
THE EUROPEAN DEFENCE INDUSTRY PROGRAMME: ANOTHER STEP TOWARDS ARMS RACE AND EXPORTS DEREGULATION

In March 2024 the European Commission presented its Proposal for a Regulation establishing the European Defence Industry Programme (EDIP), accompanying the European Defence Industrial Strategy (EDIS). While EU member states have been discussing the proposal for a year now, in particular debating whether the funds may also be used to buy arms from outside the EU, the European Parliament in March 2025 decided to fast-track its own decision-making process through an urgent procedure limiting the possibilities for discussion and for tabling amendments, with a view to a final vote in early May.¹ The Parliament also reportedly wants to add €15 billion to the proposed budget of €1.5 billion, from the proposed Security Action for Europe (SAFE) loans.²

This paper does not intend to be an exhaustive presentation of all the EDIP provisions (for this, see the official EDIP fact-sheet³ and the ARES fact-sheets⁴), but to highlight the aspects that aim to increase European arms sales and the influence of the arms industry in European policies. In this respect, EDIP is ultimately a further step in a series of similar measures contributing to the growing militarisation of the European Union, which will greatly exacerbate the global arms race, and represents more of a threat to peace than a solution to growing tensions.

That context makes it even more problematic that the Parliament is severely restricting its own role in discussing the EDIP proposal.

The European Network Against Arms Trade (ENAAAT) is an informal network of 21 European peace groups across 14 countries, working together in research, advocacy and campaigning.

ENAAAT members consider that arms trade is a threat to peace, security and development, and that the arms industry is a driving force behind increasing military exports and expenditure.

Since 2016 the ENAAAT EU project has been scrutinising EU budget lines for military research & development, and the arms industry influence on EU policies.

Contact us:

Square Ambiorix 50, B-1000 Brussels
info@enaat.org – www.enaat.org

Follow us:

X: @_ENAAAT – #noEUmoney4arms
F: @noEUmoney4arms – Youtube: @_ENAAAT

-
- 1 Aurélie Pugnet and Nicoletta Ionta, *EU Parliament backs €1.5 billion defence industry programme without negotiations*, Euractiv, 13 March 2025, available at: <https://www.euractiv.com/section/defence/news/eu-parliament-backs-e1-5-billion-defence-industry-programme-without-negotiations/>
 - 2 Aurélie Pugnet, *Parliament pitches €21 billion for EU and Ukraine defence industry boost programme*, Euractiv, 24 March 2025, available at: <https://www.euractiv.com/section/defence/news/parliament-pitches-e21-billion-for-eu-and-ukraine-defence-industry-boost-programme/>
 - 3 Available at: https://defence-industry-space.ec.europa.eu/document/download/638c4482-0715-4aef-ac86-6529ce2dfd4b_en?filename=DEFIS_EDIP_factsheet.pdf
 - 4 Available at: https://www.iris-france.org/wp-content/uploads/2024/09/ARES_2024_09_EDIP_Factsheets.pdf

Introduction

In general, the emphasis on long-term measures, where production (capacities) will be structurally increased, fuels a cycle of increasing production and demand. This is especially the case for the production of large weapons systems, as one of the objectives of the proposal is to make development and production of those systems possible when they are deemed not feasible for single member states.

In the context of the continuously expressed alleged need for a stronger military EU and a one-sided (militarised) approach to security, EDIP points towards a designated military response in case of (perceived) threats (as stated in EDIS: “mainstreaming a defence readiness culture”⁵), undermining and pushing aside conflict prevention, dialogue and diplomacy. 'Strategic stockpiling' with excess purchases is a worrying example of this attitude.

