

News from the Brussels' Bubble



EU agenda

Unless indicated otherwise, EU official meetings take place in Brussels

- 25/09:** EU Military Committee's Away Days (Torrejón Air Base)
- 2-4/10:** 13th meeting of the PESCO Military Mobility project, Las Palmas de Gran Canaria
- 05/10:** European Political Community Summit (Grenade)
- 06/10:** Informal EU leaders Summit (Grenade)
- 16-19/10:** EU Military Committee meeting at Chief of Defence Staff level (Sevilla)
- 26-27/10:** European Council (Heads of state and government)
 - 14/11:** EU Foreign Affairs Council meeting on defence
- 14-15/12:** European Council (Heads of state and government)
- 01/01/24:** Belgium Presidency of the EU starts

ENAAT activities

- **“War profiteers”, Top European arms dealers sales and profits in 2022**

[Read our latest fact-sheet: “War Profiteers”](#), which looks at the sales and profits of the 15 main European arms producers in 2022, to see to what extent they are profiting from the current war and the billions of euros in EU subsidies justified by support for Ukraine.

The devastating and unfair nature of (any) war should not prevent us from taking a look at what is happening behind the scenes, and observing who benefits from the misfortune of others.

This is a follow-up of our June event [‘European military spending harms peace and the planet’](#), whose recording is available on our Youtube channel.

- **Op’Ed: “Is European military spending in the interest of humanity?”**

Read our Opinion piece in Brussels Morning, published on 4 August

EU funding for the arms industry

- **A ‘European Defence Production Act’ proposal by end of the year?**

Signatures of ASAP and EDIRPA have not yet dried up that the European Commission is planning a new proposal for the arms industry, “a ‘European Defence Production Act’ to boost the bloc’s defence industrial base, from research to joint procurement”, and “help EU member states better face future crises”, [reports Euractiv](#). The scope of the proposal is not yet very clear, and could be based on the two short-term frameworks for joint procurement (EDIRPA) and ammunition production (ASAP), and in particular incorporate the problematic provisions that were put aside, about priority orders and mapping industrial capacities (see [NBB 2023-04](#)). Still according to Euractiv, “the idea was first floated at an informal meeting of EU defence ministers in Toledo, Spain, last week and is likely to feature in the European Commission President Ursula von der Leyen’s final State of the Union (SOTEU) speech next Wednesday (13 September) in Strasbourg”. How it would relate to or complement the existing Defence Fund and another proposal to come but postponed several times, the ‘European Defence Investment Programme’ (EDIP, which should include a VAT exemption), are also pending questions.

- **France EDF champion and its Commissioner to run the EU?**

The French Think Tank FRS (Fondation pour la Recherche Stratégique) published a [research on the results of the EDF 2021 and 2022 calls for proposals](#), confirming the trend we had highlighted already with the pilot programmes: French companies and research centres are the first beneficiaries of the Defence Fund with 221 participations, ahead of Italy (215 participations), Spain (190), Germany (182), Greece (107) and the Netherlands (86), reports B2pro ([E. Stroesser](#)).

The next countries are Sweden (61 participations) just before Belgium and Norway as associated country (59 participations each). EU countries with least involvement are Croatia (6) Slovakia (2) and Malta with no participation at all. The study also provides the share of funding by type of action (research or prototype) or area, and analyses the involvement of SMEs. But it does not include a critical analysis as regards ethical checks and compliance with International Law, contrary to our [Fanning the Flames report](#) on the pilot programmes.

The [interim evaluation of the Defence Fund should happen in 2024 with the final report of the EC planned for the first quarter of 2025](#). This means that it will be up to the newly elected MEPs to contribute to this evaluation soon after their election, giving even less time and room for critical voices to be heard.

Meanwhile, the French Commissioner Thierry Breton, in charge of Internal market, Industry (incl. defence) and Space, seems to ambition becoming the next Commission's leader should Ursula von der Leyen not run for a second mandate, or at least get ["a super-charged role as vice-president"](#), [reports Politico](#).

