

NEWS FROM THE BRUSSELS' BUBBLE

#2020-4, 22 December 2020

Main news items:

- ✓ EU MoDs informal meeting of 20/11 discussed military capabilities and Strategic Compass
- ✓ European Peace Facility: political agreement and compromise on lethal equipments exports

In short:

- ✓ Arming EU border guards: a legal issue?
- ✓ Climate Change and Defence Roadmap: the worrying EU narrative
- ✓ Subjective list of interesting links: AI for military use, peace mediation and others

2021 EU Calendar: main meetings to come

- 01 January 2021** Portuguese Presidency
- 2-3 March** Informal meeting of EU Defence Ministers
- 4-5 March** Informal meeting of EU Foreign Affairs Ministers (Gymnich)
- 25-26 March** European Council
- 4 May** Formal meeting, of EU Defence Ministers
- 24-25 June** European Council

[Access the previous Newsletters here](#)

EU MoDs informal meeting discussed military capabilities and Strategic Compass (20/11)

EU Defence Ministers met on 20 November, and discussed quite extensively about military capabilities. The meeting started with a brief report on the 2 main military missions: IRINI and EUTM Mali.

Then a large part of the meeting was dedicated to capabilities issues, as well as a discussion on a Threat Analysis classified document, the 1st step towards a Strategic Compass.

(main source: [B2pro, Nicolas Gros-Verheyde, 12.11.2020](#))

➤ PESCO and third countries participation

First they received an evaluation report on the implementation of the initial phase of PESCO (Permanent Structured Cooperation) from 2017-2020, with recommendations for the 2nd phase to start in 2021. As mentioned in our Newsletter of 18 May ([NBB 2020-1](#)), the EEAS assessment reveals that PESCO remains far from the official objectives, and the list of recommendations shows what is in fact not working, in particular:

- Member States' operational engagements in the projects are "insufficient"
- lack of transparency on projects advancement

- need for better alignment and coherence with other processes, from the analysis of capability needs (like CARD, see below) to capability development projects (PESCO and EU Defence Fund).

In other words, fragmentation and capacity loopholes are still a harsh reality.

For those reasons the presentation of new projects will probably be postponed to 2022.

The Council also welcomed the final agreement reached end October about the participation of non-EU countries (incl. entities based in the EU but controlled by or having management structures

outside the EU) to PESCO projects, under 12 conditions. The main ones are:

- they can participate to specific projects, not to PESCO as such (meaning they need to be invited and get unanimous agreement for every project they want to join)
- their participation must provide “substantial added value” to the military project
- they share the “EU values”, the CSDP objectives and they respect EU security interests
- they obtain unanimous approval of the 25 Member States participating in PESCO (so not only those participating in the specific project)
- their participation cannot lead to “dependence” nor to restrictions on how EU member states will use the

capabilities and the systems developed (including exports)

- they have no automatic access to EU funding like the Defence Fund (but will obey to the specific EDF rules)
- they must have an existing agreement with the EU for the exchange of secure information

This last provision, and the more ‘political’ ones, exclude de facto a number of countries like Russia, China or Turkey.

So far about 12 countries could participate:

Island, Liechtenstein, Norway, Switzerland (members of the European Economic Area), the Balkan countries (Bosnia-Herzegovina, North Macedonia, Montenegro, Serbia), Australia, US, Israel and Ukraine. UK could add to the list as soon as they sign a secure information exchange agreement with the EU. (source: [B2pro, Nicolas Gros-Verheyde, 06.11.2020](#))

➤ Results of the 1st Coordinated Annual Review on Defence

MoDs also adopted the results of the first Coordinated Annual Review on Defence (CARD), initiated in... 2016. This review is meant to provide a comprehensive overview of the European defence landscape, including capability, research, and industrial aspects, and help Member States to identify “collaborative opportunities” for military development and research. This first review recommends to focus on 6 areas for collaboration:

- 1) A main battle tank
- 2) soldier systems
- 3) European patrol class surface ships
- 4) Counter UAS/ Anti Access/ Area Denial (A2/AD)
- 5) Defence in Space
- 6) Enhanced Military Mobility

CARD is supposed to be the main guidance to define collaborative projects through PESCO and the Defence Fund. However it has been finalised and adopted well after the PESCO projects were selected and the PADR and EDIDP priorities were defined. Still many projects under the Preparatory Action and the Industrial programme fit under those focus areas. How can it be so? Either the CARD results were known for long but not agreed, and so why? Or the needs are quite obvious and the CARD process is useless. Another option is that the focus areas have been chosen in order to retrospectively justify the projects selected and funded. Whatever the answer is, none is satisfactory...

➤ EDA’s annual budget in constant increase since UK’s departure

Ministers also met in Steering Board format to agree on the EDA annual budget for 2021. It will amount to €37,5 million (covering EDA’s running costs, not the EDA projects that are funded ad-hoc by participating countries). This is a significant increase from the initial 2020 budget (+€3 million), although the latter was already increased twice over the year after UK’s departure, who had been blocking any serious increase of the EDA budget in previous years.

The budget for ad-hoc projects was €44.4 millions in 2019. Adding to this ‘other revenues’, the EDA had a total of €112.6 millions at its disposal in 2019, from €84.5 millions in 2018. This budget growth reflects the increasing agency’s role in the management of European military-related initiatives (CARD, PESCO, PADR). Let us remind that the EDA is an intergovernmental agency escaping EP’s scrutiny.

(source: [B2pro, Nicolas Gros-Verheyde, 23.11.2020](#))

➤ Another attempt for a common political guidance: the Strategic Compass

MoDs discussed the Threat Analysis prepared by the EU’s SIAC (Single Intelligence Analysis Capacity –

consisting of EU Intelligence Centre and EU Military Staff Intelligence) and based on input from the civilian

and military intelligence services of the 27 EU Member States. This is a classified document and the first step towards the adoption of a Strategic Compass in 2022.

The initial decision for such strategic paper was taken at the June 2020 MoDs meeting, in order to *“enhance and guide the implementation of the Level of Ambition agreed in November 2016 in the context of the EU Global Strategy and could further contribute to develop the common European security and defence culture”* (Council Conclusions, 17/06/20). The Strategic Compass should *“define policy orientations and specific goals and objectives in four clusters: (1) crisis management, (2) resilience, (3) capability development, and (4) partnerships”* (EEAS Memo, 20/11/20). The Threat Analysis presented on 20 November is *“to provide an intelligence based “comprehensive, 360 degrees” independent analysis of the full range of threats and challenges the EU currently faces or might face in the near future”*.

What are the next steps?

- Early 2021: a strategic dialogue phase between Member States based on a broad Scoping Paper written by the EEAS (kind of ‘skeleton’ Strategic Compass), following feedback on the Threat Analysis.
- First semester 2021: thematic discussions under different formats on specific topics within the four clusters of the Compass. On top of Member States, the EU Institute for Security Studies (EUISS) and other think tanks would be invited to give input.
- second semester 2021: HR/VP Josep Borrell will prepare a more developed draft of the Strategic

Compass to be presented to Ministers for discussion and guidance.

- First semester 2022: adoption of the Strategic Compass by the Council during the French Presidency.

The EEAS Memo also mentions that *“throughout the whole process, the EEAS will work in close cooperation with the European Commission and the European Defence Agency.”* No mention is made of civil society organisations with expertise on peace-building and conflict prevention...

As it is a purely intergovernmental process, the EU Parliament is not formally involved. Its Security and Defence subcommittee (SEDE) already started discussing the issue, but its level of influence on the final outcome will be very limited.

It is no coincidence either that the process should end under the French Presidency of the EU:

The French President is pushing for an outline of common strategic culture that will fit, if not to say serve, French interests, taking advantage of a small window of opportunity with Brexit and before other EU countries enter the scene.

