



The European Defence Fund

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Topics of the presentation

- EU defence policy: what?
- EDF: why?
- EDF: what?
- What does the Commission want to achieve?
- What's going on now?
- EDF and CBRN related topics?
- 4 take-aways

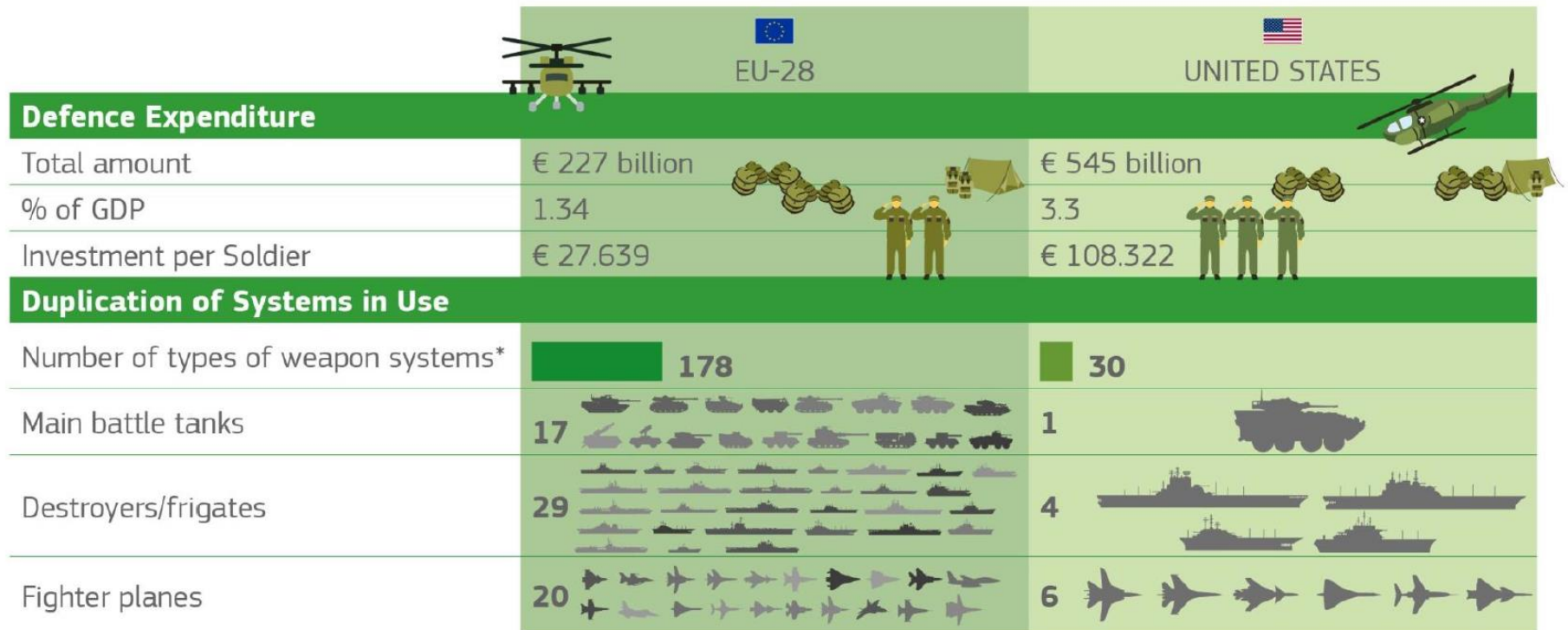
Defence policy at EU level

- A new political context at EU level
- Many players
- Context of CARD, PESCO, EU GS, MPCC, MM....and the EDF
- All initiatives to deepen EU defence cooperation
- **Political guidelines of President Juncker**
- ***'a Europe that protects and Defends***
- EDF = the central element
- EDF: the industrial side/ the internal market side of the defence initiatives
- '

Problem drivers

- Increasing costs of complex defence equipment + R&D increasingly expensive
- Repercussions of past cuts in national defence budgets
- Market divided along national borders – fragmentation/ unnecessary duplication
- Limited cooperation between the Member States; limited number of European programmes

Fragmentation and inefficiencies



* Number of types of weapon systems for selected weapon systems categories

Source: NATO, International Institute for Strategic Studies, SIPRI

Preparatory Phase

Preparatory Action on Defence Research (PADR)

EU Funding for collaborative defence research projects

2017-2019

Overall budget: EUR 90 million

Funding instrument: grants

Implementation tasks delegated to the EDA

European Defence Industrial Development Programme (EDIDP)

EU co-financing for collaborative defence development projects

2019-2020

Overall budget: EUR 500 million

Funding instrument: grants

Regulation adopted on 18 July 2018 - First calls for proposals expected beginning 2019

