

News from the Brussels' Bubble

#2026-4, 10 July 2026

AGENDA

Unless indicated otherwise, EU official meetings take place in Brussels

31/08-01/09/26	Informal meeting of Defence Ministers (Wicklow, IRL)
9-11/09/26	Working party on the Defence Industry Away-Days (Dublin, IRL)
28/09/26	Foreign Affairs Council, Defence
15/10/26	European Council
29/10/26	6th European Defence and Security Conference
1-3/11/26	EU disarmament & Non-Proliferation Directors meeting (Kildare, IRL)
4-8/11/26	Interparliamentary Conference for CFSP and CSDP (Kildare, IRL)
17/11/26	Foreign Affairs Council, Defence
27/11/26	Conference on Defence Industry (Dublin, IRL)
17/12/26	European Council

News from ENAAAT & members

All you want to know about EU budgets

The Transnational Institute and ENAAAT have published two factsheets containing the key information you need in order to understand current EU spending on armaments, as well as the proposals for the next EU budget cycle, which will run from 2028 to 2034. In the framework of this project, an [open letter signed by 58 organisations and movements](#) representing +850 CSOs was sent to EU decision-makers.

[Factsheet 1 | EU Military Spending until 2027. From 'Peace Project' to Arms Investor](#)

[Factsheet 2 | Military and related spending in the MFF 2028–34 proposal](#)

EU support for the arms industry

- **The never ending funding for the arms industry**

First call for proposals and large-scale projects under EDIP

On 5 July, the European Commission selected as European Defence Projects of Common Interest (EDPCIs) five of the eight projects presented by Member States, to be funded with a €325 millions envelope coming from the new programme EDIP ([European Defence Industry Programme](#)). "The industrial projects focus on five priority areas: drones and counter-drone systems; maritime and seabed defence; space; air and missile defence; as well as strengthening security along the EU's Eastern Flank" says the [EC press release](#). The selection requires final approval by the EU Council.

A second component of EDIP is about supporting Industrial Reinforcement Actions (IRA) for EU, Norwegian and Ukrainian military industrial actors; [€700 millions will be granted to the industry through calls for](#)

[proposals](#), the first of which closed mid-June with an envelope of €166.4 million focusing on energetic components. Next calls will come in October 2026 and February 2027.

The European Economic Area (EEA) formally agreed on 10 July to give access to EDIP for Iceland, Liechtenstein and Norway. Norway “previously said it would pay around €29 million from its military budget to have access to the (...) EDIP programme”, now only pending upon Norwegian Parliament’s approval planned for this autumn, [reports Euractiv](#).

The third component of EDIP will dedicate €240 million to support joint procurement by Member States and Norway, and calls for proposals will be published in October 2026 and February 2026

Second SAFE round to come with ‘leftovers’, IRL considers joining, multilateral defence bank

As of 4 July, 10 countries out of 18 have signed their loan agreement with the EC under the Security Action For Europe (see [here](#) list of countries and amounts), and [Ireland is considering joining the second round](#). Indeed recently “the Commission said unallocated SAFE funds could go as high as €18 billion, which could be recommitted through a new round of calls before the end of the year” reports Euractiv. Leftovers are due to [countries requesting less than initially planned](#) or facing [internal divisions like in Italy](#).

On 15 June, the EU Council formally agreed to the participation of Canada, with a contribution to the SAFE pot amounting to €75 million, [reports B2pro](#).

According to the deputy director-general of DG DEFIs, to date 60% of the current SAFE deals will be used for joint procurement and 40% for national deals, and he is hoping that this trend will continue in order to reach an 80/20 proportion by end of 2027, further [reports B2pro](#).

A [new multilateral defence bank](#), led by Canada and Luxembourg and to be hosted in Canada, will “support countries seeking to pursue defence procurement independently rather than through joint EU schemes” as well as SMEs, and will offer greater flexibility than SAFE to companies and “countries with strained public finances” such as Italy or Greece, [reports Euractiv](#). Seven other NATO European countries joined the initiative (Albania, Belgium, Greece, Latvia, Romania, Turkey and Ukraine), which is different from the initiative [presented in March by the UK, Finland and the Netherlands](#).

AGILE... and fast

[According to B2pro](#), there might be only two negotiation meetings to reach a final deal between the EP and the Member states about the AGILE scheme, on 10 and 15 July. The Programme for Agile and Rapid Defence Innovation (AGILE) was presented by the EC on 25 March [“to bring disruptive defence technology from the lab to the field at record speed”](#), with a €115 million envelope taken from existing programmes (see [NBB 2026-2](#)).