More specifically, the European Network Against Arms Trade (ENAAT) wants to point to several aspects of the text, explained in more detail below, of particular concern:

- ◆ EDIP lacks any reference to arms export controls, such as the EU Common Position on Arms Exports and the Arms Trade Treaty, and human rights considerations, while it includes a number of provisions which will facilitate or encourage export, including a number of proposals (EUMS, SEAP) to encourage government-to-government deals;
- ◆ EDIP includes structural support for the Ukrainian arms industry, while Ukrainian arms exports aren't bound by the Common Position;
- ◆ EDIP is set up to predominantly benefit large EU arms companies, just like the Defence Fund does;
- ◆ EDIP strengthens the relation between EU institutions and the arms industry and includes new steps to involve the latter in decision-making processes;
- ◆ EDIP undermines EU environmental and social rules and will lead to (enforced) diversion of civilian resources
- ◆ EDIP's implementation will fall short of transparency and oversight requirements just like all the other funds benefiting the arms industry, with the blessing of the European Parliament itself.

EDIP will undermine arms exports control and human rights considerations

Unlike other measures in support of the European arms industry, the proposed EDIP regulation isn't explicitly meant to increase arms exports to countries outside the EU.

Yet, while the primary objective of EDIP leans towards prioritizing production for the EU and its Member States, several assurances are included to emphasize that this shouldn't undermine export possibilities, or in the words of the EDIS: “the competitiveness of the EDTIB and its ability to export must be preserved”. By encouraging investment in the defence industry and joint procurement of arms, EDIP strives to enhance the competitiveness and responsiveness of the EU military industry, strengthen the security and stability of defence supply chains, and support the recovery and modernisation of the Ukrainian arms industry.

In this context it is worrying that the draft report of the European Parliament includes an amendment to add the “increase [of] the competitiveness” of the EU and Ukrainian arms industry as a main aim of the programme, hinting to creating a stronger position on the international market, including more arms exports.⁶

5 See also for example: European Commission, *Joint White Paper for European Defence Readiness 2030*, 19 March 2025, available at: https://defence-industry-space.ec.europa.eu/document/download/30b50d2c-49aa-4250-9ca6-27a0347cf009_en?

6 European Parliament - Committee on Security and Defence/Committee on Industry, Research and Energy, ***I Draft Report on the

Moreover the Defence Industry Programme should be read in light of the Defence Industry Strategy. The EU Military Sales mechanism (EUMS) in particular looks similar to the US Foreign Military Sales and a comprehensive framework to facilitate arms sales within but also outside the EU, through the Defence Readiness Pools and the Structures for Rearmament Programme (SEAP):

a “single, centralised, up to date catalogue of defence products”⁷ will work as a promotional tool, and EDIP financial support for the purchase of additional military goods for the “creation of strategic reserves that could quickly be made available for additional customers” will speed up delivery times “in attractive government to government scheme[s]” through the SEAPs, whose “governance on the use of equipment in reserve will be established by those Member States” part of the Structure.

Such government-to-government deals allow to avoid negotiations with arms manufacturers and then the licensing process. Even though the CP and other arms exports control frameworks would still apply, national frameworks for such deals are often associated with “simplification of export authorization and control procedures”, as a recent study by the Fondation pour la recherche stratégique (FRS) concluded.⁸

In parallel, to that, the EU Common position on arms exports and human rights considerations seem to take a back-seat in this process, in spite of international obligations the EU and its member states have committed to.

◆ **Emphasis on procurements with no reference to regional and international legal frameworks**

The Regulation places a significant emphasis on the procurement of armament components, whose transfer and export are subject to regional and international legal frameworks. Notably, the 2009 Directive simplifying terms and conditions of transfers of defence-related products within the Community (‘Defence Transfers Directive’) regulates their intra-EU transfer.

Accordingly, EDIP provisions should also be consistent with the Defence Transfers Directive’. Moreover, all EU Member States are bound by the EU Common Position on arms exports and have ratified the Arms Trade Treaty (ATT), whose scope also extends to the parts and components of defence products. However, the proposed EDIP regulation lacks any reference to these frameworks.

