

## *News from the Brussels' Bubble*

### *#2022-5, 02 December 2022*

#### ● AGENDA

- **08/12** [annual meeting of the European Defence Agency](#) (EDA)
- **15/12** European Summit, to address defence & energy security
- **01/01/23** Swedish Presidency of the EU (July 2023: Spain, Jan 2024: Belgium)

#### ● EU funding for the arms industry

##### ● Arms companies introduce legal complaints against EDF selection process

Two complaints from arms companies were lodged with the EU General Court on 30 September reports B2pro ([E. Stroesser](#)): one by the missile manufacturer MBDA for the hypersonic project ([HYDEF project](#)), the other by the engine manufacturer Safran for the future green engine ([NEUMANN project](#)). They both contest the attribution of the funds to “alternative” candidates while they consider their proposals better fit the award criteria, analyses B2pro ([N. Gros-Verheyde](#)).

##### ● EP calls for more EU funds to “scale up defence cooperation” in 2021-2027

In view of the traditional mid-term revision of the EU long-term budget (MFF 2021-2027), the EP Budgets committee adopted on 17 November its [Report “on upscaling the 2021-2027 multiannual financial framework: a resilient EU budget fit for new challenges”](#). The report calls for “*scaling up defence cooperation and coordination*” and for “*an increase in the ceiling of heading 5*”, the budget envelop for security & defence including EDF. It doesn't go more specific and only “*notes*” the EC proposal to subsidize joint procurements (EDIRPA/EDIP, see next page) while the ITRE and SEDE Committees are much more enthusiastic (see below). This is most probably a ‘strategic’ position in order to make clear that the EP will accept more funding for the military only if Member States put fresh money on the table. In its [Opinion for this resolution](#), the Industry committee (ITRE) calls for a serious increase of the EDF up to €13 billion (the initial EC proposal), and uses a strong language on defence welcoming also the EDIRPA proposal. As for [the Foreign Affairs Committee \(AFET\)](#), it calls for a significant growth of the European military expenditures: increase the EPF and other EU financial “*support to the Ukrainian war effort*”; more EU funding to capability development (EDF); welcome EU support for joint procurement (EDIRPA/EDIP); create a new off-budget envelop “*which would address the entire life cycle of military capabilities at EU level from collaborative R&D and joint procurement to join maintenance, training and security of supply.*”

The Report will be voted in plenary session on 14 December, and texts rarely change at that stage. The EC also wants an ambitious and early revision of the MFF, and should present a proposal to launch the negotiations by July 2023.

##### ● EP and Council agree on 2023 budget: “it's a war budget”

On 14 November the EP and the EU Czech Presidency [reached a compromise agreement](#) on the EU budget for 2023 (in the framework of the long term EU budget for 2021-2027, detailed annual budgets are negotiated). The EP won a 1 billion increase for 2023, and military mobility is one of the budget lines profiting from it (+ €58,8 millions). The agreement also plans €157 million for EDIRPA, the proposed programme to support joint acquisitions of weapons, although the proposal is far from being agreed yet (see below). The EP rapporteur Nicolae ȘTEFĂNUȚĂ (Liberal group RENEW, Romania) declared “*it is a budget for war*”. The agreement still needs to be agreed by Member States and voted in Plenary.

## ● EU funding for common military procurement (EDIRPA): difficult negotiations

In July 2021, the Commission had presented with great fanfare a proposal for a new funding instrument to incentivise common acquisition of military equipments, in order to answer rapidly the replenishment of stock after the important deliveries to Ukraine (see [Newsletter 2022-4, 02.09.22](#)). 4 months later, the proposal is still in limbo: the parliament is arguing about internal procedures and laborious discussions at member states level just resumed:

The main EP rapporteur is Zdzisław Krasnodebski (ECR group/PiS, Poland), well known and friendly with the arms industry and former Rapporteur on the EU Defence Fund, and the shadow rapporteurs are now nominated for all groups. but the SEDE (security & Defence) and ITRE (Industry) committees are fighting over the leadership of the file. The compromise in view proposes that the SEDE sub-committee is formally associated, in exchange that the report (and not just an opinion) be assigned to MEP Michael Gahler (CDU/EPP) reports B2pro ([Nicolas Gros-Verheyde](#)). He is a well know support of the arms industry and EU militarisation.