- **EDIRPA: final vote on EU funding for joint acquisitions**

The European Parliament is due to vote on EDIRPA, the legislative proposal for funding the administrative costs of joint military procurement (see [NBB 2023-01](#)), on Tuesday 12 September, following a brief presentation of the triologue agreement the day before at the opening of the autumn plenary session in Strasbourg, reports B2pro ([E. Stroesser](#)). This will be the final stage of a chaotic decision making process (see [NBB 2023-02](#)).

- **Ammunition for Ukraine: orders to the industry to come soon**

During the informal meeting of EU Defence ministers in Spain (Toledo, 30/08/23), [Josep Borrell informed about the state of play of the 'three track ammunition initiative'](#) (see [NBB 2023-02](#)).

Under the first track (delivering from national stocks) which ended end of May, about 224,000 ammunition rounds and about 2,300 missiles valued at about €1.1 billion were delivered, according to the EU High Representative. This is still far from the official objective of 1 million pieces to be delivered by March 2024 and the budget is already exhausted, leaving all the burden now on track two, that is supporting joint procurement by Member States to refill stocks and continue delivering ammunition. Three framework contracts have already been signed under the EDA umbrella and it is now to the Member States to pass concrete orders with the industry.

Track three is about ramping-up industrial capacity to produce more with EU subsidies, the Act in Support of Ammunition Production (ASAP) voted by the EP and Member States in July (see [NBB 2023-05](#)) and that the EC is now taking forward.

- **interesting links**

[EU issues verdict over Edge Group's takeover of Milrem Robotics](#), DefenseNews, 25/07/2023

[Budgetary aspects of EU defence policy](#), EP Briefing, July 2023

[EU delivers Ukraine 224,000 shells under ammo plan](#), Euractiv, 12/08/2023

Other aspects of EU militarisation

- **Military green-washing and the EU 'Climate & security Nexus' Communication**

"Defence companies based in the EU have criticised the bloc's taxonomy system – the way it classifies activities as 'sustainable' or 'non-sustainable' – arguing that the industry should be more explicitly included in the former category to safeguard funding routes" ahead of the publication of the EU Climate and Security Nexus Communication, [reported Euractiv](#).

The message is not new and is being repeated over again by both arms industry and EU leaders, complaining that the negative image of arms dealers would impact their access to private banking. Kris Peeters, Vice-president of the European Investment Bank (EIB), responsible for Security and Defence also argued, [in an Opinion article published on Euractiv](#), that climate change is a security issue, reminding that *"The EIB can support any eligible "green security" project, as long as it is aligned with our Climate Bank Roadmap, and also benefits the civilian sector."*

The industry message is repeated in the [Joint Communication 'A new outlook on the climate and security nexus'](#) presented by the Commission on 28 June, calling that *"other horizontal policies, such as initiatives on sustainable finance, remain consistent with the European Union effort to facilitate the European defence industry's sufficient access to finance and investment."* (p.15)

This document mainly focuses on the *"impacts of both climate change on environmental degradation, including biodiversity loss and pollution, on peace and security and defence"*. If not totally absent, the military footprint on climate and the environment is secondary. Announced with great fanfare, the mountain seems to have given birth to a mouse:

the paper is rather lightweight and disappointing, it is essentially pushing open doors or proposing measures that we might have expected to have already been put into practice, such as conducting evidence-based analysis or incorporating climate and environmental considerations in stabilisation assessments or operational scenarios. Many ideas are still at the stage of 'considering' their development or establishment. One of the more concrete actions is the objective to have environmental advisers and reports on the environmental footprint for all military and civilian missions and operations by 2025. The Communication also mentions that the EDA is working to establish a methodology for collecting and monitoring defence energy data of Member States, the Defence Energy Suite. The topic with the longer list and more concrete proposals is about adapting military capabilities and infrastructures to climate and weather hazards (p.15-18). It plans the establishment of an EU Climate and Defence Support Mechanism, the support to collaborative projects including through PESCO and the Defence Fund, or exploring the possibility of green public procurements, among others.

• Critical raw material: Member States and industry positions

The Commission presented in March a [legislative proposal for a Critical Raw Materials Act \(CRMA\)](#), aiming to "a secure and sustainable supply of critical raw materials" and reduce dependency on other countries, like China.