◆ **Security of stockpiles and risks of diversion**

Article 11(3)(b) EDIP foresees the establishment of cross-border industrial partnerships, including public-private partnerships, to coordinate the sourcing or reservation and stockpiling of defence products, components, and raw materials intended for the production of defence products. The proposed regulation lacks acknowledgement of the need for strong controls regarding the security of stockpiles in order to avoid or reduce the risk of diversion.

◆ **European Military Sales Mechanism ignores human rights considerations**

In order to facilitate the availability of defence products from the EU arms industry, the Commission aims to create the European Military Sales Mechanism (starting with a pilot project, regulated in Article

proposal for a regulation of the European Parliament and of the Council establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products (‘EDIP’), 21 March 2025, available at: https://www.europarl.europa.eu/doceo/document/CJ55-PR-771828_EN.pdf

7 European Commission, Joint Communication (JOIN2024)10 Final, A new European Defence Industrial Strategy: Achieving EU readiness through a responsive and resilient European Defence Industry, P.13- available at: https://defence-industry-space.ec.europa.eu/edis-joint-communication_en

8 Hélène Masson and Kévin Martin, Government-to-Government (G2G) agreements on the international arms market, FRS, 10 April 2025, available at: <https://www.frstrategie.org/sites/default/files/documents/publications/recherches-et-documents/2025/052025.pdf>

14 EDIP Regulation). Among the pillars characterising the Sales Mechanism, there is a proposal to introduce a standard regime applicable to future defence contracts and framework agreements with EU-based manufacturers. Additionally, according to Article 34 EDIP, the standard regime would allow defence contracts/framework agreements to be opened to any other member state under the same conditions as the procuring member state.

Again, there is no mention whatsoever of human rights considerations regarding these defence contracts/framework agreements.

◆ **SEAP structure lacks clarification on arms exports regulations**

The EDIP establishes the Structure for European Armament Programme (SEAP), a voluntary legal framework that incentivizes the development and procurement of arms by providing participating states with an increased funding rate, VAT exemptions, and harmonised procurement procedures. It creates international organisations with their own legal personality and the capacity to enter into contracts, without clarifying their obligations regarding arms export regulations and human rights. In particular, article 17(2)(c) EDIP provides that Member States will receive further financial contributions from the EU if they agree on a common approach to export arms procured within a SEAP framework.

The proposed regulation lacks any mention of a thorough (human rights) risk assessment and of the need for consistency with the obligations laid down in the EU Common Position. Moreover, a 'common approach' generally leads to adopting the lowest common denominator, following the involved member states policies which have the least restrictions on arms exports.

◆ **Intra-EU transfers and end-users certificates: EDIP & EDIS eroding the Common Position**

According to Article 51 EDIP, when a security-related supply crisis state is activated, applications related to intra-EU transfers must be processed by national authorities within two working days. We fail to see how an authorisation procedure with such a short deadline would provide the necessary time to honour Member States' commitments to the EU Common Position and other obligations regarding arms exports and human rights risks.

The EDIS announces that the Commission seeks to “simplify the management of transfer licensing conditions and processes by introducing clauses on transfers in the concerned Model Grant Agreement with the aim of limiting the recourse to end-user certificates” (p 20). Though the EDIS itself is not binding and the EDIP does not have a provision to this effect, this expression of interest in eliminating end-user certificates is notable, given that the Defence Transfer Directive expressly permits their use. Recognising the risk that (re)transfers and (re)exports may have on the preservation of human rights, peace, security, and stability, Article 4(6) of the Defence Transfer Directive provides that Member States may include limitations on export authorisations of defence-related products to third countries, and in doing so, request end-user certificates. Moreover, Article 5 of the EU Common Position stipulates: “Export licences shall be granted only on the basis of reliable prior knowledge of end use in the country of final destination. This will generally require a thoroughly checked end-user certificate or appropriate documentation and/or some form of official authorisation issued by the country of final destination.”

It is worrying that the Commission tries to erode this provision in the context of EDIS, even more in the light of the recent White Paper for European Defence of 19 March which announces a revision of the Transfer Directive and a ‘defence omnibus package’, i.e. a process of deregulating European norms in favour of the armament sector.