[EU Member States finally agreed on a compromise \("general approach"\) on 1<sup>st</sup> December](#), and negotiations will start with the EP once the latter reaches its own position. One can expect that strong pressure will be put on MEPs to move fast and reach a final compromise not differing too much of this 'general approach', given the tight time-frame and the difficulty to reach a position among Member States. The current Council position sets a threshold where a maximum of 30% of the costs can be non-EU components. B2pro also report that Member States remain in full control of their exports policy as *"the Regulation is without prejudice to the discretionary power of Member States as regards their export policy on defence-related products"* ([Aurélie Pugnet](#)).

## ● Defence MoDs meeting: PESCO review, call for more cooperation, EDA budget increase

Defence ministers of the 27 Member States met on 15 November. They discussed in particular the state of play of the Permanent Structured cooperation (PESCO) and [called for more cooperation](#). [According to B2pro \(N. Gros-Verheyde\)](#), the last progress report prepared by the External Action service, and published in July, was rather negative: *"PESCO still suffers from a lack of commitment on the part of states: weakness in joint cooperation, slowness in implementing projects, persistent shortcomings at the capability or operational level."* Yet a 5<sup>th</sup> wave of projects should be presented in spring 2023 and should include 11 new project proposals, further [reports B2pro \(E. Stroesser\)](#).

[They also agreed a significant increase of the European Defence Agency annual budget for 2023](#): +15% to reach €43.7 million (covering mainly staff and administrative costs of the EDA, while the costs of the projects conducted under the EDA umbrella are directly covered by the participating Member States)

## ● other aspects of EU militarisation

### ● EC Defence Package: cyber-defence and military mobility

On 10 November, [the European Commission presented a new European Security and Defence Package](#). It was to include three topics, but the proposal for a *European Defence Investment Programme* (EDIP) for 2025-2027 (successor of EDIRPA) was dropped, probably due to the laborious negotiations on the EDIRPA proposal at both EP and Council level (see above).

The first text of this package ambitions to build a [European Policy on Cyber Defence](#): it proposes measures and instruments to enhance cooperation between member States' military, between civil and military, and between public and private sectors, in order to step-up protection of both military and civilian assets from cyberattacks. An important focus is put also on skills, *"to increase the number of people ready to participate in this kind of war"* \* declared the EU High Representative Josep Borrell.

The second document is an [update of the 2018 Military Mobility Action Plan](#) aiming at facilitating the movement of troops, weaponry and other military goods across the EU, by adapting physical infrastructures and simplifying administrative procedures. Again in the words of Josep Borrell, it is about *"the ability to move troops and equipment quickly [...] from the West to the East – mainly -, to our external borders; but also, beyond our external borders when we deploy our military missions around the world"* \*.

The 2.0 Plan proposes next steps to be taken, [like digitalising procedures or integrating fuel supply chain requirements](#), but the Commissioner in charge also mentioned the need to dedicate more resources to it than the planned €1.7 billion for 2021-2027 in the civilian transport programme 'Connecting Europe', reminding that the 2018 initial proposal was €6 billion.

Common features of those two initiatives are that they are justified by the Russian invasion of Ukraine, that they contribute to further blurring the line between civil and military and divert civilian resources and investments to benefit European defence and that they include provisions to step-up cooperation with NATO and partner countries, i.e. "like-minded and in our neighbourhood"\*.