[Member States had reached their initial position on June 3rd](#), while the EP [adopted his at committee level on 25 June](#), with a large majority of the SEDE and ITRE committees from the ECR to the Greens, [reports B2pro](#). The first vote at plenary level was skipped in order to immediately start negotiations with the Council, as usual now for military-related proposals; the final plenary vote on the final deal could happen [as early as September](#).

Next MFF: Cypriot “no-go box” not challenging fivefold increase for military & space

While the EP adopted their position on the next MFF end of April, calling for increasing further the military & space envelope under the European Competitiveness Fund (ECF, see [NBB-2026-3](#)), [Member States continue to hold significantly divergent views](#), and the ‘nego-box’ presented by the Cypriot EU Presidency ahead of the June Council was swiftly rejected as unsatisfactory, particularly by the so-called ‘frugal’ states, which would like to see the EU’s overall budget – and therefore their own contributions – reduced. The Cypriot proposal provided for a slight reduction in the budget allocated to military and space expenditure under the ECF (€125bn instead of €130bn), which shows that there is a broad consensus in favour of a significant increase in EU military spending. The Irish Presidency, which begins on 1 July, has been tasked with preparing a new ‘negotiating package’ ahead of the October European Council. To add on, [“the Commission’s next budget battle is no longer just about how money is spent — but who controls it.”](#)

Austerity budget for 2027, except for defence

On 10 of June, the EC presented the annual budget for 2027, which considering inflation is de facto being reduced in many areas except for defence (+13% compared to 2026) and migration, [reports B2pro](#). The EP and member states are expected to quickly adopt their respective positions in order to enter inter-institutional negotiations mid-July and reach a final deal by mid-November.

● Deregulation for the arms industry

On June 10, the EP rapporteurs and the Cyprus presidency finally [reached a deal on the last of the three main texts of the deregulation package on defence](#) (see [NBB 2025-4](#)), the one on "simplifying" intra-EU arms transfers. Member States rejected most of the proposals from the initial proposal as well as the EP amendments, but accepted two new mandatory General Transfers Licences, one for arms exports between certified companies, and one for transfers in the framework of an intra-EU industrial partnership. If [our worst concerns](#), for once [echoed in the press](#), have been discarded, this new move reflects in any case a trend towards facilitating arms transfers, including exports outside the EU; and the Member States' resistance was probably (far) more driven by considerations of national sovereignty than by a genuine concern to comply with international law.

Compromises on the two other texts had been reached on 19 May: according to [media reports](#) (as the final consolidated version of the deals is not yet publicly available), the 'Defence readiness text' includes "a partial rollback of environmental and chemical regulation for the defence industry, as well as easier access for small enterprises to EU defence funding" including for "projects developed jointly with Ukraine", and allows the Defence Fund (EDF) "to cover the costs of testing in Ukraine", but also possibly anywhere in the world, which could include Gaza and the Middle-East more broadly (a "detail" hardly reported on by the media that will need confirmation once the consolidated texts are available). Still [according to Euractiv](#), "the most controversial aspect of the file was a proposal to open intellectual property rights for EDF-funded projects to all participating countries", which can include non-EU countries/companies even if they don't get direct funding from the project; the final compromise being that they could "have general access rights but not(...) transfer ownership."

The second major topic was about speeding up permit-granting processes for defence-related projects and possible automatic approval: the final compromise sets the standard duration of the procedure at 60 days, but it may be extended to a maximum of 102 working days (or five months, equivalent to the Council's position) [reports B2pro](#). As for the principle of tacit approval at the end of this period, "opt-out is strictly limited to legally verifiable reasons such as a grave risk to human health and national security. Broader grounds, as suggested by the EU countries, such as environmental protection, worker safety or public health have been rejected, although health risks from environmental effects can be considered", [reports Euractiv](#).

The compromise package was approved by a large majority in the different parliamentary committees involved at the end of June, and will have to pass the plenary vote in September, [reports B2pro](#), as well as formal approval by the Council. The consolidated texts of the deals are not yet public.

● News briefs

'Haute couture' versus good-enough weaponry, more funding for production phase

While the Commissioner for the arms industry Kubilius is urging European arms makers "to drop 'haute couture' systems and focus instead on 'good enough' equipment to step up production" ([Euractiv](#)), the Executive Vice President for International Development at KNDS warned that "Europe's drive to mass-produce weapons should not come at the expense of advanced military capabilities, arguing that only soldiers on the battlefield can determine what is "good enough" ([Euractiv](#)). In parallel, Patria CEO argued that "Europe's defence industry must now secure the financing needed to move from development programmes to mass production." ([Euractiv](#))

Netflix-style subscription model for European defence?