Support for the Ukrainian arms industry has vested interests

The support for the Ukrainian arms industry raises some specific questions. The inclusion of this industry is presented as a logical step in the pre-accession process of the country. While the proposal includes several obligations for Ukraine and the Ukrainian industry to be eligible for funding, following the EU Common Position isn't one of them. The rather vague and general statement in the preamble that “[s]pecial attention shall be given to the objective to support Ukraine to progressively align with Union rules, standards, policies and practices (‘acquis’) with a view to future Union membership” in the best case scenario leaves ample room for Ukrainian beneficiaries of the EDIP to ignore the Common Position for the time being.

This is especially worrying because Ukraine is known for its arms exports to questionable destinations, which have continued since the start of the Russian invasion in February 2022. According to SIPRI, export destinations during the last decade (2015-2024) include controversial clients as China, DR Congo, Ethiopia, Myanmar and Saudi Arabia.⁹

On top of this, the arms industry in Ukraine has a history of severe corruption.¹⁰ Another common problem is the diversion of arms in transit to other destinations than officially stated and/or into criminal networks.¹¹

In this context it is also questionable what the actual aim of the EU is regarding cooperation with the Ukrainian industry, as the EDIP proposal mentions: “Failing to create a strong relationship between the respective industrial bases may result in a missed business opportunity in the short-term [...]” (Explanatory memorandum, chapter 1), and thereby suggests the economic interests of the EU and in particular its arms industry are an important factor.¹²

In the light of more recent proposals, this aim seems much clearer: the White Paper for European Defence makes very clear that it is about “profit[ing] from Ukraine’s war experience” and that “the integration of the Ukrainian defence industry into the EDTIB will help to [...] provide cost-efficient defence products to the global market.”¹³

EDIP will strengthen the position of the arms industry

◆ EDIP will benefit (large) EU arms companies over SMEs and/or civilian companies

The main goal of EDIP is “supporting defence industry readiness of the Union and its Member States” (art 1), by ramping up the production capacities of the EU arms industry. It's highly likely that this will mainly benefit a small set of large EU arms companies when looking at the proposal in the context of the developments in EU arms industry support and militarisation in the last years, the connection with other instruments, such as EDF (and its predecessors PADR and EDIDP), and the idea that this is a follow-up to ASAP and EDIRPA.¹⁴

9 <https://armstransfers.sipri.org/ArmsTransfer/>

10 Daniel Block, *Can Ukraine Clean Up Its Defense Industry Fast Enough*, *The Atlantic*, 19 February 2023, available at: <https://www.theatlantic.com/international/archive/2023/12/ukraine-corruption-issues-defense-industry/676337/>

11 *Global Initiative Against Transnational Organized Crime*, *Smoke on the Horizon: Trends in arms trafficking from the conflict in Ukraine*, June 2024, available at: <https://globalinitiative.net/wp-content/uploads/2024/06/Smoke-on-the-horizon-trends-in-arms-trafficking-from-the-conflict-in-Ukraine-GI-TOC-June-2024.v3.pdf>

12 In this regard also see for example: Roman Olearchyk, *Military briefing: Ukraine provides ideal ‘testing ground’ for western weaponry*, *Financial Times*, 5 July 2023, available at: <https://www.ft.com/content/8819b598-7595-47cc-a992-8897b86b57c6> – back in 2023 then Defence Minister of Ukraine Reznikov presented Ukraine as the ideal testing ground for its western allies’ weapons

13 *Joint White Paper for European Defence Readiness 2030*, p.12

14 On how these programmes mainly benefit a select set of large EU arms companies, see for example: Mark Akkerman, Pere Brunet, Andrew Feinstein, Tony Fortin, Angela Hegarty, Niamh Ní Bhriain, Joaquín Rodríguez Álvarez, Laëtitia Sédou, Alix Smidman and Josephine Valeske, *Fanning the Flames: How the European Union is fuelling a new arms race*, ENAAT/TNI/Stop Wapenhandel,