Illustrative of this French agenda, an online seminar was organised by the EUISS and the DGRIS (General Direction for Strategic and International relations of the French Ministry for the arms forces) on 18 December: *‘towards a Strategic Compass: where is the EU heading on security and defence’*.

But such French over-influence will not be easily accepted by all EU countries, and the way to such Strategic Compass might be full of surprises.

Related links:

[MoDs informal meeting: Remarks by HR/VP Josep Borrell at the press conference](#), EEAS, 20/11/20

[Official fact-sheet on PESCO](#), November 2020

[EU seals accord to let third countries into future joint military projects](#), Euractiv, 29/10/20 (updated 10/11/20)

[Turkey frets as industry applauds deal to access EU military projects](#), Euractiv, 11/11/20

[Official fact-sheet on CARD](#), November 2020

[Europe must seize opportunity for stronger defence cooperation, says EDA chief](#), Euractiv, 27/11/20

[Threat Analysis – a background for the Strategic Compass](#), and [link to the EEAS Memo](#), EEAS, 20/11/20

Political agreement on European Peace Facility: compromise on lethal equipments export

EU leaders reached a political agreement on the European Peace facility (EPF) at the European Summit of 18 December, after lengthy and difficult negotiations till the very last minute.

The 100-pages text now needs to be validated and translated by lawyers and linguists before being formally adopted. The EPF will have 3 main objectives.
(main source: [B2pro, Nicolas Gros-Verheyde, 18.12.2020](#))

➤ Replacing the African Peace Facility and the Athena Mechanism

First, the EPF will “supersede the existing African Peace Facility, the main instrument used by the EU to contribute to the financing of operations led by the African Union or African regional organisations. The EPF will now allow the EU to contribute to the financing of peace support operations led by partners anywhere in the world” (Council PR). In particular Latin America according to B2pro.

Second, the Facility “will replace the Athena mechanism, previously used to finance operational

common costs of individual EU military CSDP missions and operations (i.e. HQ, personnel transport, force protection costs etc.)”.

One issue of disagreement was the geographical scope of the Instrument, with France and South countries willing to maintain a focus on Africa while others calling for a worldwide scope, in particular Eastern Europe MS with the hope to earmark funds for their eastern neighbours (Ukraine or Georgia).

➤ providing (lethal) military equipments: compromise on “constructive abstention”

The third and new objective of the Facility is to provide “assistance measures, which may include the supply of military and defence related equipment, infrastructure or assistance, requested by third countries, regional or international organisations”. In other words funding the export of European weaponry and military equipments, including lethal ones.

This issue was largely debated among Member States, in particular non-aligned or neutral countries like Austria. However the debate mainly focused on the funding of such exports, not the principle: it seems there was a consensus among MS about ‘the necessity’ to provide military equipment, including lethal, and that if the EU did not do it, others like Russia or China would...

The compromise reached is based on “constructive abstention”:

a Member State can oppose in principle, but it does not vote against the decision to deliver lethal equipment to a given country. In exchange of its abstention, it does not have to participate in the funding of this export.

In fact this is mainly to avoid legal issues for countries whose law might prohibit such funding: the country

who abstains will still contribute the same amount, but his contribution will only be used for the delivery of non-lethal equipment. Still the same global funding will be available and countries with no legal barriers will just cover a larger share of the lethal equipment. Just enough to maintain appearances for the alleged ‘virtuous’ countries while maintaining the principle of ‘financial solidarity’, with a contribution based on the GDP key. (source: [B2pro, Nicolas Gros-Verheyde, 20.11.20](#))

Let’s be honest, it seems they still discussed somehow about principles:

those “assistance measures will be embedded in a clear and coherent political strategy and will be accompanied by thorough risk assessments and strong safeguards” says the Council PR. According to B2pro, a methodological framework has been developed, based on a strategy and conflict analysis, with supporting measures, reporting obligations and guarantees, all measures to be integrated in the Council decision.

