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2021-2022 EU Calendar: main meetings to come

07 December  EDA Annual Meeting, 'Innovation in European Defence'
16-17 December  European Summit will address security and military issues
01 January 2022  French presidency of the EU
12-14 January  Informal Foreign Affairs and Defence Ministers meetings (Gymnich), Brest (tbc)
17-18 February  International Summit on Space, Toulouse
  21 March  Jumbo Council (MFAs and MoDs)
24-25 March  European Summit
  17 May  EU Foreign Affairs Council, Defence Format
23-24 June  European Summit

Access the previous Newsletters here

EU Defence Fund updates: state-of-play and Industry-focused experts

The first calls for proposals under the multi-billion EU Defence Fund was launched on September 9, and arms companies have until December 9 to submit their project proposals. Some stakeholders complaint about the time-frame being too tight, in particular as a key reference document was missing till... November 15, the Grant Model Agreement. DG DEFIS may well be overwhelmed by the amount of work to run in parallel the EDIDP projects and the fully-fledged EDF from political conception to project management, despite a serious staff increase in previous months. Further delays are to be expected and some experts fear a bottleneck situation in the long run.

The challenge for the Commission is to prove that it is capable to manage such large programme, otherwise it risks losing its credibility and part of the responsibilities (and related budget) to an Executive Agency (the EDA for example...). Which is in fact the most common practice for EU research projects...

Another possible side-effect is the continuous postponement of the Roadmap on security and defence technologies, which was to be presented by the French Commissioner Thierry Breton in October, and then in November, and is now finally postponed until next year under the French Presidency. No
explanation was given and this may be due not only to DG DEFIs (lack of) capacities, but also the willingness to leave the work and credit to the coming French presidency which considers it a priority. The main objective of the document is to map the critical technologies (like artificial intelligence, semiconductors, cyber...) available in and needed by Member States, in order to identify where to invest as a priority. Once again it feels like the EU is putting the cart before the horse...

➢ **DG DEFIS’ experts group and call for independent experts**

DG DEFIS has set-up an Expert Group tasked with "Assist[ing] the Commission in relation to the implementation of existing Union legislation, programmes and policies", including implementation of the EDF.

This ‘Experts Group on Policies & Programmes relevant to EU Space, Defence and Aeronautics Industry’ (SDA) is made up of 61 organisations, mainly arms companies and private research groups as well as trade and professional associations. It has 2 subgroups, one focusing specifically on Defence, and the second on Critical Technologies and Supply Chains.

To date the full group and the 2 sub-groups held one meeting each *(a more in-depth analysis of the composition and of the first meetings will come in the next Newsletter)*.

In parallel, DG DEFIS opened a call for independent experts to assist it in the evaluation of EDF project proposals, including their ethics assessment. However the requirements to apply give little hope about the ‘independence’ of ethics assessments: “The Commission is looking for experts with a high level of expertise and professional experience in a military context regarding the research and development of defence products and technologies or management of defence capabilities development projects/programmes in a national, European and/or NATO context”. This largely excludes academicians and experts on International Humanitarian Law and the Geneva Conventions that are free from engagements with the arms industry or the military bodies, and therefore able to be truly critical about possible ethical breaches. Interesting to note also that while the 2 first main areas of expertise (thematic categories of actions and non-thematic categories of action) are further detailed with subcategories, the 3rd topic ‘ethical and financial assessment’ (emphasis added, singular in the text) is not subdivided. This is quite illustrative of the importance given to the ethics assessment by the Commission...

➢ **EP draft report of Special Committee on AI calls for limited restrictions on military applications**

The EP has set-up a one year-long special Committee on artificial intelligence (AIDA). A draft report was presented by German MEP Axel Voss (CDU/EPP) on November 9, and will now go through amendments for a Committee adoption in March and a final plenary vote in May 2022. The general tone of the draft Report is pretty worrying: even though it calls for a meaningful human control in or on the loop for lethal autonomous weapons and raises some general concerns (see p.13-14), many provisions are in fact calling for greater use of AI in the military and security domains with limited restrictions (see section3.g. and conclusions from p32). For example, the Rapporteur “highlights the importance of the European Defence Fund to support cross-border cooperation between EU countries in military AI research, to develop state-of-the-art defence technologies”, and “Notes that the exclusive military and national security use of AI should be exempted from the civilian AI legislation since overregulation in the field of security and defence could pre-emptively restrict and limit our capacity to innovate and deploy AI technologies, especially when our adversaries are not constrained”. Enemies being mainly China and Russia.