Several aspects of the proposed EDIP Regulation are predominantly beneficial for large arms companies (the 'key market players' in terms of EDIP and EDIS):

- x As under ASAP¹⁵, they can't be forced to take priority rated orders, as they are “free to refuse the request” (art 50(2)), but they themselves can benefit from such orders when it comes to suppliers of raw materials and civil or dual-use components, as providers of non-defence goods aren't allowed to refuse such orders and can be penalized if they refuse or don't execute them (art 55). This creates a very uneven power balance between large arms companies and their (civilian) suppliers.
- x It is also questionable even from the perspective of the stated objective of EDIP: on the upper level of crisis (‘security-related supply crisis state’) arms companies can refuse priority rated orders, while on the lower level of crisis (‘supply crisis state’) their (civilian) suppliers aren't allowed to do so;
- x The EDIP proposal also gives them a stronger position in relation to the (public and private) financial sector, because of the outspoken pressure to invest in the arms industry and adapt or forgo Environmental, Social and Governance (ESG) principles and guidelines to do so¹⁶;
- x The proposal gives arms companies a stronger position in decision-making processes and the relation with decision-makers, for example when it comes to budget setting or providing permits for the increase of production capacities (ie building production locations), and in political debate. In the words of the proposal, “the Union cannot afford to wait until the EDTIB has sufficient predictability of orders to invest in adapting its production capacity. The European defence industry needs to adapt as quickly as possible to the new market situation. This means that there is a need to support de-risking industry’s investments in flexible manufacturing capacities.” (explanatory Memorandum, chapter 2)
- x As an extension of the previous point, article 57 of the EDIP proposal reads: “The Commission shall set up a working group on legal, regulatory and administrative hurdles, composed of experts nominated by member states. The objectives of this working group are: (a) to identify existing or potential legal, regulatory and administrative obstacles at international, EU and national levels to the achievement of the objectives listed in Article 4, (b) to identify potential solutions and/or mitigation measures to identified obstacles. . This essentially means the establishment of a service instrument for the industry, to help it avoid, break down or circumvent existing laws and other rules that stand in the way of ramping up its production capacities;
- x The possibility of 'financing not linked to costs' (art 3) opens up a new range opportunities for all kinds of use of funding, including for marketing;
- x Under article 37 of the proposal, the Commission will act as an intermediary and marketer for arms companies towards member states by setting up “a system to facilitate the conclusion of off-take agreements related to the industrial ramp-up of the EDTIB’s manufacturing capacities as well as those of the Ukrainian DTIB” to “bring relevant manufacturers of defence products in contact with interested Member States and associated countries as well as, where relevant, Ukraine” based on general offers by companies;

March 2022, available at: <https://enaat.org/wp-content/uploads/2022/03/FanningtheFlames.pdf>

15 Aurélie Pugnet, *EU negotiators seal deal on fund to boost ammunition production in the bloc*, Euractiv, 7 July 2023, available at: <https://www.euractiv.com/section/defence/news/eu-negotiators-seal-deal-on-fund-to-boost-ammunition-production-in-the-bloc/>

16 This is part of an ongoing process to pressure the EIB and private financial institutions to increase investment in military production. See for example: European Defence Agency, *EU Defence Ministers Call for Strengthening the Defence Sector’s Access to Finance*, 14 November 2023, available at: <https://eda.europa.eu/news-and-events/news/2023/11/15/eu-defence-ministers-call-for-strengthening-the-defence-sector-s-access-to-finance> ; and the section on 'Mobilising private capital' in: European Commission, *Joint White Paper for European Defence Readiness 2030*, 19 March 2025, available at: https://defence-industry-space.ec.europa.eu/document/download/30b50d2c-49aa-4250-9ca6-27a0347cf009_en?

