
NEWS FROM THE BRUSSELS' BUBBLE

#2020-1, 18 May 2020

Main news items:

- ✓ Negotiations on EU budget 2021-2027 + COVID-19: can we expect a significant decrease of EU military-related expenses?
- ✓ EU funding for military research 2017-2020: ethical flaws, new calls and new projects selected
- ✓ EU Defence ministers informal meetings (05/03, 13/04, 12/05): COVID-19 crisis as an argument for a security approach to any challenge

In short:

- ✓ Evaluation report indicates PESCO and Member States' commitment are not meeting expectations
- ✓ Brexit: EC published draft future agreement including defence and security (18 March)
- ✓ new EDA chief executive: Jiří Šedivý, former Czech Defence Minister

2020 EU Calendar: main meetings to come

- 29 May** videoconference of EU Foreign Affairs Ministers
- 29 May** videoconference of EU Ministers responsible for space
- 29 May** Working Party on the UK
- 18-19 June** EU Summit (usually with Defence-related conclusions), Brussels, tbc
- 01-07-2020** German Presidency

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Could tough negotiations on EU budget 2021-2027 and the COVID-19 crisis lead to significant decrease of military-related expenses?

➤ The Defence Fund next budget up and down even before the COVID-19 crisis

In May and June 2018, the European Commission presented its draft proposal for the next EU long-term budget (MFF 2021-2027), which included an exponential increase of EU funds dedicated to military-related issues (from €0.6 to €17.1bn in 2018 prices): this included in particular 11.4bn for the European Defence Fund (= 13bn in current prices*) and €5.7bn for a Military mobility programme (€6bn in current prices). To this should be added €9.2bn for a European Peace facility, an off-budget envelop (€10bn in current prices, directly paid for and controlled by Member States).

The European Parliament rapidly adopted its own position and negotiation mandate for this budget proposal in November 2018. Regarding military-

related programmes, it accepted the main EC proposals like the Defence Fund and military mobility.

As for Member States, negotiations started late and slow, and very soon conflicting positions emerged: those willing to reduce the budget of a smaller EU, those not willing to touch upon historical pillars like agricultural policy or Cohesion funds, and those willing a stronger focus on new areas like the digital or 'defence'. There was no clear-cut between those 3 positions, as those agreeing on a reduced budget may oppose on 1 or 2 other issues, and vice-versa with all possible combinations, making negotiations at Council level extremely difficult.

On 5 December, the Finnish presidency made a provocative proposal with drastic cuts in key areas, probably as a wake-up call to remind Member States that they can't have the cake and it too.

This proposal included significant cuts in military-related plans: Defence Fund down to €6bn, military mobility down to €2.5bn, and the Peace Facility down to €4.5bn. On this basis the new EU president Charles Michel conveyed an extraordinary EU Summit on 20-21 February and made new proposals quite close to the Finnish proposal:

➤ **An even more unpredictable outcome with the COVID-19 crisis**

It was already difficult before the COVID-19 broke to foresee the final outcome of negotiations: many analysts were interpreting the Finnish and EC proposals as tactical and pressure tools: drastically reducing the Defence Fund to oblige France to make concessions on agricultural funds, or cutting out the military mobility as a warning to "stingy Netherlands" who firmly opposed national contributions above 1% GDP while keen on new areas of work like the military mobility.

However a majority of the Parliament was in favour of a significant budget for the Defence Fund, and the Croatian presidency of the EU had [called again for a €13bn Defence Fund](#) (probably in current prices). Not to say about the Commission: Thierry Breton had reiterated, [in an answer to a written question](#), that the EC wanted to stick to its initial proposal.

it added 1bn to the Defence Fund but cut another billion to the military mobility. In contrast the Peace Facility was back to 8bn. However the Summit largely failed to reach any compromise or even significant progress.

Upon Member States request, the Commission came up with a compromise proposal to work as a basis for new informal negotiations on 20 February. This proposal maintained the Defence Fund at €7bn, but removed the military mobility programme and reduced again the Peace Facility to €4.5bn.