➢ **Facilitated access to EU funding: EDA portal and EIB’s “excessive” transparency**

The EDA has updated its portal [Identifunding](#) an "online platform that enables defence-related stakeholders (...) to easily and swiftly check if their defence-related projects and activities are eligible for existing EU funding schemes". It was updated to include opportunities under the new long-term budget
It encompasses 25 funding windows potentially accessible to defence actors including programmes under the EU Green Deal, the Recovery and Resilience Facility, Regional Social and Cohesion Funds, or loans from the EIB or the Public Sector Facility.

As for the EIB is concerned, a third of the 2017 €6 billion envelop set aside for investments in defence-related activities was not used. According to B2pro sources, this is due to 3 reasons: these are loans and not subsidies, governments had not considered this kind of funding sources in their allocated budgets, and the level of transparency of the EIB is problematic for the defence sector. The signature of a Cooperation agreement between the EDA and the European Investment Bank in February 2018 was largely publicised, followed by a Financial Mechanism Arrangement in December 2019. This planned cooperation had no concrete outcome yet, as 5 countries (Germany, France, Italy, Belgium and the Netherlands) have not yet authorized the funding mechanism.

Links to relevant documents
- Call for independent experts to assist the EC in the evaluations of EDF proposals
- Commission expert group on Policies & Programmes relevant to EU Space, Defence and Aeronautics Industry (SDA)
- EU portal ‘funding and tenders’, EDF calls
- EDA press release and online platform

Outcomes of the EU Defence Council meeting (15-16/11/21): strategic Compass, PESCO, US-EDA agreement, military mobility

On 15 and 16 December EU Ministers of Defence (MoDs) met, partly in Jumbo format (with their Foreign Affairs colleagues, MFAs). Main outcomes of interest for us were:

- The first draft Strategic Compass: change-gamer or Christmas tree?

A first draft Strategic Compass was presented to MoDs and MFAs, a rather long document (27 pages for now, not as “short and straightforward” as announced). The brief overview below is mainly based on B2pro and Euractiv papers.

The draft covers four areas: crisis management, security (or resilience), capacity building and partnerships. There are still significant divergences on some issues, in particular on the most political or the most concrete ones.

The threat assessment is the most consensual part. It identifies 3 types of threats (regional, cross-cutting and threats to the EU and includes a perspective analysis over five-ten years. It should be reviewed every five years, unless needed before. Not surprisingly, Russia and China are considered the main threats, and then neighbouring conflicts (Syria, Libya), or Turkey. Identified cross-cutting threats include terrorism (internal or exported), the use of chemical, bacteriological or nuclear weapons, disinformation, political or industrial espionage, energy security, but also militarised extreme right or extreme left with anarchist tendencies, attempts at internal destabilisation or splits, social networks or the use of migrants as a destabilisation factor, etc.

One of the more controversial blueprint proposals is the creation of a joint military intervention force, dubbed EU Rapid Deployment Capacity, that will “allow to swiftly deploy a modular force of up to 5,000 troops, including land, air and maritime components”. It should be built upon the current EU Battle-groups, and full operational capability is planned for 2025. The force is meant to “respond to imminent threats or quickly react to a crisis situation, for example, a rescue and evacuation mission or a stabilisation operation in a hostile environment”. The capacity of the force will be based on ‘operational scenarios’, but the text leaves open who will define them. There are still several potentially blocking points to negotiate, in particular their financing and the decision-making process for their deployment.
Also still under discussion is the notion of strategic autonomy (this wording seems to appear only once in the text), with no common definition shared by all countries, hence impacting different aspects of the text, starting with partnerships and the relationship with NATO in particular. The EU reiterates its readiness to sign a Security and Defence agreement with the UK.