An initiative on this topic was announced already in the Joint Communication on Defence Investment Gaps Analysis of May 2022, as those critical raw materials are considered of central importance for the green and digital transitions, but also for defence and space applications. It does not come as a surprise then that the main arms industry lobby group, the ASD, has been scrutinizing this process and [published a position paper in June 2023](#), calling for considering the aerospace sector as a whole (not only space) as a strategic sector, and for dedicated EU funding in a range of areas, including "financial incentives" for the sector to develop strategic stocks or improve recycling practices. Once again, the arms industry is quick in asking for more taxpayers' subsidies but not in committing to any form of return, like paying appropriate taxes or improving transparency. Quite the contrary, as the ASD paper also warns against the proposed measures regarding monitoring and data gathering.

[Member States adopted their position on the EC proposal on 30 June](#), before entering into negotiations with the EP. [According to Euractiv](#), the main changes put forward by Member States are about including aluminium into the list of critical raw material (also a demand from the ASD as aluminium is "a key component in aeronautics, defence and space structures"), the % of domestic processing versus developing local processes in 'partner' countries, and establishing a group of member states' representatives to issue regular reports "describing obstacles to access to finance and recommendations to facilitate access to finance" for projects considered of strategic importance. The latter will most probably include military-related projects.

• Informal defence & foreign affairs ministers meetings & 'conquering the brains'

The defence ministers had their informal meeting on 29 and 30 August, followed by their foreign affairs colleagues on 30 and 31 August in Toledo, Spain, at the historic site of the Fábrica de Armas now home to the University of Castilla la Mancha.

On 29/08 defence ministers met as the EU SatCen board, "[discussing the achievements](#)" of the EU Satellite Centre based in Torrejón, as well as "[how to further shape its activities, to develop and improve them in the future](#)". The proper defence meeting on 30/08 focused mainly on Ukraine (see below) and the situation in Niger, "[and the security implications that both have for Europeans](#)", two issues also largely discussed by the foreign affairs ministers. The EU High representative [reiterated the EU support to ECOWAS](#) but not stating clearly if the EU would back-up or support a military intervention, as many EU countries would oppose to it and France's "hard position" is isolated on this issue. Other issues discussed under the FAC format were the Peace Formula presented by the Ukrainian president and the Grain Black Sea Initiative. [Josep Borrell insisted that](#) "this war is also a war of narratives. It is a war of storytellers - [it is about] how you present this war. We have to fight this war, because you do not only conquer surface, you conquer the brains. You conquer the minds of the people. This war has to be fought."

The humanitarian crisis in Nagorno-Karabakh, the Middle East, in particular in the Occupied Palestinian territories, and the EU enlargement including for Ukraine & Western Balkans, were also addressed.

• EP Annual report on 'Implementation of the common security and defence policy'

The draft report written by MEP Sven Mikser (S&D, Estonia) [is available here](#) and will be discussed by the Security and Defence (SEDE) sub-committee on 18 September, with a vote scheduled for 27 November, reports B2pro ([E. Stroesser](#)). Unsurprisingly, the report calls for "strengthening European defence", as well as for "concrete measures" to integrate Ukraine into the Union's defence policies and programmes during its accession process, and to enable it to "benefit" from EU funding for military joint procurement (EDIRPA). The draft includes hardly any reference to Africa, apart from a call for "developing security and defence dialogues with partners worldwide", in particular those "in strategic maritime areas" such as the Horn of Africa, summarises E. Stroesser.

• Denmark first participation in PESCO project

At the margins of the informal defence ministers meeting, the Danish Defence Minister made official the first participation of Denmark in a PESCO project, the '[Cyber Rapid Response Teams and Mutual Assistance in Cyber Security](#)' project led by Lithuania, reports B2pro ([E. Stroesser](#)). Denmark will participate in the project "[with Danish experts and capacities](#)" in order to "contribute to a strong pan-European cyber defence".

- **Formal notice about infringement of EU defence transfers directives**

Four Member States (Cyprus, Estonia, Malta and Slovakia) have not yet communicated measures for the full transposition of two EU Directives on defence transfers (Directives 2009/43/EC and 2023/277). The European Commission announced on 20 July that it has sent letters of formal notice to the Member States. The latter have two months to respond, failing which they will receive a reasoned opinion, the second stage in the infringement procedure, reports B2pro ([E. Stroesser](#)).

