is new is autonomous weapons that are using machine-learning capabilities for offensive strikes rather than purely defensive applications like missile defense and then, you know, also using artificial intelligence and machine learning, which has different failure modes and risks to mitigate than other types of software systems.

So the United States’ policy on autonomous weapons has already been a part of diplomatic activity. There is the Political Declaration on the use of autonomy in military systems, which the United States announced along with many other countries at the REAIM Summit last year. And at this point, I believe more than 50 countries are signatories to that Political Declaration, which details, you know, some of the principles regarding the responsible use of autonomy in weapons systems. And I think that is the principal focus of U.S. diplomacy when it comes to autonomous weapons.

In terms of, you know, the other aspects of AI, including military AI ethics, I think there will be a discussion of these issues at the G-7, but I’m not necessarily expecting a big declaration on this point. I think it will be a discussion because this is an opportunity to have – for the G-7 leaders to have candid conversations about what they’re thinking about. And when it comes to AI, it’s, of course, at the heart of the future of military power, and also at the heart of other national security topics like intelligence and propaganda and foreign election interference.

Mr. Cestari: Thank you, Greg.

Q: Is it possible to do a quick – is it possible to do a quick follow?
Mr. Cestari: Sure. Go ahead.

Q: When we were in Japan for the last G-7, Ukraine’s president really stole the show that year with that surprise visit. What position is Zelensky in this time? And what will he be specifically asking G-7 countries for, beyond what you mentioned at the top of the briefing?

Mr. Cestari: Max, would you like to take this one?

Mr. Bergmann: I’m sorry. I missed – I missed the question.

Q: President Zelensky last year really stole the show with his surprise visit at the G-7 in Japan. What position is he in this time around when he’s coming? And what specifically do you think will be discussed and asked by Zelensky himself this time around?

Mr. Bergmann: Yeah, no, great, great questions, and I’m sorry for just missing it earlier.

So I think Zelensky is going to be coming in quite a different position because the situation on the battlefield is starkly different than the last G-7 summit last year in Japan. Ukraine was still asking for money and long-term support at the G-7 summit last year, which was tied also to the NATO summit at Vilnius where Ukraine was seeking kind of longer-term assistance. But Ukraine was also in the midst of conducting a counteroffensive which it hoped would turn – would push the Russians back and win the war. That, obviously, did not – they were not successful. And this year, right now the Ukrainians are clearly on the back foot, holding – trying to hold ground all across a thousand-kilometer front. So it’s pretty dire straits.

And so I think – I think the call will be on to try to get the G-7 to commit more funding, and I think that’s where the frozen Russian assets are really critical. And you know, what Ukraine is going to ask for is to give them all of the frozen Russian assets and not just the – not just to do a loan based off of the interest accruing from the assets, but to give them the 200 (billion) to 300 billion euro assets. And I think they have a very strong claim there, but I think what the U.S. is pushing is this compromise, and 50 billion is a lot of money. And so I think the hope is they can get something like that done.

And of course, this will come around the same time or before the peace conference that is still quite unclear that Ukraine is – what will come of that, but Ukraine is pushing to host that in Switzerland.

Mr. Cestari: Perfect. Thank you, Max.
And I think we’re just about to reach the hour mark here, so I want to thank our speakers and all of our participants for joining us this morning for this timely call. Please feel free to reach out for anything we can do to help be a resource looking ahead to the summit. I know we had a few questions left in the queue, so feel free to reach out with those and I’ll do my best to connect you with our experts after the call here. We’re happy to help, and please don’t hesitate to reach out.

And as mentioned at the top of the call, we will have a transcript distributed to all of you in the next few hours. It’ll also be available on CSIS.org.

So with that, I hope everybody has a good rest of your day, and thanks for joining us.

(END.)