"As Brussels pushes EU countries towards their 2030 defence readiness goals, attention is beginning to shift from simple procurement to how Europe's defence industry can remain ready after today's spending surge slows (...) For some, a so-called subscription model would fit the bill (...): instead of striking long-term contracts with deliveries scheduled over many years, governments would receive arms deliveries on a monthly or yearly subscription basis regardless of the need for arms deliveries or the current geopolitical climate." ([Euractiv](#))

EU opens innovation fund to defence companies

"The European Innovation Council (EIC) is now able to invest directly in defence companies, marking a significant shift in the EU's innovation policy as Brussels seeks to strengthen Europe's security and technological sovereignty." ([Euractiv](#))

Other aspects of European militarisation

● New security strategy postponed to September, art.42.7 & Defence Union

“The new “European security strategy” will “probably be presented in September”, rather than in July as originally planned” [reports B2pro](#) quoting Charles Fries, the EEAS Deputy Secretary-General for Peace, Security and Defence. It should be followed by an implementation roadmap, “a more operational document to be negotiated by the Member States.” Member States have been discussing the issue and EEAS first outline at diplomatic and ministerial level in May and June. “The Commission and the EEAS have pushed for a broad 360-degree understanding of security – ranging as far as energy, supply chains, and democracy” [informs Euractiv](#), while “Countries close to Russia raise the Eastern flank as priority in the future EU security strategy.” ([Euractiv](#))

Early May, “EU ambassadors took part in a not-terribly-exciting tabletop exercise aimed at testing the scope and applicability of Article 42.7, the EU’s mutual assistance clause – their first such meeting since 2022”, [reports Euractiv](#), an issue “the Greek government attaches particular importance (...), also in view of its assumption of the presidency of the EU in the second half of 2027,” ([Euractiv](#))

EU arms industry Commissioner Andrius Kubilius suggested “the European Group of Five – the UK, France, Germany, Italy, and Poland [could be] taking the lead on drafting the framework for a new European Defence Union” [according to Euractiv](#), interestingly including the UK despite Brexit. In parallel, a cross-party group of 30 MEPs [published an Op-Ed on 14 May](#) calling for an EU Defence Union. “The MEPs described their effort in a press conference as a way to reinforce the defence agenda promoted by Defence Commissioner Andrius Kubilius, who they say is “moving in the right direction”, while member states “remain the main obstacle” to faster decision-making on defence files”, [reports Euractiv](#). “The group includes MEPS from EPP, Renew, S&D, and Greens, and currently has a strong Franco-Dutch-German core, alongside several lawmakers from Eastern Europe. No MEPs from Italy, Spain or Greece appear among the signatories, although van Lanschot said the coalition is working to bring Mediterranean voices on board.”

● Institutional rivalries: VDL centralisation versus EDA strengthening

On 12 & 13 June, EU Defence ministers met under the Foreign Affairs Council format. On top of specific geopolitical discussions and EPF assistance measures (see below), the discussion on ‘defence readiness’ “was preceded by a short presentation by the President of the Aerospace, Security and Defence Industries Association of Europe (ASD), Micael Johansson”, [says the press release](#). In the margins of the second day took place the EDA steering board meeting, during which MODs agreed the roadmap proposed by the defence agency to strengthen the “EDA over the next three years and specifically endorsed the first step. The proposal is structured around five mutually reinforcing lines of action” says the [EDA press release](#). The first phase is expected to start mid-2026 and will focus on research and innovation as well as on and its acquisition-related capacities.

But this does not discourage the EC president Ursula von der Leyen to continue trying to expand and centralize the EC’s, and even more her personal role, in defence related matters beyond the “input on industry, trade and economic security” [reports Politico](#), such as the new EU security strategy, shrinking the footprint of EEAS and even sidelining Commissioner Kubilius.

● Ukraine loan pays for drones and may include UK, EPF reimbursements

After Member States agreed the terms and conditions for the €90 billion Ukraine loan in May ([Politico](#)), “the EU on Tuesday [30/06] disbursed €3.9 billion for drones”, the first instalment allocated to defence” [reports Euractiv](#). This is the first tranche of the €6 billion to be used for drones, with +200 contracts amounting to €5 billion being currently assessed by the EC.

“The EU and UK announced on Monday [04/05] that they are entering negotiations for London to join the bloc’s €90 billion loan for Ukraine, months after similar talks over Britain’s participation in the EU’s defence loan scheme ended in failure.” provided that London “commit to providing a fair and proportionate financial contribution”, [reports Euractiv](#).