### ● UK to join the PESCO military mobility project

After Canada, the US and Norway in 2021, [the United Kingdom will join the PESCO military mobility project following a unanimous decision by EU ministers on 14 November](#). Although the name and objectives are similar, the PESCO project is not linked to the EC Action Plan on military mobility, however they are meant to be complementary. Another ad-hoc cooperation could be envisaged in the framework of the [future EU military mission to assist and train the Ukrainian armed forces, in liaison with the existing British mission](#), as well as other ad hoc contributions to EU military missions.

### ● Investments in the military to be considered 'healthy debt'?

The EC presented on 9 November a [set of proposals to reform the debt and spending rules for national governments](#) (also known as the Stability Pact) where [growth is now favoured over austerity according to Euractiv](#). What has gone more unnoticed in mainstream media is that the Commission is also proposing that investments in the military become good debt, [reports B2pro \(Aurélie Pugnet\)](#), in the same way as green investments. The proposal is to qualify defence investments as a common strategic priority, along with resilience and energy security, and therefore as a 'healthy debt'. Countries that commit to reforms and investments in line with these priorities would be given an extra three years (seven in total) to get back into line with the Maastricht criteria. The proposal still needs to be turned into a legislative text and be agreed by the Member States. Yet it is a "A sign of the ongoing 'revolution' in European minds" concludes Aurélie Pugnet.

## ● EU Peace Facility & Rapid Deployment Capacity

### ● EUMAM Ukraine launched on 15 November, Norway to contribute financially

[On November 15, the EU Foreign Affairs Council launched the European Union Military Assistance Mission in support of Ukraine](#) (EUMAM Ukraine) which aims to enhance the military capability of the Ukrainian Armed Forces. It will provide individual, collective and specialised training to up to 15'000 Ukrainian Armed Forces personnel over multiple locations in the territory of EU member States. The EUMAM has a duration of 24 months, and adds to the successive EU contributions for Ukraine under the EPF, which now amount to more than €3.1 billion.

[According to B2pro \(N. Gros-Verheyde\)](#), the [common costs](#) of the mission are the highest ever for an EU mission, amounting to €106.7 million for the 2 years. Moreover a separate budget of €16 million, also coming from the Peace facility, will finance the provision of ammunition, military equipment and platforms designed to deliver lethal force, as well as the transportation, custody and maintenance and repair of the equipment financed through the assistance measure, all on top of the €3.1 billion already agreed. Another novelty is that the mission will take place within the EU territory, with two main training centres in Poland and in Germany. To put an end to the dispute between Berlin and Warsaw, there will be two operational commanders of equal rank, one in each country. While for a number of missions the EU is struggling to get the staff needed, in this case more than 20 countries have already offered resources, be it instructors or even officers for the Mission Headquarters and the 2 training HQs. An invitation is made for the participation of non-EU countries "sharing the same vision".

Norway will make a voluntary financial contribution to EUMAM of NOK 150 million (approximately €14.5 million). ["This is the first time ever that a third country makes a financial contribution to the EPF"](#).

- **Arms deliveries to Ukraine: 6<sup>th</sup> tranche worth 500 million amid reimbursement issues**

On 17 October, [the EU Council agreed on a 6<sup>th</sup> tranche worth 500 million](#) “to further support the capabilities and resilience of the Ukrainian Armed Forces”. Most of it (€490 million) will cover the provision of military equipment “designed to deliver lethal force for defensive purposes”, and the rest will fund equipment and supplies such as personal protective equipment, first aid kits and fuel. A novelty is that it will also cover the maintenance and repair of the military equipment already delivered under the EPF. [B2pro \(N. Gros-Verheyde\) reminds](#) that for Countries like France, “under the guise of helping Ukraine, another issue is at stake: modernising the army and boosting the national industry”. Yet there are unresolved challenges. However the EU is struggling with the reimbursement requests and discontent among Member States. With the increased demand, the reimbursement rate dropped from initially 85% to roughly 46% of the asks, [reports Euractiv](#). Something that has particularly infuriated Poland who was counting on higher levels of reimbursement. Poland finally agreed to the 46% but the dispute delayed the whole process.