And then the COVID-19 came into play, and requires now a drastic overhaul of the EU budget. The Commission is to present a new proposal of long-term budget for 2021-2027, awaited for end April, then May 6 and now postponed to May 20.

Trade-offs must be particularly hard to find in the current situation, and not least because of the heavy pressure put by the military-industrial complex and their allies in think-tanks or politicians: fearing that 'defence' budgets will be cut to fund more pressing needs, they published numerous papers and articles in the past 2 weeks, calling not only for maintaining but even increasing national and EU military budgets, also by overrating the role of military assets in fighting COVID-19. And the outcomes of the latest MoD videoconference (*see further down*) may indicate they are winning the case...

** When presenting its draft proposal in 2018, the Commission first gave amounts in current prices, and insisted on the importance given to "security and defence priorities" with a €13bn fully-fledged Fund. However now the trend is to give amounts in 2018 prices, which makes comparisons with the previous budget cycle more easy. But it also makes the cuts in military-related budget lines appear more "dramatic". All amounts in this article are in 2018 prices as now reported in media, unless specified otherwise.*

[Links to relevant documents](#)

[Will the EU fight for peace or prepare for war? It can't have it both ways](#) (Opinion, Euractiv, 05/05/20)

[European defence should not be the casualty of 'the Great Lockdown'](#) (Opinion, Euractiv, 27/04/20)

[It's time to vaccinate Europe's defence budgets](#) (Opinion, Euractiv, 20/04/20)

[Commission to put forward updated MFF by end of April](#) (Euractiv, 21/04/20)

[Finland's EU budget proposal limits expenditure to 1.06% of GNI](#) (Euractiv 03.12.2019)

State of play EU funding for military research in 2017-2020

➤ **Ethical flaws under the Preparatory action for military research**

In 2017 the EU decided to start funding military research for the first time in its history through the so-called Preparatory Action on Defence Research (PADR).

The research and development of new weapon systems poses fundamental ethical, but also legal and societal questions. Consequently, the Belgian peace

organisation Vredesactie (member of ENAAT) filed a Freedom of Information request in April 2019 asking the European Defence Agency to publish the so-called ELSA reviews (ethical, legal and societal assessment) of EU military research projects.

In January 2020, after a complaint to the EU Ombudsman and [her following recommendations](#), the EDA published [these reviews](#). After a thorough assessment and input from two experts, Vredesactie concludes that these reviews are not in accordance with international obligations. The ethical considerations of ELSA reviews are limited to aspects like privacy of human participants and the impact on the environment, but lack a systematic assessment of any of the legal or societal risks specifically related to weapons research. This makes them largely a pointless exercise:

- There is no mention at all of international law or human rights law although these fields of law are especially relevant for military research;
- Only 3 arms control agreements are mentioned and at random. The Convention on the Prohibition of chemical weapons is mentioned for example, but not the Biological Weapons Convention;
- There is no mention of the EU principles on responsible research;

➤ **New calls for proposals for military development projects**

While [several measures of the recent Green Deal will be postponed](#), the COVID-19 hardly affected the implementation of the EU Defence Fund pilot phase: new calls for proposals were launched on April 6 for development projects under the EDIDP, with an envelop worth €160 million. For public relations purposes the EC insisted that priorities include ["Chemical Biological Radiological Nuclear \(CBNR\) medical countermeasures, such as preventive and therapeutic immunotherapy, which could be beneficial to tackle future pandemic crises"](#), but this would make at best 5% of the budget available.

➤ **Latest projects selected under the Preparatory action**

ON April 6 the EC also made public [7 new military research projects](#) selected under the Preparatory Action for Defence Research (PADR, 2019 calls for

- There is no mention at all of arms export control treaties such as the EU Common Position on Arms Export Controls or the Arms Trade Treaty.

As regards the development projects under the EDIDP in the 2019-2020 EU budgets, the European Commission has confirmed that [there won't be any ELSA reviews for EU military projects in 2020 and 2021](#), despite the fact that EU funded military R&D is focusing on [swarm systems](#), drones and autonomous systems, AI and disruptive technologies (which will radically the way to conduct war).

