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**NATIONAL EXPECTATIONS REGARDING
THE EUROPEAN DEFENCE FUND:
The Greek Perspective**

By

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*The views expressed here are solely those of the author.
They do not reflect the views of any organisation.*

Comment

ABSTRACT

Greece supports the establishment of the European Defence Fund (EDF) and regards it as an integral element in enhancing the European Defence Industrial Technological Base (EDITB) and contributing in Europe's strategic autonomy. Greece expects the EDF to have both a European and a national impact, vis-à-vis the European Union's defence industrial competitiveness and innovation as well as its armed forces' military capabilities. According to the national perspective, the EDF should fund projects that address capability gaps, as they have been identified in the Capability Development Plan (CDP). Greece aspires the EDF to fund primarily conventional military capabilities that respond to the Union's and its national needs. Extrapolating its success in securing European Defence Industrial Development Programme (EDIDP) funding, Athens is working on the lessons learnt to replicate the positive outcome with the EDF.

Keywords: *Greece, European Union, European Defence Fund, EDIDP, NATO*

GREECE AND THE EDF: EXPECTATIONS

Greece has been one of the most prominent EU member states when it comes to the new EU defence package, leading five PESCO projects and participating in another nine. Greece expects that these defence initiatives (CARD, PESCO, EDF) will contribute to the protection of EU citizens, through the gradual development of a common European defence, as stipulated in Article 42 (2)1 of the Lisbon Treaty. Given the current security challenges and the unstable geopolitical landscape, “strengthening the EU’s strategic defence autonomy” and “developing a stable joint industrial and technological base” is, according to Greece, “all the more urgent”¹. Greece envisions that a strong common European defence would in turn be beneficial to the state’s national defence and security. To fulfil those objectives Athens seeks to use, not exclusively, PESCO for the development of the military capabilities currently missing and the EDF to fund them.

So if PESCO is the vehicle, then the EDF is the fuel. Greece and its domestic defence industry are keen on linking PESCO with the EDF, as European funding would benefit project development². Indeed, out of the five projects³ that Greece is leading under PESCO, four are seeking EDF/EDIDP funding, while the remaining one; Helicopter Hot and High Training necessitates no additional funds.⁴ Although the country is expecting participating nations to fund the projects, additional funding through the EU mechanisms is thought to accelerate the capability development process. Yet apart from funding the development of military capabilities, Greece expects the EDF, through its regulation, to create opportunities for the development of its domestic defence industry. Athens aims to boost its national defence industrial base through the absorption of funds and the participation in collaborative projects and development programmes. As the national defence industries would be strengthened, it is envisioned that the whole EDITB would be enhanced. Greece, unlike other countries, is not worried about its defence industry failing to secure funding in absence of large national defence companies. It believes the current regulation that seeks to involve SMEs and its competence in certain fields would

¹ Greek Success in the European Defence Industrial Development Programme (EDIDP)

² Yvonne-Stefania Efstathiou, “PESCO: The Greek Perspective”, French Institute for International and Strategic Affairs (Iris), November 2018.

³ Helicopter Hot and High Training (H3 Training), Joint EU Intelligence School, Upgrade of Maritime Surveillance, Cyber Threats and Incident Response Information Sharing, One Deployable Special Operations Forces (SOF) Tactical Command and Control (C2) Command Post (CP) for Small Joint Operations (SJO) – (SOCC) for SJO Platform

⁴ Yvonne-Stefania Efstathiou, Lucie Béraud-Sudreau, Conor Hannigan, “Keeping the Momentum in European Defence Collaboration: An Early Assessment of PESCO Implementation,” International Institute for Strategic Studies, May 2019.

suffice. Securing EDIDP funding, on the 15th June results of the call, is indeed perceived by Greece as tangible evidence that European funding would not only be available to countries with a large defence industry.

Greece is very hopeful that its domestic defence companies would manage to secure EDF funding, given their recent success in obtaining EDIDP funding. Indeed, the Hellenic Ministry of Defence is currently working on the lessons learnt and best practices on how to replicate this success, with the EDF. In June 2020, different European partnerships, coordinated by Greek defence companies, competed for and received funding from the EDIDP, that amounts to 27 million euros (~14% of the total amount- 205 million) and makes up one fourth of the selected programmes (4/16). Athens participated in the above procedure with four programmes (DECISMAR, LOTUS, PANDORA, SMOTANET)⁵, which concern the development of a tactical UAV system, a software for detecting threats in cybersecurity, a support software for decision-making in maritime surveillance matters and the development of a tactical system with state-of-the-art technologies in telecommunications. Two of those programmes are also PESCO projects; the DECIMAR programme relates to the Upgrade of Maritime Surveillance project, while the PANDORA programme relates to the Cyber Threats and Incident Response Information Sharing Platform project.