- x Given the fact that major EU arms producers are concentrated in a few Member States, it is questionable that in terms of decision-making only a qualified majority in the Council is needed to activate or prolong the 'supply crisis state' (art 44(3) and (6)). What does this mean when, for example, companies in Member States not agreeing with this, are obliged to fulfil priority rated orders? Is there a risk of major arms producing countries activating this to help their domestic industry, for example to get easier access to raw materials or components?

◆ **EDIP further facilitates corporate capture**

The EDIP proposal also introduces new steps in the increasingly intertwined relation between the EU and industry, adding to the process of corporate capture that is already well on its way¹⁷. The creation of a 'European Defence Industry Group' (EDIS, p.8) adds another vehicle of permanent dialogue between EU and industry to the already existing Commission expert group on Policies & Programmes relevant to EU Space, Defence and Aeronautics Industry¹⁸, and the many other meetings between industry and the Commission and/or MEPs.¹⁹

Being at the table with industry is also mentioned when it comes to the Defence Industrial Readiness Board, made up of representatives of the Commission, Member States and associated countries to support the Commission with implementation of EDIP, which “may invite national defence industrial associations, key market players.... to meetings” and foresees a more structured dialogue with defence industry when the supply crisis or security supply crisis state is activated, when it “shall invite high-level industrial representatives to meet in special configuration in order to discuss issues linked to crisis-relevant products” (art 57(10)).

The influence of the industry is also already noticeable in the EDIP proposal itself. In the Staff Working Document²⁰ there are regular references to input from industry in the consultation process in the lead-up to EDIS and EDIP, often to mention that this has been the base for actual proposals.²¹ One of the consultations took place in the Commission expert group on Policies & Programmes relevant to EU Space, Defence and Aeronautics Industry. Many of the comments and suggestions made in that session are reflected in EDIS and the EDIP proposal, including funding for the 'commercialization phase', strategic stockpiling, ever-warm facilities)²². In particular the measures to address the 'commercialisation gap' and provide funding towards 'future market uptake', of for example the results of EDF projects, fulfil a long-standing wish of the arms industry for funding possibilities in this part of the development, marketing and production process;

17 Mark Akkerman & Chloé Maulewaeter, *From war lobby to war economy: How the arms industry shapes European policies*, ENAAT, September 2023, available at: https://enaat.org/wp-content/uploads/2023/12/ENAAT-Report-WarLobby2WarEconomy_Sept2023-FINAL.pdf

18 <https://ec.europa.eu/transparency/expert-groups-register/screen/expert-groups/consult?lang=en&groupID=3775> ; also see: Mark Akkerman, *Arms industry gets its much-wanted permanent dialogue with the European Commission*, Stop Wapenhandel, 7 February 2022, available at: <https://stopwapenhandel.org/arms-industry-gets-its-much-wanted-permanent-dialogue-with-the-european-commission/>

19 See: <https://www.lobbyfacts.eu/> and <https://www.integritywatch.eu/mepmeetings.php>

20 https://defence-industry-space.ec.europa.eu/document/download/f1e6ba44-4720-4f14-a991-a3a7f3afb475_en?filename=Staff%20Working%20Document%20on%20EDIP.PDF

21 About the consultation process: https://defence-industry-space.ec.europa.eu/newsroom/consultations/consultation-new-european-defence-industrial-strategy_en ; and Aurélie Pagnet, LEAK: EU Commission queries member states, defence industry on draft industrial strategy, Euractiv, 29 November 2023, available at: <https://www.euractiv.com/section/defence-and-security/news/leak-european-commission-queries-member-states-defence-industry-on-draft-industrial-strategy/>

22 European Commission, *First consultation workshop on EDIS - sixth meeting of the Subgroup Defence, as part of the Commission expert group on Policies & Programmes relevant to EU Space, Defence and Aeronautics Industry*, 29 November 2023, available at: <https://ec.europa.eu/transparency/expert-groups-register/core/api/front/document/101601/download>

Eroding European norms and greenwashing

◆ Pushing aside social and environmental rules

For the purpose of increasing arms production capacities and facilitating the industry to do so, funding guidelines are very broad and seem to lack serious checks, while being accompanied with measures that risk undermining EU social and environmental standards:

