

# News from the Brussels' Bubble



european network against arms trade



NBB #2024-05, 23 December 2024

## EU agenda

- 4-5/12:** Meeting of the Subcommittee on Security and Defence (European Parliament), including exchange of views with the new Commissioner for Defence and Space
- 16/12:** Foreign Affairs Council
- 19-20/12:** European Council
- 22/01:** European Defence Agency Annual Conference – "New horizons in EU defence"

\*The **26th EU Annual Report on Arms Exports** was adopted by the Council on **16 December**, informing in detail on arms sales authorised by EU Member States in 2023. [The report is available on the Council of the EU website](#)

## Follow-up to EP elections and new European Commission

In July President von der Leyen presented her '[Political Guidelines 2024-2029](#)' for the new European Commission, which started its mandate on 1 December. 'Defence and security' is one of the [priorities](#) for the Commission, including more investments in the arms industry,

New Commissioner: Andrius Kubilius

In September Thierry Breton, who was responsible for the Directorate-General for Defence Industry and Space (DG DEFIS) and as such acted as an outspoken supporter of the EU arms industry, [resigned](#) as a Commissioner after an argument with President von der Leyen. In the new European Commission [Andrius Kubilius](#), former prime minister of Lithuania, has been appointed as Commissioner for Defence and Space. In her [mission letter](#) to him, Von der Leyen requested amongst others that he comes up quickly with a 'White Paper on the Future of European Defence', works on creating a true Single Market for Defence products and services and on incentivising public and private investment in the military industry.

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# EU funding for the arms industry

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- **298 proposals for EDF 2024 call**

The 2024 call for proposals of the European Defence Fund resulted in 298 proposals, 25% more than for the 2023 call. A decision by the Commission about which proposals will be selected for funding, for which €1.1 billion is available, is not expected before May 2025. Results from the previous calls have shown that the EDF primarily funds the large European arms companies.

Meanwhile, in November the Commission and OCCAR (Organisation for Joint Armament Cooperation) signed a Financial Framework Partnership Agreement (FFPA), to simplify the process of transferring EU-funded defence projects to OCCAR under indirect management, both for the EDF and for future programmes. So far, six EDF projects are already taking place under indirect management by OCCAR, resulting in less transparency and oversight.

- **Defence industry expert group wants more funding**

The Subgroup Defence of the Commission expert group on Policies & Programmes relevant to EU Space, Defence and Aeronautics Industry (SDA) issued its interim evaluation report of the EDF at the end of July. This Commission expert group, made up of representatives of large arms companies and member states' military industry branch organisations, unsurprisingly recommends higher funding (an extra €9.4 billion per year under the next Multiannual Financial Framework (2028-2034)), to be covered by investments of member states, lesser administration requirements and more EU support for transitioning from the research and development phases to procurement.

- **New agreement between EIB and EDA**

On 3 October the the European Investment Bank (EIB) Group and the European Defence Agency (EDA) signed a new agreement to reinforce their cooperation, building on a 2018 Memorandum of Understanding. The agreement “will enable both organisations to identify financing needs for collaborative defence projects involving EU Member States and their defence industries to support capability developments, research, development and innovation (RDI), technology, and infrastructure in the area of security and defence in the EU”. The EIB sees this agreement as part of the implementation of its Defence Action Plan, adopted in April, which marked a significant change of course for the EIB in widening possibilities to invest in the arms industry, abandoning previous restrictions.

- **Court of Auditors: not enough budget for EDIP**

Euronews reports that the European Court of Auditors has warned the European Commission that its European Defence Industry Programme (EDIP) sets its goals too high for the €1.5 billion budget available. According to the auditors, ‘finances could end up spread thinly across a wide range of projects with no measurable impact’, recommending to set “realistic targets by the end of 2027”. They also “called on the Commission to consider a long-term funding strategy to boost defence capabilities” under the next Multiannual Financial Framework. Meanwhile, 28 European arms companies send a position paper to the Commission requesting that more funding is channeled to the European industry. Politico mentions that, on the contrary, the Dutch and Polish governments are proposing to make it easier for non-EU-companies to access EU funding.

- **€300 million for first five EDIRPA projects**

In November the Commission approved €300 million in funding for five cross-border projects, involving 20 member states, under the European Defence Industry Reinforcement through Common Procurement instrument (EDIRPA), with each of the projects receiving €60 million. They include the common procurement of ‘Mistral’ very short-range air defence systems, IRIS-T SLM medium-range air defence systems, Common Armoured Vehicle Systems (CAVS) and different types of 155mm artillery ammunition (two projects). Some other proposals were put on a reserve list.