- **interesting links**

[How Washington can lead from behind in Europe](#), Opinion, DefenseNews, 25/07/2023

[Why aluminium has its place in the EU's list of strategic raw materials](#), Opinion, Euractiv, 25/07/2023

EU Peace Facility & related news

- **Second Norwegian financial contribution to EPF of NOK 250 million (+/- €22 million)**

[The EU and the Kingdom of Norway signed on 25 July](#) a transfer agreement for a voluntary financial contribution of Norway to the assistance measure under the European Peace Facility (EPF) for supplying military equipment to the Armed Forces of Ukraine. Norway dedicated the amount specifically to deliveries of ammunition and spare parts for Leopard II tanks. This is increasing Norway's total contribution to NOK 400 million (+/- €36.5 million)

- **Proposal for a Special Assistance Fund for Ukraine, up to €20 billion**

During their informal meeting in Toledo, Foreign Affairs ministers failed to reach an agreement on the 8th tranche of the Peace Facility, the discussion will continue in the coming weeks [according to Josep Borrell](#). The HR/VP also [proposed a special Ukraine Assistance Fund for the period 2024-2027](#) to "ensure the sustainability of our military assistance". Such Fund would be embedded within the European Peace Facility with up to €5 billion every year (seen as a ceiling, not a spending target). [During the press conference Borrell reported](#) that ministers' feedback was positive and that the discussion will continue in the Council, as informal gatherings cannot make decisions. Borrell is hoping for an agreement by end of the year.

- **EUMAM Ukraine now aims to train 40,000 soldiers, possibly including F16 pilots**

Apart from military supplies (see on p. 2 the state of play of ammunition deliveries), the other core part of EU support to Ukraine is the training of Ukrainian soldiers through the dedicated [EU Military Assistance Mission](#). This mission has already trained 25,000 Ukrainian soldiers [reported Borrell during his press conference](#), and will reach the objective of 30,000 soldiers trained at the end of October. The High representative therefore proposed to the Ministers, [who supported the proposal](#), to raise the objective of the mission to 40,000 Ukrainian soldiers trained in the coming months, with more specialised training for smaller groups and for command capacities, including exploring the possibility to integrate F-16 pilot training modules.

- **EU missions in Africa: from suspension in Niger to new mission in the Gulf of Guinea**

Following the coup in Niger, the EU took the decision to suspend immediately its budget support to the country as well as to stop all security cooperation activities "sine die with immediate effect", [declared the EU High representative Borrell on 29 July](#). This includes the EUCAP Sahel Niger civilian mission to the security forces, as well as the new EUMPM Niger military cooperation mission - which had not yet really got off the ground - and the last two equipment measures for the Niger forces decided under the European Peace Facility, one lethal for €5 million and the other non-lethal for €40 million, details B2pro ([N. Gros-Verheyde](#)).

B2pro ([N. Gros-Verheyde](#)) also reports that EU member states decided on 3 August that the [EU Training Mission in Central African Republic](#) should end in September 2024.

On the same date they also agreed to launch a new civil-military mission in the Gulf of Guinea in the autumn, after formal approval of foreign ministers, "in order to contain the threat posed by jihadist groups, as the bloc seeks to stem the tide of growing instability in the region" [reports Euractiv](#). It will be a lightweight regional mission and will start with Ghana and Benin, as the Ivory Coast and Togo have not sent yet the official invitation letter, details B2pro ([N. Gros-Verheyde](#)). The mission should provide for training and advice to local security forces, help prepare for anti-terror operations, give technical support and implement "[confidence-building measures in the security sector](#)". It should last two years as a start.

- **interesting links**

[EU reflects on 'too slow' Ukraine support pace, eyes peace talks in September](#), Politico, 22/08/2023

[Inside the EU's military crash course for Ukrainian troops](#), Politico, 22/08/2023

[EU military chief casts doubt on Ukraine regaining territory](#), Euractiv, 24/08/2023

[\[Analysis\] After the coup in Niger, a number of questions arise](#), Bruxelles2 blog, 30/08/2023 (original text in French)