Hybrid threats are also addressed, with the proposal that the various existing instruments, both internal and external, to face hybrid threats should be strengthened and better integrated. Yet there is still no very practical and common definition of what a hybrid attack is.

At the capability level, the document mentions above all the need to remedy the most important capability shortcomings, to avoid fragmentation, to consolidate the industrial base, etc. The ambition is also to improve the legislation on the control of foreign investments. The creation of an innovation hub at the European Defence Agency (EDA) is on the agenda for 2022, somehow replicating the Diana project (Defence innovation accelerator) at NATO level, part of the new NATO Innovation Fund (itself a kind of duplicate of the EDF...).

Negotiations on the draft Compass will now start in the EU working groups (in particular the Politico-military Group and between EU ambassadors). The Conclusions of the December European Summit should refer to the Compass, and a revised draft should be presented in January to the informal meeting of MoDs. Final adoption is still planned in March under the French Presidency, either by MoDs and MFAs, or at the EU Summit. According to observers, the risk is high that it will (even more) resemble a Christmas tree to please everyone, with a lot of phraseology and less concrete proposals.

➢ 4th round of PESCO projects

14 new projects were selected under the PESCO framework, leading to a total of 60 projects. According to B2pro, “this result is opposite to the initial objective, which was to have a few flagship projects demonstrating to the general public the rise in power of the Permanent Structured Cooperation”. The analysis further drives the point home: “While some projects are quite specific, others are much broader. There is a clear motivation behind: to benefit from the 10% bonus for PESCO projects competing in calls for proposals under the European Defence Fund.” As for participating countries, France is the main winner, being part of 12 projects out of the last 14, and leading 4 of them (almost a third) including key ones like ‘Air Power’. In total France is part of 42 projects out of 60 and leads a fourth (14 projects). More generally the 4 countries behind PESCO (France, Germany, Spain and Italy) consolidate their domination in this new round. They lead 10 out of the 14 new projects, and all of them include one or more members of the quartet. (source: B2pro).

➢ EDA Steering board: negotiations for US-EDA cooperation agreement, military mobility

EU MoDs also met as Steering Board of the European Defence Agency. On top of adopting its annual budget (€38 million in 2022, a small increase of €1.5 million compared with previous significant increase), two other issues are of particular interest:

Ministers formally agreed the opening of negotiations for an administrative arrangement with the US, to define “the modalities and conditions for a closer and mutually beneficial cooperation”. The EDA has similar agreements already with Norway, Switzerland, Serbia and Ukraine, as well as with OCCAR and the European Space Agency. France lifted up its veto to such negotiations after the meeting between Joe Biden and Emmanuel Madron, when the two leaders issued a joint declaration where Biden expressed his support to the development of European military capabilities, in exchange of this opening. Other important elements of this declaration refer to arms exports, as the two leaders intend to “launch a strategic dialogue on military trade in order to promote a common approach to market access and military export issues. In this context, the two governments will identify measures to improve the efficiency and effectiveness of military export licensing.”

EU Ministers also signed two 'Technical Arrangements on Cross-Border Movement Permission' under the
military mobility project. The arrangements focus on providing permission for air and surface movements, including the transport of dangerous goods with simplified and standardised processes. They involve EU Member States and Norway.

➢ **Coordinated Maritimes Presences: Indo-Pacific, Eastern Mediterranean or Black Sea?**

Defence Ministers were also briefed on how a new maritime area of interest could be "established" in the Indo-Pacific region early next year. According to B2pro information however, there was little discussion among ministers. It had previously been approved in other fora. It should be formalised at the beginning of the year. Several countries would prefer Europe to focus on closer areas, Greece and Cyprus in particular. "The Eastern Mediterranean, as an Area of Maritime Interest (AMI), located in the immediate vicinity of the EU, where major interests of Member States are at stake and where there are challenges and threats to security and stability, should be a strategic priority for the EU" pledged Greek Defence Minister Nikolaos Panagiotopoulos. Others wanted to see the Black Sea identified as an area of maritime interest. No concrete decision was taken.