Considering how poorly the EU Common Position is implemented by EU countries and the de facto volatile and unstable situations in which such ‘assistance’ will take place, this nice wording is largely insufficient to guarantee anything.

➤ funding and governance: no parliamentary scrutiny

The EPF will be “off-budget”, meaning it is funded by specific annual contributions from EU countries. Its total budget for 2021-2027 is €5 billion (from €10bn in initial proposal). Governance will be ad-hoc under the dual leadership of the EEAS and EU Member States.

Specificities of the Athena mechanism will be largely preserved for CSDP military missions and operations.

Because it is an intergovernmental initiative, the EPF will escape parliamentary scrutiny, and euro-deputies will have no say on how the money is used.

Related links:

[Council reaches a political agreement on the European Peace Facility](#), Council Press Release, 18.12.2020

Short News

➤ Arming EU border guards, a legal issue?

[B2pro revealed in September](#) that a Frontex report, dated August and not made public, underlined that *"the legal basis for the acquisition, registration and circulation of firearms is unresolved"*. The Frontex Regulation does not explicitly state that the agency may acquire them. A legal opinion has been requested by the European Commission in an attempt to resolve this vacuum. The Agency is working in parallel to define the technical requirements and associated specifications so that a procurement procedure can be launched as soon as a solution has been found. The technical specifications are "being finalised" for non-lethal equipment.

Following a [written question by MEP Özlem Demirel](#), the European Commission [confirmed on 19 November](#) that discussions are still on-going: *"The Agency is currently in the process of clarifying with the Commission the legal arrangements for the acquisition of weapons. Once the above-mentioned rules and procedures are finalised, the procurement procedure can be initiated."* As for *"the rules for the storage of weapons, ammunition and other equipment in secured facilities and their transportation to the operational areas"*, they are still *"being prepared"*.

➤ EU Defence and Climate Change Roadmap: the worrying EU narrative

On 9 November, the EU Council released the [EU Defence and Climate Change Roadmap](#): It was elaborated by the EU External service (EEAS) in cooperation with the Commission and the European Defence Agency, to propose *"EU actions addressing the links between Climate Change and Defence, including in the context of CSDP, contributing to the wider Climate-Security Nexus"*. It was [presented by Josep Borrell](#) during an online event organised by the EU Institute for Security Studies (EUISS and the EEAS). The EU narrative being developed is particularly worrying and can be sum up as 'preparing for climate-related wars'. [Just read by yourself, it is crystal clear...](#)

➤ Subjective list of interesting links (my own, not pretending to be exhaustive nor coherent ☺)

On Thursday 10 December, the Legal Affairs Committee of the EP adopted its Report on Artificial Intelligence for military purposes. Read the [Press release](#)

The Foreign Affairs Council adopted on 7 December its [conclusions on EU peace mediation](#)

Josep Borrell, the EU 'Foreign Minister', goes on the offensive on hard power and strategic autonomy:

We already mentioned his questionable approach on climate change and security. In his speech to the EU Ambassadors' conference on 13 November, he claimed that ["The EU needs to practice the language of power, not just speak it"](#). In his blog post dated 15 November following the Paris Peace Forum, [he managed not to say once the word 'peace' but insisted again on the EU needs for autonomy strategic thinking, thought and action](#) (that is military capabilities). On 3 December he wrote another [post about the concept of EU strategic autonomy](#), as an attempt to resolve the recurrent controversies between Member States. But is really the problem about defining the concept, or just that Member States give priority to national interests? As for what *"giving practical content to these words"* mean, well read his [statement during the EDA Annual meeting](#) on 4 December, in which he stated *"I am strongly convinced that the future of the European defence will start from the European defence industry."* Indeed it is much easier to agree on subsidies for the arms industry to develop and export more military capabilities. What will happen next does not seem to bother much.

[Europeans still more worried about climate change than pandemics, report finds](#), Euractiv, 9 September 2020

Wishing you a peaceful and healthy 2021
