



Common Module
Budget & Finance in the EU Defence Sector
 Module Description



Country	Institution	Module	ECTS
RO	LFA	Budget & Finance in the EU Defence Sector	2.0

Service	Minimum Qualification of Instructors
ALL	Officers or Civilian Lecturers: <ul style="list-style-type: none"> Level B2 of the Common European Framework of Reference for Languages (CEFR) or NATO STANAG Level 3. Experience in conducting academic lectures. Knowledge of the EU financial system.
Language English, Romanian¹	
SQF MILOF	Competence area – Military Technician Learning area – Sustaining the force Organisational level – Single Service

Prerequisites for international participants:	Goal of the Module
<ul style="list-style-type: none"> English: Common European Framework of Reference for Languages (CEFR) Level B1 or NATO STANAG Level 2. Knowledge of basic budget & finance concepts. 	<ul style="list-style-type: none"> Explain the budget & finance support capabilities of units and formations specific to the service during full spectrum of operations and take the budget & finance requirements into account during planning of full spectrum operations Provision of best practices and lessons learned.

Learning outcomes	Know-ledge	<ul style="list-style-type: none"> Formulate basics of the legal framework in the EU military procurement and EU funding mechanisms. Define aim and role of the EU funding initiatives and basic forecasting models.
	Skills	<ul style="list-style-type: none"> Adopt innovative procedures in the financial field to fulfil the mission. Demonstrate a thorough understanding of the budget & finance processes in the EU defence sector.
	Responsibility and autonomy	<ul style="list-style-type: none"> Make decisions in accordance with the individual financial decision-making processes. Seek actively to improve his/her performance through best practices on the finance field.

Verification of learning outcomes
<ul style="list-style-type: none"> Observation: Trainees are evaluated during each session, in order to document the understanding of the individual topics of the module. Test: At the end of the course an integrated theoretical test is conducted.

¹ **Remark:** If the Module or parts of the Module are conducted in Romanian language, international participants are to be informed in advance to react properly.



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Module details (the content is an example and depends on the course director's decision)		
Main Topic	Recommended WH	Details
The legal framework of military procurement in the EU (treaties, directives)	3	<ul style="list-style-type: none"> • Introduction to Common Security and Defence Policy (entities, policies). • EU and NATO approaches in military procurement. • Applications in defence and security contexts.
Financial initiatives in the area of the EU defence sector	2	Acquaintance with the financial initiatives in the EU defence sector <ul style="list-style-type: none"> • The function and the responsibilities of the European Defence Agency (EDA) • The function of the European Defence Fund (EDF) • The role of the Coordinated Annual Review on Defence • The cooperation between the EU and NATO
Permanent Structured Cooperation (PESCO): Collaborations and economic growth potentials	2	Participants will be informed on topics relevant to the Permanent Structured Cooperation (PESCO) with focus: <ul style="list-style-type: none"> • Timeline of EU cooperation on security and defence • PESCO projects on defence areas • Differentiated integration within PESCO: Clusters and convergence • Economic growth potentials through collaborations among EU members in the defence sector
European Peace Facility (EPF): An EU off-budget fund to build peace and strengthen security	2	<ul style="list-style-type: none"> • An overview of the EPF and its added value on the implementation of EU CFSP and CSDP • The funding and the management of the mechanism • The stakeholders and their respective roles • The drawing up and the implementation of the annual budgets • The Athena Mechanism
The perspectives of European Defence Industry (EDI) in the aftermath of launching the European Union Global Strategy (EUGS)	2	<ul style="list-style-type: none"> • Analysis of EDI's status quo in an environment of emerging threats and challenges • Presentation of the existing debate among statesmen, politicians, academia, and industry's professionals on undertaking the necessary initiatives to ensure a prosperous EDI • Examination of EDI's perspectives by elaborating on the most influential and critical, political, financial, and industrial factors
Budget and finance case study: NATO Support and Procurement Agency (from customer's perspective)	2	<ul style="list-style-type: none"> • NSPA as a potential model for the development of EU Defence support agencies • NSPA's organizational design • NSPA's principle, rules and regulations • Budgets in NSPA (Administrative Budget, Operational Budget) • Audit procedures in NSPA
Negotiations in defence and security procurement	2	<ul style="list-style-type: none"> • Establishing awareness of future officers on the importance of negotiations in the defence procurement processes. • Basic structural elements and the optimum negotiation techniques. • Analytical and negotiations skills through examples and case studies
Boundaries and facilitators in humanitarian logistics provided by the EU armed forces	3	<ul style="list-style-type: none"> • Present the different actors that cooperate while providing humanitarian aid. • Critically explore the main boundaries and existing limitations • Investigate potential solutions proposed by the current literature • Familiarise students with basic forecasting models
Financial manoeuvring in the defence sector	2	<ul style="list-style-type: none"> • Conceptual approach of the term financial manoeuvring, its main areas of application and its elements in the military. • "Multi-level financial manoeuvring" as an "effective equivalent" to the budgetary cuts. • The application of the financial manoeuvring beyond military



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		organizations
Building integrity in the defence sector	2	<ul style="list-style-type: none"> Promoting openness and accountability in the defence sector. Defence integrity system. Key areas of corruption in procurement and contracting. Internal audits alerts and indicators. Best practices and lessons learned on building integrity.
Behavioural finance	2	<ul style="list-style-type: none"> Demonstrate how the standard assumptions in economics and finance are translated into predicted behaviour. Explain behavioural concepts in individual financial decision making. Improve student's own decision-making process. Apply behavioural concepts to new situations. Explain behavioural concepts in strategic interaction.
TOTAL lecture WH	24	
Additional hours (WH) to increase the learning outcomes		
Self-Studies	25	
Test	1	
Total WH	50	The detailed number of hours for the respective main topic is up to the course director according to national law or home institution's rules.



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LIST OF ABBREVIATIONS:

B1, B2.....Common Reference Levels
CARD.....Coordinated Annual Review on Defence
CEFR.....	Common European Framework of Reference for Language
CESP.....	.....Common Foreign and Security Policy
ECTS.....	.....European Credit Transfer and Accumulation System
EDA.....	.....European Defence Agency
EDF.....	.....European Defence Fund
EDI.....	.....European Defence Industry
EPF.....	.....European Peace Facility
ESDC.....	.....European Security and Defence College
EU.....	.....European Union
EUGS.....	.....European Union Global Strategy
IG.....	.....Implementation Group
LFA.....	.....Land Forces Academy
MENA.....	.....Middle East and North Africa
NATO.....	.....North Atlantic Treaty Organisation
NSPA.....	.....NATO Support and Procurement Agency
PESCO.....	.....Permanent Structured Cooperation
STANAG.....	.....Standardization Agreement
WH.....	.....Working Hour