- x Funding can go to a broad range of activities (EDIP, considerations 18-20), which reads as 'everything we can think of to help the arms industry expand' (also looking at the broadly defined objectives (art 4)); given the urgency with which everything is presented and supposed to be implemented, there is a high risk of EDIP acting as a money machine for the most bold companies that come up with new proposals, however far-fetched or inefficient they might be, and have good contacts with authorities;
- x The EDIP proposal calls on Member States to use "defence related exemptions under national and applicable Union law [...] if they deem that the use of such exemptions would facilitate" ramping up production capacities. This applies in particular to "Union law concerning environmental, health and safety issues" which could "produce regulatory barriers" for the defence industry (recital 47). This opens the door to eroding health, environmental and safety regulations. This extends to spatial planning and environmental assessments (i.e. in case of expanding production or building new facilities (art 38; and with even more pressure in case of a declared security-related supply crisis (art 54));
- x On top of the pressure on the financial sector regarding the 'sustainability' of the arms industry, the documents include elements of outspoken greenwashing, as EDIS mentions: "Ensuring an appropriate visibility and recognition of efforts made by the defence sector towards environmental sustainability could also contribute to its overall societal acceptance" (p28).
- x what is excluded from funding comes down to the bare minimum in terms of international law – "actions related to defence common procurement of goods or services, which are prohibited by applicable international law", shall not be eligible for support from the Programme" – and political agreement – "lethal autonomous weapons without the possibility for meaningful human control over selection and engagement decisions when carrying out strikes against humans" (article 11(8)), leaving ample room for funding going towards controversial technologies and applications, for example in the field of AI;

◆ Diversion of civilian resources

The EDIP proposes two mechanisms that mobilise civilian production lines for defence purposes: priority-rated orders (art 47) and priority-rated requests (art 50). The former would ask undertakings to accept orders of crisis-relevant non-defence products during supply crises, whereas the latter would request undertakings to prioritise orders of defence products in security-related supply crises (second upper level of crisis combining a security crisis in Europe or its neighbourhood with a supply crisis). Both are painted as instruments of last resort (recital 62), which should not disproportionately affect the right to conduct a business and the right to property set out by Articles 16 and 17 of the EU Charter of Fundamental Rights (EUCFR). However, the prioritization of military production in the EDIP proposal could have severe consequences for civil production and use of resources:

- x With the priority rated orders the supplying industry (of raw material and civil or dual-use components) can be forced to militarise, at the cost of civil uses of its products;

- x The use of EDIP for “the building up of ‘ever-warm’ spare industrial capacities that allow for the necessary flexibility to ramp up in response to urgent spikes in demand” includes the possibility to “rapidly mobilise production lines from civilian industry for defence production purposes” (EDIS, p.17);
- x Similarly, measures to make the arms industry a more attractive employer can lead to a brain-drain from the civil sector; it is also questionable in general if the EU should promote a single industry so much, especially one with such a controversial nature;
- x The proposals don't mention anything about possible ethical objections from companies when faced with priority rated orders. There is no procedure for when a company has conscientious objections to produce for military use, in general or in a specific case, or when a company is forced to push other orders backwards, which could have (serious) consequences, when these are for example healthcare or sustainability objectives. According to the EDIP proposal, “[e]nsuring the public security of the territory of the Union constitutes an overriding public policy objective and this security depends also on the availability of defence goods and services in sufficient quantities” (explanatory memorandum, p5). This not only imposes militarisation upon the whole EU economy, but also denies that good healthcare, education, a social safety net and sustainable future are crucial building stones for inclusive security for everyone.