The Swedish research centre SIPRI stated [in a report](#) that EU defence projects in general "do not show a strong pre-occupation with questions about human control and human-swarm interaction, let alone with the legal, ethical or strategic implications". And a PAX's report shows that [EU drone research has as well received criticism](#) for not being democratically accountable and not taking into account ethical and legal dimensions of the use of armed drones.

Vredesactie also found out that the EU seems to be acting in violation with the Geneva Convention as it is not carrying out any Article 36 reviews on the legality of the developed weapon systems. Indeed, the [additional Protocol \(I\) of the](#) Geneva Convention of 1947 requires states to assess if new weapon systems is in line with international law.

When looking at the details, [the main priorities are in fact](#): solutions for underwater control, space situational awareness, maritime surveillance capabilities and air combat capabilities (with budgets from €20 million each).

As for projects already selected under last year calls, they will not be made public before May at best. Member States have to be consulted and agree on the final winners' list. Although formally by qualified majority, in practice they need to reach a consensus. This procedure is a twist compared to normal EU funding rules.

proposals), worth more than €19 million. 2 are about unmanned systems, and 2 are about disruptive technologies: one about quantum secure

communication and navigation and one about a future electro-magnetic railgun, enabling to launch projectiles over extremely long distance (more than 200 km). The 3 others are about lightweight multi-function radio frequency, artificial intelligence for detection of explosive devices, and innovative positioning system in GNSS-denied areas.

The EDA has not provided details about participants and budget breakdown per project, contrary to practice for all but one of the previous projects funded with the 2017 and 2018 budgets (but this happened after a Freedom of Information request by Vredesactie).

Links to relevant documents:

[European Defence Fund: EU funds new joint research and industrial projects](#) (EC press release, 06.04.2020)

[Factsheet EDIDP calls 2020](#)

[Factsheet PADR latest selected projects](#)

[All PADR projects and calls on EDA webpage](#)

EU Defence ministers Informal meetings (05/03, 06/04, 12/05): COVID-19 crisis an argument for strengthening security approach to any challenge

EU Defence ministers met 3 times in formal and informal gatherings since the beginning of the COVID-19 crisis, and their outcomes demonstrate that the current pandemic risks being used as an opportunity to strengthen further the security approach and military power as answers any kind of challenge.

➤ **March 5: a Strategic Compass by 2022**

At an early stage of the crisis, Josep Borrell already declared at the end of this informal meeting that "every day brings a new challenge and we have to

build this common strategic culture in order to face them with a European approach". Indeed the main decision of the meeting was a new initiative called Strategic Compass: "It will cover crisis management, capability tools and instruments, partnerships and protection and resilience". This document would update and complement the 2016 Global Strategy and should "identify the main threats and challenges that we are going to face and how our capabilities can be mobilised in order to face these challenges". Its calendar would be as follows:



➤ **13 April: an EU military task force to coordinate military support in fighting COVID-19**

Through videoconference, ministers discussed the defence implications of the Covid-19 pandemic, focusing in particular on military assistance in the fight against the crisis, and the situation in the EU military and civilian missions and operations in the framework of the Common Security and Defence Policy (CSDP).

In this context they decided to explore setting-up a military task force to support the coordination of the

national armed forces in the fight against the coronavirus pandemic, to exchange information and share best practices among EU member states ("in full coordination and complementarity with NATO", although this is unclear how this should happen). This task force would be set-up in the EEAS (European External Action Service) and led by the EU Military Staff.

➤ **12 May: 5 steps for more military cooperation and more military funding**

The most recent meeting was about discussing "concrete lessons and strategic implications" of the pandemic on defence. In his final remarks, HRVP Josep Borrell claimed that this was paving the way for the future of the Union's defence and security policy, and that progress "will be based on five priority areas". His statement speaks for itself as showed by the abstracts below (*emphasis in the text added*):

"First, to reinforce the modalities for the use of military assets to support civilian authorities in response to the pandemic. The armed forces, in different areas of expertise - security, medical and logistic - have provided and continue to provide a vital help in the fight against the spread of the virus.