- **EP public hearing on “The war in Ukraine: implications of the arms export policies at EU level”**

The EP Security and Defence sub-committee held a public hearing on arms deliveries to Ukraine with EU and SIPRI representatives (29/11, [see video here](#)). The EU External Affairs Service (EEAS) representative addressed the tracking issue, explaining that the EEAS is in charge of both *ex-ante* and *ex-post* controls of arms deliveries paid under the EPF. They mainly rely on end-users certificates, but they also want to start conducting controls on the ground. The only possible sanction in case of infringement of the rules is to stop the assistance measure, i.e. the delivery of weapons; a decision to be taken by the Member States and which seems politically unlikely.

- **EUMM Georgia to include an observation mission at the Armenia border with Azerbaijan**

Following a high-level agreement within the quadrilateral meeting between European leaders and the conflicting parties, EU foreign ministers gave the green light on Monday 17 October for an observation mission along the Armenia-Azerbaijan border, [reports B2pro \(N. Gros-Verheyde\)](#). This EU Monitoring Capacity (EUMCAP) in Armenia will be light, made up of around 40 observers seconded from the European Union Monitoring Mission in Georgia (EUMM Georgia) in the neighbouring country. A deliberate choice in order to move fast. They will be deployed only on the Armenian side of the border only, following a request made by the Armenian Minister of Foreign Affairs.

- **EUTM Mali drastically reduced and alternative plan for EUTM Burkina definitely abandoned**

EU Member States decided early October to drastically reduce the EU Training Mission (EUTM) in Mali. According to the new mission plan, it should be reduced to around 300 troops (maximum) in one location, Bamako, [reports B2pro \(E. Stroesser\)](#). E. Stroesser also reports that the second coup in Ouagadougou has stopped EU intentions for training armed forces in Burkina Faso. This option of ‘moving’ EUTM Mali to Burkina, and a possible specific or autonomous mission if necessary, has been definitively abandoned.

- **EUMPM Niger: a new type of military assistance including budget for military equipment**

On 15 November, the EU Defence ministers gave the green light to a military mission in Niger, which “would illustrate an evolution of the European military strategy in Africa, more focused on partnership”, [reports B2pro \(N. Gros-Verheyde\)](#). It even has a new acronym, EUMPM for ‘EU Military Partnership Mission’. The new mission aims to support the development of the Niger armed forces (FAN) capacities. The three main priorities are to train qualified technicians for the maintenance of essential equipment and materials, to train specialists in the armed forces, and to create a new battalion on communication and command support. What seems to be the main evolution compared to the past is the willingness to meet national requirements, probably in order to avoid a Malian scenario and win the ‘market’ over more flexible ‘competitors’. Specific requests from Niger were to limit the EU military footprint on the ground, in particular that the security of the mission will be ensured by the relevant Niger forces (not European ones), and to include a specific EPF budget for the equipment of the FAN and their infrastructures; this was a condition for Niger to accept the mission.

## ● Interesting links

[European weapons manufacturers scramble to adapt to wartime demand](#) (Euractiv, 12/10/2022)

[Border management: Council decides to sign agreement with North Macedonia on Frontex operational cooperation](#) (13/10/2022)

[Brussels supplies speedboats to help combat piracy](#) (Africa Intelligence, 28/10/2022)

[Slovak Defence chief-says other-states export more military goods to Russia](#) (Euractiv, 11/11/2022)

[Council conclusions on women, peace and security](#) (14/11/2022)

[Chemical weapons: EU imposes further restrictive measures on ten individuals and one entity](#) (14/11/2022)

[EU Decision to continue supporting the UN programme of Action to Prevent, Combat and Eradicate the Illicit Trade in Small Arms and Light Weapons](#) (€4,52 million over 36 months)

[Results of the EU Foreign Affairs Council](#) and [Press remarks by the High Representative Josep Borrell](#) (14/11/2022)

[Results of the EU Defence Council](#) and [Press remarks by the High Representative Josep Borrell](#) (15/11/2022)