## Other aspects of EU militarisation

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- **EU Defence Innovation Office opens in Ukraine**

In September Commission President von der Leyen [opened](#) the EU Defence Innovation Office in Kyiv, aiming to increase cooperation between the EU and Ukrainian arms industries. This is in line with the objectives of the European Defence Industrial Strategy (EDIS; adopted in March) to strengthen the Ukrainian military industry. Between 1 and 4 October, the new office immediately [participated](#) in several high-level events (Defence Industry Forum, Field Demonstrators of the Ukrainian Defence Industry, and the Defence Tech Valley event), organised by Brave1, the platform that was launched by the Government of Ukraine with the objective of promoting collaboration between all stakeholders of the defence-tech industry.

Meanwhile, Ukraine has a worrying track record regarding arms exports, including for example supplies to Myanmar, and is not requested to follow the criteria of the EU Common Position on Arms Exports.

- **Niinistö report on strengthening Europe's civil and military preparedness**

In October, as special advisor on request of President von der Leyen, Sauli Niinistö, former president of Finland, presented his [report](#) 'Safer Together – Strengthening Europe's Civilian and Military Preparedness and Readiness'. The report argues for more military and civil preparedness for war and other crises, signaling an ever more clear 'whole of society' approach to European militarisation. Key points of the report are higher military and security spending, "so that ... at least 20% of the overall EU budget contributes to the EU's security and crisis preparedness", and more support for the arms industry.

- **First EU Defence Industrial Investment Forum**

On 27 November DG DEFIS, with the support of the European Defence Agency (EDA), [hosted](#) the first 'EU Defence Industrial Investment Forum', bringing together representatives from the military industry and financial sectors. According to the Commission, the Forum "emphasized the importance of overcoming widespread exclusion policies in the financial sector and identifying innovative solutions to stimulate private sector engagement", in line with ongoing attempts by the industry, the EU and MS governments to put pressure on financial institutions to invest more in arms companies.

## EU Peace Facility & related news

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- In the second half of 2024 the European Council adopted a string of new support measures, with a total value of almost €160 million:
- 15 July: [Assistance measure](#) (€5 million) “to provide the Beninese armed forces with military equipment to meet their operational requirements and pre-deployment training needs”. In total, the EU provided 27% of Benin's military budget in 2024;
- 15 July: [Assistance measure](#) (€13 million) “to enhance the operational effectiveness of the Albanian armed forces, notably in terms of mobility, manoeuvrability and protection”;
- 22 July: [Assistance measure](#) (€10 million) “to enhance the logistical capacities of the Armenian armed forces, and to contribute to improved protection of civilians in crises and emergencies”;
- 22 July: [Assistance measure](#) (€15 million) “to support Mauritania’s land and maritime surveillance and deterrence capacities”;
- 23 September: [Assistance measure](#) (€15 million) to “contribute to strengthening the capacities of the Lebanese Armed Forces for the military medical operations, as well as the engineering and the logistics operations”;
- 25 September: [Assistance measure](#) (€13 million) to “strengthen North Macedonia’s capacities with respect to its participation in the EU’s Common Security and Defence Policy operations and missions and in other international missions”;
- 5 November: [Assistance measure](#) (€20 million) which “aims at strengthening the territorial control capabilities of the Egyptian Armed Forces, and at enhancing its ability to respond to security threats across the territory of Egypt, particularly in the Western region”;
- 5 November: [Assistance measure](#) (€5 million) to “enable the Congolese Navy to step up its patrols in the waters of the Gulf of Guinea, including in collaboration with the vessels of partner countries conducting maritime security operations in the area, within the framework of the Yaoundé Architecture”;
- 18 November: [Top-up](#) (€20 million) to an existing measure in support of Rwanda, to “facilitate the acquisition of equipment and cover costs related to the strategic airlift needed to sustain Rwandan deployment in Cabo Delgado”;
- 25 November: [Assistance measure](#) (€13.25 million) to “contribute to strengthening the capacities of the Jordanian Armed Forces”.

In July the first €1.5 billion generated from immobilized Russian assets – under a general decision from earlier this year – was channeled to Ukraine for military support via the EPF. In October, the EU and G7 partners agreed to collectively provide \$50 billion in loans “to support Ukraine's urgent budgetary, military and reconstruction needs”, again “financed by extraordinary revenues from immobilized Russian sovereign assets”, with the EU contributing \$20 billion.