



Fact-sheet n°3:

Why the Preparatory Action on Defence Research is a blank cheque to the profit of national arms industry, not of EU interests

In our fact-sheets 1 and 2 we explained that the political conditions are not met for the PA to contribute to European defence, and that this new funding will instead be a form of subsidy to the arms industry and a waste of public money. This proposal does not come out of the blue, but is a result of a discreet and continuous lobbying.

1. The decision-making process is under strong influence of few interested Member States and arms industry, while transparency and balance of interests are not respected

- The main interlocutors of EU institutions on the Preparatory Action (PA) have been industry and application-oriented research groups (which will in the end benefit from the funding), together with representatives of Member States interested in this funding for their national companies;
- the *Group of Personalities on the Preparatory Action for CSDP-related research* (GoP), mainly made-up of defence industry and application-oriented research groups (9 out of 16) met 12 times between March 2015 and January 2016 in order to produce detailed recommendations on the PA and future European Defence Research Programme;
- by June 2016 this GoP was still not registered in the EC Register of Expert Groups despite meeting all criteria, and our letter to Commissioner Bieńkowska raising this problem remains unanswered since May 2016;
- the EP paid 2 'independent experts' to conduct a [study on the future of European Defence Research](#); in fact they professionally relate closely to those who would benefit from the PA: Dr K. Thoma in particular, presented as retired, was in parallel active in the GoP as sherpa of the Chair of the *Frauenhofer-Gesellschaft* (German research group);
- no similar space is given to critical voices from civil society and peace organisations at any level;
- the GoP has been converted into a 'European Defence Advisory Board' (EDAB) which should "have direct access to the highest level of the EU institutions" ([GoP report](#) p.27); no further information is given as the EC Register of experts group is undergoing a convenient revision till December, and in the meantime the EP is left aside;
- the EDA as executive agency remains an intergovernmental body under control of Member States (see fact-sheet 1) and with a "broad access granted to industry" according to the [EP study](#) (p.18);
- thus it seems that the EC, the industry and some member states consider this PA and future EDRP as a done deal, long before the end of the budgetary procedure and the co-decision vote of the EP.

2. As a result, the current proposals about grant modalities & conditions are extremely favourable to the industry

- The budget proposal does not include details on how the money will be spent; discussions with the industry and interested Member States are being held behind closed doors, and the EP will have no say on these elements, which are key for the outcomes of the Action, in particular regarding its claimed EU added-value;
- under the current proposals, the arms industry would benefit from the most favourable financial conditions ever granted under EU grants, including compared to security research, while the alleged positive economic impact is not proven (see fact-sheet 4);
- research projects under the PA should provide full 100% coverage of eligible direct costs, while normally EU Framework Programmes for civil applications propose co-financing around 80% in average; moreover, reserve funds for additional costs are even higher than the (already extremely high) 25% of eligible costs usually seen in civil research;
- the GoP report also calls for a special Intellectual Property Rights (IPR) regime much more favourable to the industry than in other research projects (including security research), thus mainly preserving industry interests rather than long-term needs of the EU (p.72-74 of the GoP report);
- the proposed governance model is rather vague and favours the role of the industry and national interests, to the detriment of the EC and the EEAS, in the Advisory Group and in the Programme Committee; how in such situation could the EU general interest be preserved and "EU integration encouraged"?

To conclude, there was a clear unbalanced representation of interests on this issue, and a lack of respect of EU transparency rules shedding doubts on the independence of EU decisions in this field.

Critical voices from civil society and peace organisations are hardly listened to and their means to inform MEPs and EU officials are disproportionately lower than those of national governments and industry.

The European Parliament is merely asked to vote a blank cheque to the profit of some national arms companies and research groups, with no further control nor any guarantee of positive impacts on peace or on growth and jobs (see fact-sheet 4).