NEWS FROM THE BRUSSELS’ BUBBLE
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2019 EU Calendar - provisional dates

26 August  A debate on Foreign and Security Policy (Europe Information, Helsinki, Think Corner Uni.)
28-29 August  Informal meeting of EU Defence ministers, Helsinki
29-30 August  Informal meeting of EU Foreign Affairs ministers (“Gymnich”), Helsinki
16 September  Athena Away days and informal PMG meeting (Politico-Military Group), Helsinki
3-4 October  Industry Seminar on the EU Defence Fund (by Finnish MoD), Helsinki
17-18 October  EU Summit, Brussels
12 November  EU Foreign Affairs Council (with Defence Ministers), Brussels
10 December  European Defence Industry Summit, Brussels
12-13 December  EU Summit (usually with Defence-related conclusions), Brussels

Results of EU elections, Finnish Presidency and priorities for the next 5 years

With the EU elections of late May, all decisions regarding pending files like the EU defence Fund (see NBB 2019-2 dated 21.05.2019) have been suspended, and the July sessions mainly focused on procedural obligations, in particular the election of the Parliament and committees chairs and vice-chairs. The real work will resume early September after the summer break, and key decisions should be taken under the Finnish presidency. Let’s see if the results of the EU elections could be of help for peace, and what are the priorities of the Finnish presidency and for the next 5.

➤ Could the newly elected EU Parliament be more open to our peace message?

Despite the success of the GREENS/EFA, now the 4th group in size, one should not expect a significant change of majority regarding EU pro-military developments; indeed, apart from the Greens, many
pacifist MEPs lost their seats: the leftist group GUE/NGL lost many seats and is now the smallest political group after the non-attached MEPs. Many of the socialist MEPs who have been critical to the military developments and to the Defence Fund in particular did not run or win a seat. The same goes for the very few critical liberals.

A good thing is that the right wing (EPP) and the left wing (S&D) cannot impose their views any more, and they will have to gain support either from the Liberals (former ALDE now named Renew Europe) or from the GREENS/EFA group to win votes. This could help us at least to raise more political debate inside the Parliament ahead of crucial votes. But this will happen only if civil society gets engaged and maintain pressure on the Greens as well as on the few critical Liberals and Socialists.

➢ The Security and Defence Committee chaired by French liberal Nathalie Loiseau

Also important to open the debate are the chairs and vice-chairs of the committees that will discuss and adopt the pending legislative proposals and the next EU budget. Let’s hope the GREENS will size this opportunity to enter the game.

The new chair of the Security and Defence subcommittee is the French Liberal Nathalie Loiseau, expected to be very much in favour of the EU Defence Fund and loose arms exports control, giving priority to national interests. The presidency of the Foreign Affairs committee is still in the hands of German centre-right David Mc Allister, and the Industry Committee (in charge of the Defence Fund) is also under heavy control of the right: the chair is a Romanian EPP and one vice-chair is the Conservative Polish MEP Zdzislaw Krasnodebski, who was the main Rapporteur and negotiator on the Defence Fund in the previous Parliament (and will probably remain so).

➢ Priorities of the Finnish presidency on military: AI and new technologies

On 1st of July Finland took the presidency of the EU, and it will have to handle complicated files, in particular the discussion on the next EU budgetary cycle for 2021-2027 which should include a €13-billion Defence Fund. As it was to be expected, Finland took on board the EU security and defence agenda (see below) and initiatives in its priorities:

- it wants to develop a common defence policy based on the framework of Permanent Structured Cooperation (PESCO) and to emphasise issues related to artificial intelligence and digitisation for defence capabilities.

➢ The EU Strategic Agenda for 2019-2024

Adopted in June 2019 by the European Council, this document sets “an overall framework and direction (...) to guide the work of the Institutions in the next five years”. It identifies 4 main priorities:

- protecting citizens and freedoms;
- developing a strong and vibrant economic base;
- building a climate-neutral, green, fair, social Europe;
- promoting European interests and values on the global stage.

Once reading the details of those priorities, there is a clear focus on security in a narrow meaning and a special attention to migration and border control. As for the global stage, EU’s selfish interests come first including with the development of military capabilities. Nothing really new and surprising in the current context you may say. Indeed, in fact what is important is that this EU Strategic Agenda definitely integrates ‘security and defence’ as a normal business and priority No 1.

And the implementation paper of this Strategic Agenda, presented in July by Finland, raises more concern: in contrast with the other policy areas where the document gives precise details of the decision-making process, the section on security and defence
only reiterates “the need for the EU to take greater responsibility for its own security and defence” and lists the main council meetings. This confirms that apart from getting subsidies for their military industry, Member States are not ready to open doors for more EU involvement in this area, nor for greater transparency.

