

The European Defence Action Plan: towards a European Defence Fund

*More cooperation between
companies*





European
Commission

GLOBAL CONTEXT / CHALLENGES

- Mounting security concerns in relation to developments outside of the EU, as well as to internal threats
- Growing complexity of emerging challenges (e.g. hybrids threats) requiring a wide range of versatile capabilities
- Increasing cost of the defence equipment and high development costs
- High fragmentation and substantial duplications in the EU defence market
- Insufficient financing of research leading to weakening of the competitiveness of the EU defence sector
- Insufficient collaboration in research and in the development of defence technologies or products
- Increasing global competition
- Growing dependence from non-EU sources of critical technologies / capabilities



European Commission

COMPLETE CAPABILITY DEVELOPMENT CYCLE

Research Window

Capability Window



Research



- ▶ EU funding



- Preparatory Action on Defence Research
- European Defence Research Programme

Development



- ▶ Pooling of national contributions
- ▶ EU co-financing



European Defence Industrial Development Programme

Acquisition



- ▶ Practical support by European Commission



Financial Toolbox



European
Commission

PADR – FIRST CALLS FOR PROPOSALS

- **Launch of the first calls for proposals – 7 June 2017:**
 - Technological demonstrator for enhanced situational awareness in a naval environment:
 - ✓ Budget: EUR 15.5 million
 - ✓ Deadline: 05 October 2017
 - Force protection and advanced soldier systems beyond current programmes:
 - ✓ Budget: EUR 6.8 million
 - ✓ Deadline: 21 September 2017
 - The European Defence Research Runway:
 - ✓ Budget: EUR 950,000
 - ✓ Deadline: 21 September 2017



European
Commission

THE CAPABILITY WINDOW



European
Commission

EUROPEAN DEFENCE INDUSTRIAL DEVELOPMENT PROGRAMME

- **Proposal for Regulation adopted on 7 June 2017** – procedure in front of the European Parliament and of the Council of the EU forthcoming
- **First proposal for EU budget support for collaborative defence capability development projects**
- **Objectives:**
 - ✓ **Foster the competitiveness and innovation capacity** of the EU defence Industry
 - ✓ **Leverage cross-border cooperation** between undertakings, including SMEs, in the development of defence technologies or products
 - ✓ Foster **better exploitation of the results of defence R&T**
- It will pave the way towards **an ambitious European Defence Industrial Development Programme under the next MFF** (envisaged budget of EUR 1 billion annually after 2020)



European
Commission

EUROPEAN DEFENCE INDUSTRIAL DEVELOPMENT PROGRAMME

- Legal base: **Article 173 TFEU**
- Duration: **2 years → 2019-2020**
- Budget: **EUR 500 million** for the period 2019-2020
- Areas of intervention: **design, prototyping, testing qualification or certification of a product or technology, or studies**
- Beneficiaries: at least **3 undertakings** from at least **2 different Member States** must establish a **cooperation** (consortium)
- Involvement of SMEs: **a credible proportion of the budget will benefit actions enabling cross-border participation of SMEs**



European
Commission

EUROPEAN DEFENCE INDUSTRIAL DEVELOPMENT PROGRAMME

- Amount of support: **up to 20 % of total cost** for prototyping (for other actions it may cover up to 100%). Higher percentage of an additional **10 percentage points is provided for projects under PESCO**
- Support instruments: **grants**, financial instruments or public procurement
- Implementation through a **multiannual work programme**
- Actions should be based on **common technical specifications**
- Ownership and Intellectual Property rights: **the Commission will not own the products or technologies** resulting from supported actions



European
Commission

EUROPEAN DEFENCE INDUSTRIAL DEVELOPMENT PROGRAMME

Next steps

1. Preparation Draft Work Programme
2. Companies should identify possible projects
3. Cooperation is a priority: not only between large and SME, also between SME