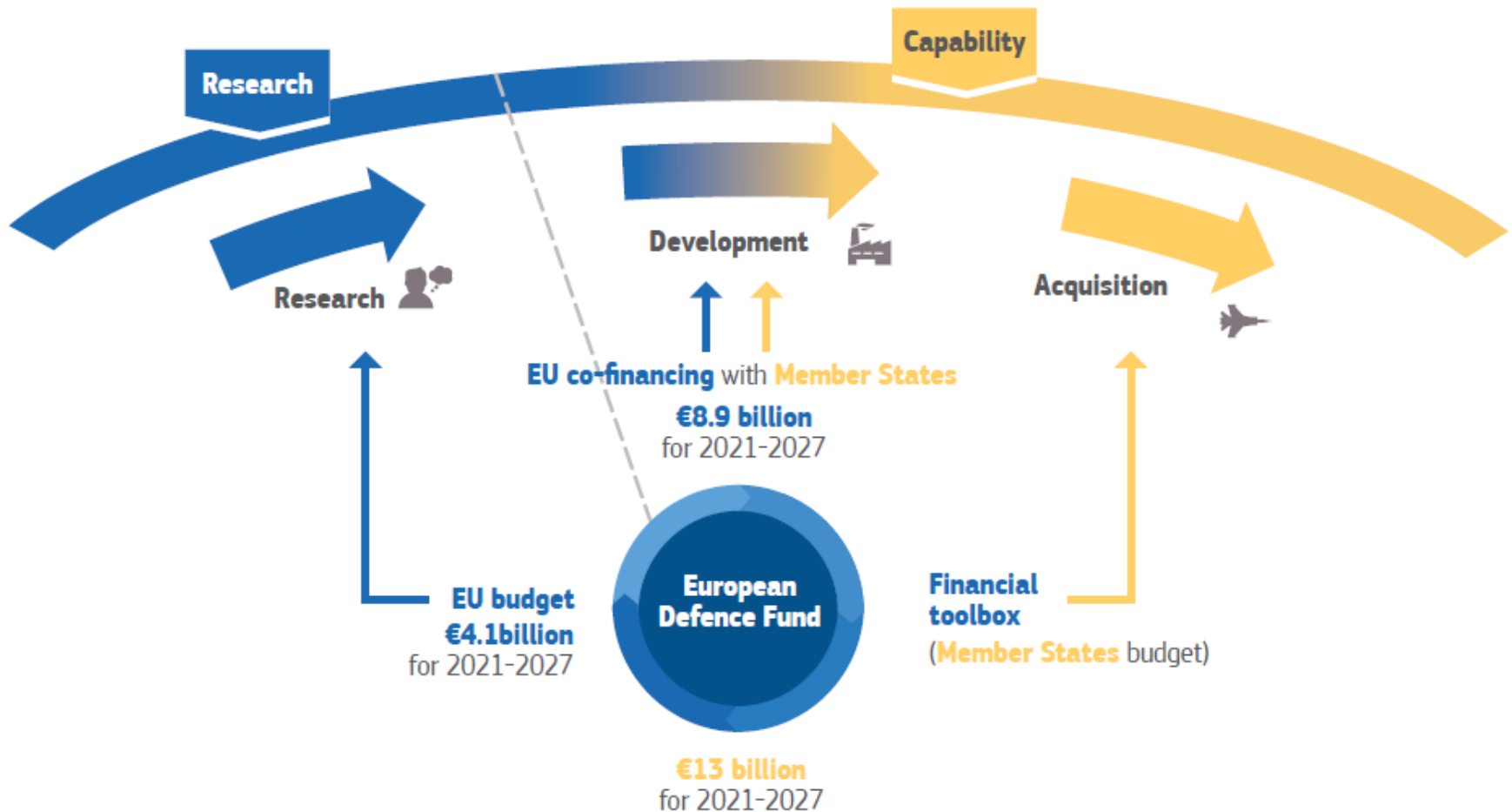
Direct implementation by the Commission



European
Commission

The European Defence Fund 2021-2027

(Proposal for a Regulation adopted on June 13th 2018 –
currently discussed with the co-legislators)



Important features of the Fund

- Cooperation projects between at least **three legal entities** established in at least **three different Member States/Associated Countries** (*not controlled by third countries/companies*).
- **Priorities set with Member States**
- Incentivise the **cross-border participation of SMEs** by providing higher financing rates and favouring projects by consortia which include SMEs.
- **Harmonised capability requirements** and **common technical specifications.**
- The Fund will co-finance development of prototypes where **Member States intend to buy the final product.**
- **5% of the budget will be set aside for disruptive, high-risk innovation** that will boost Europe's long-term technological leadership and defence autonomy.

What can be funded?

- **Integrated approach** covering the full cycle of research and development activities
- Actions covering both **new and upgrade** of existing products and technologies in at least one of the following areas:
 - Activities aiming at new knowledge and defence technologies
 - Feasibility studies
 - Prototypes
 - Qualification / Proof of suitability
 - Technologies to reduce life cycle costs
 - Activities aiming at interoperability and resilience
 - Definitions / design studies
 - Testing
 - Certification
- 5% of the overall budget to benefit **disruptive technologies for defence**

Take-aways

- EDF is one of the many defence initiatives at EU level
- Commission in the lead on the EDF. Coherence with the other initiatives
- Intended impact on defence internal market
- R&D defence programmes for defence capabilities
- CBRN