Links to main documents

Official results of the EU elections and sharing of seats at the constitutive session (02/07/19)
 Priorities of the Finnish Presidency of the EU – see also www.eu2019.fi

News from the Preparatory action and the EDIDP

➢ New project funded under PADR: SOLOMON
The EDA released information about one project to be funded under the 2018 budget of the PADR. 1 year after the closure of the 2018 calls for proposals, this is the first project to be announced. 
“Led by Engineering Ingegneria Informatica S.p.A. (Italy), SOLOMON’s consortium encompasses a total of 18 participants from 10 countries. The project, which has a duration of 24 months, will receive an EU grant of roughly €1.9 million. The SOLOMON project aims to provide the methodologies and tools to ensure that the industries responsible for the delivery of the EU armament systems and services could rely on a trusted supply and that in turn EU, as a whole, could overcome the issues related to critical defence technological dependencies”
Read the full description here

➢ EDIDP: deadline for submitting projects postponed to 20/09
The deadline to submit project proposals under the European Defence Industrial Development Programme (EDIDP) was postponed to 20 September, officially to allow companies, in particular SMEs and research centres to finalise their applications. This is quite ironic when remembering how the time argument was used to justify an accelerated adoption of the text.
Access the details of the implementation of the EDIDP here

Links to interesting news/articles

➢ Conclusions of the Foreign Affairs Council (FAC, 17/06/19) on Defence
EU Defence Ministers met on 17 June and discussed the range of military-related developments, from CSDP missions and operations to climate change, PESCO, CARD, The EU Defence Fund, EU-NATO cooperation, countering hybrid threats and military mobility. The Council adopted conclusions welcoming “the substantive progress made to enhance the security of the Union and its role as a security provider and global actor, including through its Common Security and Defence Policy (CSDP)” and underlining “the need to maintain the momentum through continued engagement of member states and EU institutions.”
Read the press release here, and the full conclusions here.

➢ Informal meeting of EU Defence Ministers to discuss AI with private stakeholders
At the informal meeting to take place on 28-29 August in Helsinki, EU Defence ministers will discuss new technologies and the changing world, in particular artificial intelligence and the impact of climate change. The working dinner session on AI and new technologies will be attended by representatives from NATO, the UN and a group of “leading private sector experts” (the Global Tech Panel set up by Federica Mogherini).
See the press release here and preliminary agenda here
The military mobility policy further blurs the line between military and civilian

On June 3, the European Commission and High Representative Federica Mogherini presented a joint report on the implementation of the Action Plan on Military Mobility. This report is illustrative of how EU initiatives are increasingly blurring the line between what is civilian and what is military, and are meant to serve military objectives. The starting point of implementation was the definition of Military requirements and the identification of gaps between military and civilian requirements. The Connecting Europe Facility will then divert €6.5 billion of its budget to fund civilian-military dual-use infrastructure projects between 2021 and 2027. To note that this will be managed through implementing acts excluding the EP’s oversight role, similarly to the Defence Fund regulation (see NBB 2019-1, 08.03.2019).

But other aspects will also be impacted: TENtec (the Commission’s Information System to coordinate and support the trans-European transport network policy) “has already proved to be very useful for military mobility purposes”, an interactive TENtec Military Maps Viewer was created and its technical requirements should soon be updated to include basic military mobility considerations. Interlinking military and civilian databases is also considered. Another area is the transport of dangerous goods, where the Commission is already analysing “various options to smooth the transport of dangerous goods and thus improve military mobility”.

Streamlining and simplifying customs formalities or cross-border military movements is also considered, as well as adapting the VAT rules (see below).

Excise duty exemption for part of national military spending relating to EU Defence policy

In April, the European Commission proposed to modify the VAT directive in order to align exemptions with the NATO regime. Indeed the delivery of goods and services to armed forces of member states within the framework of NATO activities are free from VAT under certain conditions. The European Commission wants to extend this exemption to certain military expenses in the framework of the EU defence policy. The rationale is that when national armed forces pay the VAT on their acquisitions of goods and services, this goes back to the general national budget which in turn covers national military spending. The proposal of exemption is meant to cover situations where this cycle is interrupted. In broad terms, this exemption would cover the delivery of goods and services intended for the armed forces of an EU member state when they are acting outside their home country and in the context of the EU CFSP or CSDP (for example battle-groups training). This is to be limited to goods and services to armed forces, so trade between arms companies within the Defence Fund should not be covered by this exemption for example. Nor is it a total exemption for military spending per se.

EU and China to cooperate in a project to fight the diversion of weaponry in Africa

On July 16, EU ambassadors agreed on a project to fight the diversion of weapons and ammunition in Africa, as part of the EU strategy against the proliferation of small arms and light weapons and of the EU-China strategy. The project will receive a grant amounting to €994’000 and will be managed by Saferworld.

It intends to put together non-governmental experts from Africa, China and the EU in order to raise awareness about the contribution of illicit arms trade to insecurity and violence, in particular small arms and light weapons, and promote governmental responsibility for efficient arms exports controls to mitigate diversion. The objective is to encourage political action and to reinforce regional and international cooperation, including through seminars, research work and bilateral meetings. The EU External Actions Service expects to reach out to about 500 stakeholders from NGOs, think-tanks, industry, governments officials and parliamentarians.