**Links to relevant documents:**
- 'EU leaders caught in either-or argument over European defence strategy', Euractiv, 06/10/2021
- 'LEAK: What the EU's future military strategy could look like', Euractiv, 10/11/2021
- 'EU defence ministers welcome bloc's military blueprint but hesitations remain', Euractiv, 17/11/2021
- 'EU defence cooperation: Council launches the 4th wave of new PESCO projects', EU Council Press Release, 16/11/2021
- 'EDA Steering Board discusses defence innovation', EDA, 16/11/2021
- 'Foreign Affairs Council (Defence): Remarks by HR/VP Josep Borrell at the press conference', EEAS, 16/11/2021

**Short News**

➢ **5 countries to receive “military assistance” (weapons) through the Peace Facility**

The decision for Mozambique was taken in relation with the EU training Mission which started on November 3rd (read more on Euractiv). A first €40 million envelope will be used to provide 5 types of equipment (all non lethal) like soldiers equipment, collective equipment, vehicles or technical equipment (radios etc.). A similar amount should be allocated at a later stage.

Conditions were set in the Decision, like compliance with human rights and international humanitarian law, correct and effective use for "the purpose for which it was provided", proper maintenance of the equipment throughout its life cycle, and no abandonment or disposal "without the consent of the Facility Committee". Checks are foreseen upon delivery of the equipment and thereafter, in particular delivery certificates at the time of transfer of ownership, annual inventory reports and on-site monitoring upon request.

Three decisions are also under way to provide the armed forces of Georgia, Moldova and Ukraine with various non-lethal equipment. According to B2 pro information, this equipment would aim at the logistics component, improving the mobility of the armies, engineering units and medical support. They could be approved this week.

The last pending decision is for the Mali armed forces (FAMA), to complement the training provided by the military mission EUTM Mali. In particular renovate the training infrastructure (military academy) and provide three EU-trained companies with non-lethal equipment. It could be approved this week by the MFAs.

**Council Decision (CFSP) 2021/2032 of 19 November 2021 on an assistance measure under the European Peace Facility to support military units trained by the EU Training Mission in Mozambique**
EC Work 2022 programme “Making Europe stronger together”

the European Commission adopted its work programme for 2022 with 10 initiatives relating to security and defence, claiming that it “seek[s] to accelerate work on a genuine European Defence Union”. On top of on-going programmes like the Defence Fund, the EC “will prepare a defence package which will include a roadmap on security and defence technologies for boosting research, technology development and innovation and reducing the EU’s strategic dependencies in critical technologies and value chains in the security and defence sectors.”

New initiatives relating to defence are:
- the Roadmap on security and defence technologies, a non-legislative text, to come first quarter 2022
- A new EU-NATO Joint Declaration
- Building an EU space-based global secure communication system (legislative process, 2nd quarter 022)
- EU strategy for space traffic management (non-legislative text, 2nd quarter 2022)

Other initiatives deal with international issues, like International ocean governance, Partnership with the Gulf, or a ‘New strategy on international energy engagement’ (non-legislative text, 1st quarter 2022). Also under security fits cyber-resilience or the commitment “to reach swift agreement on the remaining legislative proposals under the New Pact for Migration and Asylum.”

Access the EC Press release (19/10/2021), Work Programmes and Annexes

EU Summit on Space (and a bit on Defence), February 2022 in France (Toulouse)

In her State of the Union speech on 15 September 2021, Ursula von Der Leyen had announced that she would chair with Emmanuel Macron a European Defence Summit in February 2022 under the French Presidency. This has sparked a “Brussels' bubble” controversy as no other EU leader was aware of such plan, quite inappropriate when an official Summit on Defence was already planned in March...

After a lot of confusion and different rumours, this phantom summit will now be mainly dedicated to Space and only a bit to Defence. “The summit is set to boost Europe's ambition in space for the next decade by announcing new flagship space programmes in addition to Copernicus and Galileo”, according to EUObserver. It should happen in Toulouse, where the main French aeronautics industry has headquarters.

Most of the EU French Presidency major events should anyway happen before March 10, when the official electoral campaign will start and keep French politics busy till 19 June.

Subjective list of interesting links

- FAC Council Conclusions on the 10th Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons (NPT) Access the Press release and full Conclusions
- "Next generation" armed drone with police potential tipped for EU financial backing. Statewatch, 04/10/21