According to Greece, the EDF should fund the development of capabilities that correspond to the Capability Development Plan (CDP). Since twenty-two EU member states are also NATO members, Athens expects the capabilities developed and potentially funded by the EDF to also address NATO shortfalls. The output is anticipated to be coherent with the north Atlantic alliance's NDPP and be based on the "single set of forces" principle. Given that Greece is facing conventional threats, it is no surprise that the country aims to prioritize conventional technologies and capabilities to be funded by the EDF. Although Greece is a NATO member it believes a fellow NATO member, namely Turkey, poses a threat to its sovereignty. According to the official narrative, Turkey is challenging and disputing Greece's legal and sovereign right, with the threat of war (*casus belli*), to extend its coastal zone to 12 nautical miles, as provided by the Law of the Sea and is questioning the scope of the Greek national airspace, through continuous violations by Turkish fighter

⁵ Some of the main companies involved in the projects are INTRACOM Defence Single Member SA, SPACE Hellas SA, Thales Hellas Anonymi Etairia Paragotis kai Ipresion, PLANETEK Hellas LTD.

jets. At the same, Athens claims its neighbour is challenging Greek sovereignty over islands and questioning of maritime borders, while also demanding for demilitarization of the islands of the Eastern Aegean. Finally, Greece notes that Ankara is challenging the state's responsibilities within the Athens FIR, exercised under ICAO decisions, and continues to refuse to comply with air traffic rules ⁶.

ON THE EDF GOVERNANCE

Greece supports linking the capability development through PESCO with the EDF. Given that the PESCO Secretariat constitutes of the High-Representative, the European External Action Service (EEAS), including the EU Military Staff (EUMS), and the European Defence Agency (EDA), we may conclude that in the Fund governance a formal link with the EUMS and the EDA may be favoured.

Athens endorses the Finnish proposal and does not oppose the participation of the third-states given that non-EU states' contribution is of added value and are abiding to specific criteria agreed by the Union (eg. good neighboring relations). Indeed when discussing third party participation, Greece cites the EDIDP results, which demonstrated the possibility of involving EU-based subsidiaries controlled by third countries or third country entities, namely the case with four participants controlled by entities from Canada, Japan and the United States⁷.

NATIONAL DEFENCE TECHNOLOGICAL AND INDUSTRIAL BASE

One of the main aims of Greece with regards to the EDF is to enhance the EDITB and boost its national defence industry through EU funding. Presently, the Greek defence industrial and technological base is composed mainly of around thirty small and medium enterprises (SMEs), which employ around 5000 people⁸. With the exception of the Hellenic Defence Systems, Hellenic Airforce Industry and the Hellenic Vehicle Industry that are mostly publicly owned, most enterprises are private. Its companies have been

⁶ Ζητήματα Ελληνοτουρκικών Σχέσεων, Ministry of National Defence, Hellenic Republic, <https://www.mfa.gr/zitimata-ellinotourkikon-sheseon/>

⁷ European Defence Fund: €205 million to boost the EU's strategic autonomy and industrial competitiveness, European commission website, 15 June 2020, https://ec.europa.eu/commission/presscorner/detail/en/ip_20_1053

⁸ National Defence Industrial Strategy, Ministry of National Defence, Hellenic Republic, <http://www.gdaee.mil.gr/images/PDF/NDIS-ENGLISH.pdf>

involved in many consortia, acquiring experience and know-how.⁹ The EDF and its regulations on the involvement of SMEs thus constitutes for Greece an opportunity to boost its national defence industrial base, to create jobs and reverse the tendency for talented young scientists to leave their countries.

Yet its recent success, in securing EDIDP funding, comes with a significant challenge that could potentially have long-term consequences on Greece's ability to secure more funding in the future. This is actually the first time the Greek MoD coordinates and organizes companies and universities with a view to strengthening Greece's Defence, given that all operational requirements have been specified by the Hellenic National Defence General Staff¹⁰. Should Athens fail to allocate the EDIDP money effectively or to proceed with the aforementioned capabilities, it risks tarnishing its reputation. The stakes are high, and since the country aims to seek EDF funding for the PESCO projects it leads, but for one, it has to successfully deliver capabilities.

When it comes to the EDF funding per say, Greece has not indicated a specific amount to be devoted in the new MFF proposal. It argues the funds should be agreed on the basis of the Union's wider needs bearing in mind the health crisis and its economical repercussions following the COVID-19 crisis. Although Greece aims to secure EDF funds and regards it as an indispensable element in promoting EU defence and military capability development, it is prepared to finance its capability programmes through its national defence budget. Following a decade of austerity, Greece is currently pursuing programmes that address its national defence needs, in addition to the PESCO projects. The country is recapitalizing and procuring platforms that would be available potentially earlier than the implementation of the PESCO projects and correspond to the strategic relations it aims to foster. Greece firmly believes in EU defence cooperation, yet given the current provocations in the Aegean Sea and security challenges it faces, it would not exclude developing defence relations with other regional players. ■

⁹ Η Ελλάδα και η Μόνιμη Διαρθρωμένη Συνεργασία ΕΕ στον τομέα της ασφάλειας και άμυνας, Ministry of National Defence, Hellenic Republic, <http://www.gdpeads.mod.mil.gr/index.php/el/δραστηριότητες/item/111-η-ελλάδα-και-η-μόνιμη-διαρθρωμένη-συνεργασία-στον-τομέα-της-ασφάλειας-και-άμυνας>

¹⁰ Greek Success in the European Defence Industrial Development Programme (EDIDP), Ministry of National Defence, Hellenic Republic, <http://www.mod.mil.gr/en/press-releases/greek-success-european-defence-industrial-development-programme-edidp>

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ARES GROUP

The Armament Industry European Research Group (Ares Group) was created in 2016 by The French Institute for International and Strategic Affairs (Iris), who coordinates the Group. The aim of the Ares Group, a high-level network of security and defence specialists across Europe, is to provide a forum to the European armament community, bringing together top defence industrial policy specialists, to encourage fresh strategic thinking in the field, develop innovative policy proposals and conduct studies for public and private actors.

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