◆ **Lack of transparency and parliamentary oversight risking to expand to civilian programmes**

While the EDIP proposal contains several measures that can best be described as propaganda tools for military production and the arms industry (in particular mentioned in art 65 as “providing coherent, effective and proportionate targeted information to multiple audiences, including the media and the public”), there are nevertheless some questions that can be raised regarding transparency:

- x Most funding goes to member states and from them to industry, it is unclear if the final (corporate) beneficiaries of such funding will be made publicly available at all;
- x Indirect management of funds (possible under art 8(1)) often leads to at least delays in transparency²³;
- x The stipulation that “[t]he Commission shall not share any information in a way that can lead to the identification of an entity when the sharing of the information results in potential commercial or reputational damage to that entity or in divulging any trade secrets' (art 61(4)) is so broadly formulated that it could be used to severely undermine transparency, and with that political and public control of the application of EDIP.
- x Once again, EDIP will be implemented without parliamentary oversight, in addition to being rushed through. The so-called exception for EDF pilot programmes has become the new norm with the blessing of the Parliament: the Commission will implement EDIP through implementing acts rather than delegated acts, leaving the European Parliament out of the loop for the entire duration of the programme, while Member States will be granted a de facto veto right, with the possibility of preventing an implementing act simply by not giving their opinion.
- x We warned as early as 2017 about the risk of this exception becoming the norm in EU funding for the military, and we are now warning about the risk that this lack of transparency and parliamentary control will slowly but surely spread to civilian programmes, given that more and more of these programmes must now be opened up and respond to the needs of the arms industry.

²³ For example: for European Defence Fund projects under indirect management by EDA or OCCAR it often takes a long time before the beneficiaries are published

EDIP will run until 31 December 2027, bridging the time until the start of the new Multiannual Financial Framework (2028-2034), under which a more elaborated programme with more funding can be expected. The proposed evaluation (art.66) consists almost exclusively of looking at numbers (i.e. more arms production) and lacks the question: has EDIP contributed to its political goals? The more fundamental question of its contribution to peace and real security doesn't seem to be in the picture at all. Meanwhile, the “consultations of 'key stakeholders'” as part of the evaluation process again predict an influential role of industry.

Conclusion

All in all EDIP can be described as yet another vehicle to support the EU arms industry, exemplifying the political choice for militarisation and armament as the designated response to current geopolitical developments. The underlying fear-mongering about Russia's perceived threat to EU members is not based on facts. Military spending and power of the EU and its Member States far outreaches that of Russia, which has already stretched its economy to the maximum to continue arms production to be able to keep its war on Ukraine going.²⁴

When we look at the broader context of EDIP – the European Defence Industrial Strategy – this political choice for militarisation is even more striking: it is about “mainstreaming a defence readiness culture across EU policies”, and this includes a wide range of objectives from facilitating the arms industry access to public and private finance, including sustainable finance, to an “adequate regulatory environment “(read ‘deregulate norms in favour of arms production’) and help the arms industry attract the most skilled workers, diverting them from civil areas like renewable energy, and facilitate further their access to EU civilian programme, with a particular focus this time on the Cohesion Fund for regional development.²⁵

The recent move of the European Investment Bank and the recently published ReArm Europe plan and White paper for European Defence mark, among other things, a further step in this regard.²⁶

ENAAT and its 21 member organisations in 14 European countries clearly denounce this unprecedented drive for armament at the EU level, in contradiction with the original idea of a Union conceived as a ‘peace project, and call for a shift away from militarisation to diplomacy, dialogue and investments for a sustainable and socially secure future for all.

April 2025

For more information in this paper, contact us at laetitia@enaat.org or +32.496.15.83.91

24 Martin Broek, *Turbo-charged arms production; for protection or for power and profit?*, Stop Wapenhandel, 30 January 2025, available at: <https://stopwapenhandel.org/turbo-charged-arms-production-for-protection-or-for-power-and-profit/>

25 *A new European Defence Industrial Strategy (JOIN(2024)10 Final)*, p.24 to 28

26 Laëtitia Sédou, *ReArm Europe, or the myth of a European defence for peace*, 15 April 2025, available at: <https://rosalux.eu/en/2025/english-rearm-europe-or-the-myth-of-a-european-defence-for-peace/>