As for the Ukraine Assistance Fund under the Peace Facility, the €6.6 billion “are now available following the lifting of the veto by the new Hungarian government on 1 June” [reminds B2pro](#), the use of which has been part of the discussions of the informal EU defence meeting on June 8. Indeed, “this sum falls far short of covering the outstanding repayments for bilateral military aid to Ukraine, which amount to more than €40 billion. To reimburse Member States for 43 per cent of the aid provided, as originally planned, what would be needed is not €6.6 billion but around €18 billion.” further explains B2pro. The EEAS chair Kaja Kallas suggested that “just over two-thirds (€4.7 billion) would be allocated to reimbursements and just under a third to supporting the operations of the mission to assist and train Ukrainian military personnel (€900 million) and to new arms acquisitions (€1 billion)”, but the “compromise is still uncertain” with many EU countries still wishing to benefit from the reimbursement and yet not agreeing about which expenditure to consider, from when and to what level.

● News briefs

EPF & assistance measures, France and Total in Mozambique

In May and June, EU member States have adopted no less than six military assistance measures under the Peace Facility, for [Senegal](#), [Bosnia-Herzegovina](#), [Albania](#), [Lebanon](#), [Egypt](#) and [Togo](#). The two last ones being particularly problematic considering their very poor human rights record; in Egypt, logistics and communications equipment for the air force will be delivered by the French company DCI, [reports B2pro](#), showing a continuity of complicity despite [Disclose investigation about French contribution to extra-judicial killings](#). Moreover, “France and fossil fuel giant Total seek to keep Rwandan troops in Mozambique as EU pulls funding” [reports EUobserver](#).

EU27 MILEX to reach €454 billion in 2026, still not enough for the EC

“Defence spending across the EU rose 20% year-on-year in 2025 to reach €418 billion, the European Defence Agency (EDA) said on Thursday [02/07], [reports Euractiv](#). “According to the EDA, the steep rise can be partially attributed to the activation by 18 member states of the national escape clause to finance defence projects and SAFE loans (...); 68% went to the European defence industry.” The EDA anticipates that military spending in 2026 “will total €454 billion in 2026, [i.e.] 2.4% of the EU’s GDP.” Yet this is still not enough according to Economy Commissioner Valdis Dombrovskis, as it “remains far below the €650 billion increase projected by the European Commission”, [reports Euractiv](#).

Trilogue to start on “military Schengen”

The first trilogue about the draft Regulation on military mobility will take place on 16 July [reports B2pro](#), after the EP and the Member States and the EP adopted their positions [17 June](#) and [24 June](#) respectively. “The European Parliament is determined to make a ‘military Schengen’ an operational reality” ([B2pro](#)) whilst the Member States, keen to protect their prerogatives, want to retain control ([B2pro](#)).

US arms deliveries delayed, production in Europe

“European countries that have ordered military equipment through the US Foreign Military Sales (FMS) system are seemingly waking up to the fact that Washington can delay and reprioritise deliveries at short notice”, [reports Euractiv](#). “On the other hand, US President Donald Trump has expressed openness to US weapons being manufactured under license by European companies”, [according to Table.Briefings](#). Germany for example “is hoping to expand defence industry ties with the United States and produce more US-designed weaponry at factories in the country.” ([Euractiv](#))

Former Defense Minister appointed EEAS secretary general

The current EU special representative for human rights, Kaja Ollongren, has been appointed new Secretary general of the European External Action Service (EEAS), the EU’s foreign policy wing. But she also the Former Dutch Defense Minister ([Politico](#))

Europe boosting Israel’s arms exports

“At \$19.2 billion – a 30% increase between 2024 and 2025 – Israeli defence exports reached a new record in 2025, according to a statement from the Ministry of Defence on Tuesday (2 June). (...) Europe (36%) and the Asia-Pacific region (32%) are the leading export markets.” ([B2pro](#))

LINKS

[EU promises overhauls for Europol in June and Frontex in September](#), EUobserver, 06/05/26

[Europe ramps up Indo-Pacific presence, but poor coordination undermines impact | Euractiv](#), 06/05/26

[Listen: Why the EU army is no longer a taboo?](#), EUobserver podcast, 13/05/26

[The growth of dual-use by design research in Europe: Export control risks and challenges](#), SIPRI, 21/05/26

[LIVEX26: EU carries out fourth live military exercise to test the EU Rapid Deployment Capacity](#), EEAS,

03/06/26

[Corporate lobbying in EU hits record €382m amid deregulation wave, new research finds](#), CEO, 11/06/26

[Vatican accuses EU of double standards on war – POLITICO](#), 28/06/26