This is why, for the first time since the Ebola crisis in 2014, the European Union Movement Planning Cell, within the European Union Military Staff, has been activated. This will allow to request Member States' military support to transport medical and humanitarian supplies at the request of the Emergency Rescue Coordination Centre [ERCC]. [...]

Second, we will continue to do our utmost to maintain our operational presence on the ground. [...] we need to ensure that the missions and operations continue to deliver on their tasks to the extent possible, and explore ways to support our partners in tackling the pandemic. [...].

Third, we need to strengthen our own preparedness and resilience for the future for instance [by] conduct[ing] exercises, strengthen[ing] our work on cybersecurity or countering hybrid threats [...]. Intentional and coordinated disinformation campaigns [...] are real threats to European and global security.

Fourth, the lessons learnt from this crisis should be an additional driver for capability development and

defence cooperation. There is a growing demand for military assistance in support of civilian response in the context of the health crisis. Some ongoing PESCO projects can play a role here and we will explore new areas of cooperation within this framework.

[Fifth] Finally, as this crisis also hits our economy, we need to secure the necessary funding for security and defence, both in Member States and at EU level. The pandemic will very likely deteriorate or security environment in the years to come. [...] This will only increase the need for a stronger European Union security and defence, and for a stronger Union in the world."

After numerous papers from think-tanks favourable to the military-industrial complex, a number of political actors are now calling for maintaining EU military spending as first planned in 2018:

In a [press release after the meeting](#), the French Army Minister Florence Parly called for an ambitious EU Defence Fund which will be key "to support the defence industry and thus underpin the economic recovery of all European Union countries", while the [Lithuanian MoD called for maintaining the military mobility programme](#) with its initial budget of €6,5 billion. Lastly the Foreign Affairs and Defence Committee of the French Senate also issued a [press release on May 15](#), after a hearing with major French arms companies, in which they consider the arms industry as spearheading the sovereign recovery of the French economy and call for a fully-fledged European Defence Fund worth €13 billion.

Definitely the EU is at a crossroad, and 2020 with the COVID-19 crisis could end being remembered in history books as one of the key turning points towards hard security and militarism in Europe.

Relevant documents

[HRVP Josep Borrell remarks after the March 5 informal meeting](#) in Zagreb

[Main results – Videoconference of EU Foreign Affairs Ministers \(Defence\)](#), EU Council, 13 April

[European military task force to fight COVID-19](#) (Euractiv, 16.05.20) n ambi

[HRVP Josep Borrell remarks after the May 12 informal meeting](#) (videoconference)

Short News

➤ EEAS evaluation report: PESCO projects and Member States commitment not up to expectations

The French news website [B2pro](#) (specialised on EU Foreign and Security policies) had access to the last evaluation report of the Permanent Structured Cooperation (PESCO), drafted by the EU External Action Service (EEAS) and to be submitted to EU ministers of Defence on 12 May. The conclusions drawn by the journalist, who is clearly favourable to European defence, are beyond dispute:

[‘Only a third of PESCO projects could be successful. The others are still at ‘baby bottle’ stage or even stillborn’](#)

Only 11 out of the 47 projects should reach full operational capacity by 2024, and no more than half could reach initial operational capacity. 30 projects are still in ideation phase and 1 was dropped. According to the article a rigorous sorting is needed.

To not that 32 of the 46 projects in the pipeline still want to make use of the possibility of European funding and 8 have already applied for funding under the existing fund (EDIDP).

[‘States are struggling to meet their commitments’](#)

It is clear from the report that States are still struggling to think and commit as Europeans, two and half years after the launch of PESCO. *"Defence is still very much a national matter, with the exception of NATO. Permanent Structured Cooperation (PESCO) has not changed this state of mind. The more European and precise a commitment is, the less it is kept."*

The report makes no less than [20 indicative recommendations to be submitted for discussion](#).

