
News from the Brussels' Bubble

#2022-4, 30 September 2022

● AGENDA

- **06-07/10:** [Informal EU Summit and of European Political Community meeting](#), Prague
- **11/10:** [EU Defence and Security Conference](#) (Brussels)
- **08/11:** launch event of the updated [Open Security Data Europe](#), to include EDF and pilot programmes
- **13-14/10:** NATO Defence ministerial meeting
- **09/11:** presentation of the EC 'Defence package'
- **14-15/11:** Foreign Affairs Council meeting, with Ministers of Defence
- **08/12:** [annual meeting of the European Defence Agency](#) (EDA)
- **15-16/12:** European Summit, usually addressing defence-related matters

● EU funding for the arms industry

● EDF 2021 projects' details

DG DEFIS (EC department for Defence Industry & Space) released [separate fact-sheets for the projects selected under the 2021 EDF call for proposals](#), with a short description of the projects and the list of companies and other entities involved (but not the detailed breakdown). The first fact-sheet gives an overview of what is being funded through those projects (see also our article in our [June Newsletter](#)).

● A possible increase of EU subsidies for the arms industry?

In a speech given on 12 September at the German think-tank DGAP, the German Defence minister, Christine Lambrecht, said that German participation in the European Defence Fund (EDF) "*could be significantly improved*", and that the Fund's budget "*should also be considerably increased*". (source: [B2pro](#)). An increasingly "realistic" prospect in view of the growing calls to increase the EU's overall budget, and the share dedicated to defence issues in particular ((see below).

In its [draft EP annual report on the implementation of the common security and defence policy](#) (CSDP), the Rapporteur [Tom Vandenkendelaere](#) (EPP, BE) welcomes the EC proposals "*to incentivise joint procurement while stressing the need for budgetary resources that genuinely meet the ambitious goals set*", and calls for "*more and smarter spending*" to support the European arms industry, from research to joint procurement including "*synergies with other EU financial instruments*" and "*facilitated access to private funding*." Given that a large majority of MEPs takes EU militarisation for granted, it is very likely that the final report will include much of the same calls.

● Civil-military synergies: EDF & space

The European Defence Fund (EDF) is expected to set aside €400 million by 2027 for the European programme to develop a constellation of satellites for secure connectivity from space (Connectivity), according to [B2pro](#). And in his [remarks at the 30th anniversary of the European Satellite Centre](#) (based in Torrejón, Spain), the EU High Representative Josep Borrell welcomed the presence of the Defence Minister and "*many high level officials of the Spanish army*", highlighted "*synergies and complementarities*" with EU policies such as "*border management, the space ecosystem, competitiveness and the European space industry*" and insisted that "*space will be a new battle field*" and a key element of a geopolitical EU, as illustrated by the Strategic Compass' chapter for a new Space Strategy for Security and Defence.

- **US taking over European Allies' military industrial effort?**

[Senior national armaments directors from NATO allied countries met in Brussels on 28 September](#). Under the argument of making long-term plans for supplying Ukraine and rebuilding their own arms reserves, the US is rather trying to take over the Allies' military industrial effort, with objectives very similar to those developed by the EC through the EDF and similar initiatives about supply chains, production capacities and interoperability. In other words, competition over who will control the industrial coordination of European defence, (see also [B2 pro analysis](#)). It is not new that the US is concerned about the EDF and a more competitive European arms industry. The US ambassador to NATO concluded that national needs and challenges are very different while Europe considers it has already identified similar urgent priorities, [reports B2pro](#); some countries, including the Netherlands, are trying to make sense of all the options in order to avoid duplications, one of them being that NATO would focus on lethal equipments while Europe would lead on non-lethal ones.

- **other aspects of EU militarisation**

- **EP to call for increased EU budget, incl. in military realm**

The revision of the 2021-2027 Multi-Annual Framework (MFF, the EU long-term budget for 2021-2027), should be presented by the EC early 2023 instead of 1st January 2024, [reports B2pro](#). Despite expected reluctances from "frugal" countries like the Netherlands, it would be no surprise if this budget were to be increased given the budgetary pressures following support for Ukraine and the energy crisis in particular, and the EC new initiatives on defence joint procurements (see [NBB 2022-03](#)). The EP itself will most probably push for such increase, as the title of its [draft report](#) indicates: "*Upscaling the 2021-2027 Multiannual Financial Framework: a resilient EU budget fit for new challenges*". The draft includes a call to increase the ceiling of budget heading 5 on defence and security "*in line with needs*", and insists that new policy initiatives should come with fresh money and not to the detriment of existing policies.

- **09/11: new EC Defence package on military mobility, cyberdefence, procurement & space**

On 9 November, the EC should [present a new 'Defence Package'](#) which would include a new Action plan on military mobility, a proposal for an EU cyber defence policy and a draft legislative text for a European Defence Investment Programme (EDIP, tbc), the follow-up programme of EDIRPA, proposed in July in order to fund joint procurements in 2022-2024 (see our [previous Newsletter](#) for details). [According to B2pro](#), the package could also include a proposal for the EU Space Strategy for Security and Defence, normally planned for 2023 in the Strategic Compass. Yet there are rumours [that the presentation of the draft EDIP could be postponed to 2023](#), in parallel with advanced discussions on a revision of the EU long term budget, as mentioned above.

- **EDA: US agreement still under negotiation, future threats simulation exercise**

The negotiations for a US-EDA (European Defence Agency) agreement are still under way. There is no deadline for the November EU Defence Council, and one of the main points of discussion is the US ITAR legislation, reports [B2pro](#). On 21-22 September, the EDA organised a "[tabletop exercise on future threats](#)" following on from a similar simulation in Helsinki in June. It "*brought together about 40 experts and military planners to assess the impact of future threats on military capabilities, supported by a fictional scenario outside the European continent in two decades from now, when digital technology, artificial intelligence and computer networks are likely to develop further and present challenges that the EU must be ready for.*"

- **New PESCO projects in 2023**

A fifth row of projects should be adopted by EU defence ministers in May 2023. A call for proposals was launched in July, but the deadline for a decision has been postponed from November to May, reports [B2pro](#). Some of the current project may be merged or even stopped. [See our thread](#) on the poor performance of PESCO projects so far. Denmark will be involved in the decisions for the first time since it repealed its opt-out on EU Defence.

● EU Peace Facility

● Calls for increased ceiling, special fund for Ukraine and coordination with NATO

[According to B2pro](#) the remaining amount available under the EPF is 1.5 billion till 2027, after the commitments already taken for Ukraine and other priorities (PSDC missions and support to the African Union). And with new commitments expected in the coming months, the ceiling might well be reached by the end of the year or early 2023. The question of extending the budget becomes inevitable, with two options on the table: either increasing the EPF ceiling or creating a special fund for Ukraine.

The [draft EP report on CSDP](#) calls for both a significant increase of the EPF and the creation of a separate facility for Ukraine in order to *“guarantees adequate support for the country without systematically neglecting other priority regions, including Africa”*. It also calls more widely *“for significantly increased military support in all its aspects, including training and information sharing”* and *“for all EPF support for the provision of equipment to be carried out in coordination with NATO to increase efficiency and avoid unnecessary duplication”*.

● Ukraine: delays in reimbursement of arms deliveries, political difficulties on future military mission

Reimbursement of weapons delivered to Ukraine has not started yet. Among the reasons is the lengthy discussion about the methodology to evaluate expenditures and decide the order of reimbursement, but also the fact that Member States themselves have not yet actually contributed to the Facility for Ukraine, [reports B2pro](#). Indeed the EPF budget is released by calls for funds to the Member States for each project. During the EU Foreign Affairs meeting on 19 September, ministers continued discussing the proposal for an EU military mission for Ukraine with the objective to take a final decision at their next meeting (17/10), [said the EU HR/VP Josep Borrell in his final remarks](#). However its shape is taking longer than expected to develop, due to tense political disagreements between some Member States [reports B2pro](#): in particular, Poland wants to take command of the mission and base its centre in Poland, but Germany rejects such a strong leadership and role for Poland, for both strategic and political reasons. Coordination with the UK training missions is also being discussed.

● EU Training Mission in Mozambique: first arms deliveries, the new model under EPF?

On 9 September, the EU High Representative Josep Borrell was in Katembe *“to participate in the hand-over of the first delivery of the European Union-funded equipment”*, as part of the €89 million-worth assistance to the Mozambican Armed Forces, which includes non-lethal equipment and supplies to the Mozambican military units trained by the [EU Training Mission in Mozambique](#).

[In his speech](#) Josep Borrell also stressed *“that Mozambique is the first country that is receiving a new form of integrated support, combining training (...) and the equipment that allows these units to go to the fight using the training that they have received, but also the material – non-lethal material for the time being – that allows them to fight in better conditions.”* Yet [B2pro reports](#) about important delays in these deliveries, also due to the slow programming within the EPF and the chosen supplier. Of the €89 million committed, little has actually been released.

A group of [6 MEPs from the EP Security and Defence \(SEDE\) sub-committee visited Mozambique on 18-21 September 2022](#), aiming to *“assess the work of the EU Training Mission in Mozambique and to reinforce the importance of EU-Mozambique cooperation on security and defence, particularly with regard to stabilising the Cabo Delgado region and tackling terrorist threats.”* The head of the Delegation, [Nathalie Loiseau](#) (Renew, FR, SEDE Chair) said that this mission *“has the potential to become a leading example of a new generation of EUTMs where advice and training assistance is backed-up with additional capabilities under the European Peace Facility”*.

● Assistance measure for Rwanda currently vetoed

The adoption of an assistance measure *“to support the deployment of Rwandan defence forces in Mozambique”*, proposed by the EU High Representative in June, has been vetoed by some Member States. Kigali's significant involvement in eastern Congo makes it difficult for Europeans to publicly support the Rwandan army, [reports B2pro](#).

● Interesting links

- [Draft EP report on the EU common security and defence policy](#) (CSDP)

The report covers all aspects from supporting the arms industry to military capabilities and EU missions; it is discussed by the [SEDE Committee](#).

The rapporteur is [Tom Vandenkendelaere](#) (EPP, BE), shadow rapporteurs are [Costas Mavrides](#) (S&D, CY), [Urmas Paet](#) (Renew, EST), [Alviina Alametsä](#) (Greens, FI), [Anna Fotyga](#) (ECR, PL) and [Clare Daly](#) (GUE, IRL).

- [EU considers strengthening police powers for west Africa civilian missions, reports euobserver](#)

“Such functions includes direct support to the authorities by helping them carry out investigations, as well as aiding dedicated units to prosecute and detain suspected terrorist offenders. The concept paper, drafted over the summer, points towards a European Union that is willing to work hand-in-glove with corrupt and rights-abusing governments when it comes to issues dealing security and migration. This includes getting EU missions to seal cooperation deals between EU member state intelligence and security services with the host governments. And although the paper highlights the importances of human rights and gender equality, the terms are couched in policy language that clearly aims to boost policing in the countries.”