At this stage B2pro remains quite neutral in summarising these recommendations, but my analysis is that most of those recommendations rather look like wishful thinking, and could be sum up this way: Member States should commit to do better... Others are over-ambitious and long term like *"bringing all Member States' national defence apparatus online"* or *"develop a common understanding of what is strategic for the European defence industrial base (EDTIB)"*. Despite all these shortcomings, the report also recommends to agree on new areas of cooperation for the next PESCO phase, *"in light of the evolution of the security context"*. In other words, we know it's not working but let's continue and expand it anyway.

Interestingly not a word was said about this report by Josep Borrell in its final remarks after the 12 May videoconference of MoDs, and PESCO is still referred to as an efficient instrument of EU Defence policy. That's clearly putting its head in the sand.

Read also the [Bruxelles2 blog article](#) (free access, in French)

➤ Brexit: draft future agreement including defence and security published by the Commission

This is also based on a [B2pro article](#), with the help of [www.DeepL.com/Translator](#) (free version).

The UK and the EU are confronting through different versions of documents. On March 18 the EC published its version of a [draft Partnership Agreement](#) while the UK have sent his own without committing to make it public (at this date). The EC version is made up of 2 documents after they have been validated and strengthened by Member States. [The second document \(16 pages\) is dedicated to the Foreign, Security and Defence policy](#).

In this paper, Europeans are pledging for maintaining a close cooperation in the fields of foreign, security and defence policies. The message is clear: this is a separate negotiation and the '27' are ready to open talks on these subjects, which London refuses to negotiate on at this stage. Among the European proposals are:

1. The willingness to establish *"close political dialogue and structured consultation"*, as well as *"regular thematic dialogues on issues of mutual interest"* and cooperation *"in multilateral, regional and international fora and organizations"*;
2. The call for cooperation in the **area of sanctions** *"through dialogue and exchange of information"*, in particular on *"the design, implementation and enforcement of sanctions, including listing and justification"*;

3. The desire for cooperation on the promotion of peace and on crisis management, particularly in international fora. As for **CSDP missions**, the UK will be "*authorized*" to take part at the invitation of the 27, "*in accordance with the protocol*" which will have to be put in place as for any third country. A mechanism providing for "*an interaction proportional to the level of contribution*" and compatible with European procedures, such as the EU's decision-making autonomy. The document sets out the conditions for the participation of UK staff, as well as those for the contribution to the operational budget;
4. With regard to the **development of defence capabilities**, the 27 aspire to cooperation to "*facilitate the interoperability and joint effectiveness of the armed forces*". The text provides for the possibility of associating the UK with the activities of the European Defence Agency and inviting it to participate in a PESCO project, "*in accordance with the relevant EU law*"; (*note: there is no mention at all of the EU Defence Fund, as this question is part of the remaining issues to be negotiated with the EU Parliament first, that is the definition of associated countries pending the final deal with UK*);
5. Cooperation on **consular matters**, particularly in the event of a crisis;
6. **Exchange of information**, in particular via the Satellite Centre (SatCen);
7. **Cooperation in the field of space**, but specifying that the UK could only participate in activities not linked to the security of Union programmes and that access to Galileo is conditional.

➤ **The new chief executive for the European Defence Agency is Jiří Šedivý, former Czech Defence Minister**

On March 5, the EDA Steering Board [appointed Jiří Šedivý, former Czech Defence Minister, as new EDA Chief Executive](#) upon recommendation of the Head of the European Defence Agency Josep Borrell. [He took office on 4 May](#) for an initial 3-year mandate, extendable for two additional years.

He served as Defence Minister of the Czech Republic (2006-2007), Deputy Defence Minister (2010-2012), NATO Assistant Secretary General for Defence Policy and Planning (2007-2010) and Permanent Representative of the Czech Republic to NATO (2012-2019). He also was Deputy Minister for European Affairs of the Czech Republic (2007). From 1 September 2019 until this new move, Mr Šedivý was appointed by the Czech Ministry of Foreign Affairs as special representative for resilience and new threats.

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Thank you for your attention and take care