



THE EUROPEAN DEFENCE FUND

Stepping up the EU's role as a security and defence provider



“ I will continue to work day and night over the next months to see the European Defence Fund and Permanent Structured Cooperation in Defence become fully operational. ”

President Jean-Claude Juncker, State of the Union 2018

WHY DO WE NEED TO INVEST IN EUROPEAN DEFENCE?

In a world of increasing instability and cross-border threats to our security, no country can succeed alone. That is why the Juncker Commission is making an unprecedented effort to protect and defend Europeans. The European Union cannot substitute Member States' efforts in defence, but it can encourage their collaboration in developing and acquiring the technologies and equipment needed to address common security and defence challenges. The Commission has already taken first steps to boost cooperation between Member States in the field of defence research and defence industry development, paving the way for a fully-fledged €13 billion European Defence Fund for 2021-2027.

WHAT IS THE EUROPEAN DEFENCE FUND?

The European Defence Fund will contribute to Europe's strategic autonomy in protecting and defending its citizens. It will coordinate, supplement and amplify national investments in defence. The Fund will promote cooperation among Member States in producing state-of-the-art and interoperable defence technology and equipment. It will strongly encourage participation of small and medium-sized enterprises in collaborative projects and foster breakthrough innovation solutions.

WHY DO WE NEED THE FUND?



Act as a catalyst for an innovative and competitive industrial and scientific base which is able to meet Europe's defence needs with cutting-edge, fully interoperable technology and equipment.



By pooling resources, Member States can get better value for their investment and develop technologies and equipment that would not be attainable working independently.



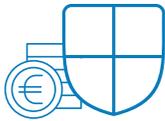
Offering support all along the research and development parts of the lifecycle will make sure that the results of research are not lost due to the lack of funding for developing prototypes and testing the technology.



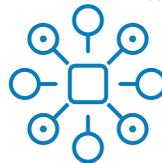
THE COST OF CURRENT FRAGMENTATION AND INEFFICIENCIES

	EU	UNITED STATES
Defence Expenditure		
Total amount	€ 227 billion	€ 545 billion
% of GDP	1.34	3.3
Investment per Soldier	€ 27.639	€ 108.322
Duplication of Systems in Use		
Number of types of weapon systems*	178	30
Main battle tanks	17	1
Destroyers/frigates	29	4
Fighter planes	20	6

* Number of types of weapon systems for selected weapon systems categories
Source: NATO, International Institute for Strategic Studies, SIPRI, Munich Security Report 2017



Lack of cooperation between Member States in the field of security and defence is estimated to cost between €25 billion and €100 billion every year.



Currently, around 80% of defence procurement is run on a purely national basis, leading to a costly duplication of military capabilities.



Since 2010, less than €200 million has been spent each year on collaborative European research and technology in the field of defence.

HOW WILL THE EUROPEAN DEFENCE FUND STEP IN?

Under the European Defence Fund, as well as its two precursor programmes for research and industrial development, the EU is providing support all along the lifecycle, from research to prototype development up to certification. Up to 8% of the total budget will support disruptive, high-risk defence innovation.



WHO CAN RECEIVE FUNDING?



Only collaborative projects involving at least three eligible entities from at least three Member States or associated countries.



Participation of third countries' entities is subject to defined conditions to ensure the security and defence interests of the EU and its Member States.

IS EU FUNDED DEFENCE COOPERATION ALREADY A REALITY?

Defence cooperation is already materialising.

For the first time in European history, under the current EU budget period, the EU is incentivising European defence cooperation with a budget envelope of €590 million.

Several research projects are already underway. The Commission will now issue the first call for projects to develop defence equipment and technology covering all domains (air, land, sea, cyber and space).

DEFENCE SPENDING 2017-2020



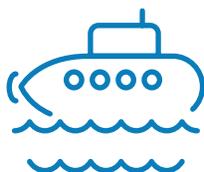
RESEARCH



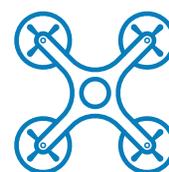
DEVELOPMENT

€ 25 million	2017	
€ 40 million	2018	
€ 25 million	2019	€ 245 million
	2020	€ 255 million
€ 90 million	TOTAL	€ 500 million

SOME EXAMPLES OF PROJECTS



Ocean2020: the EU is investing €35 million into this research project of 42 partners from 15 EU countries to support maritime surveillance missions at sea by integrating drones and unmanned submarines into fleet operations.

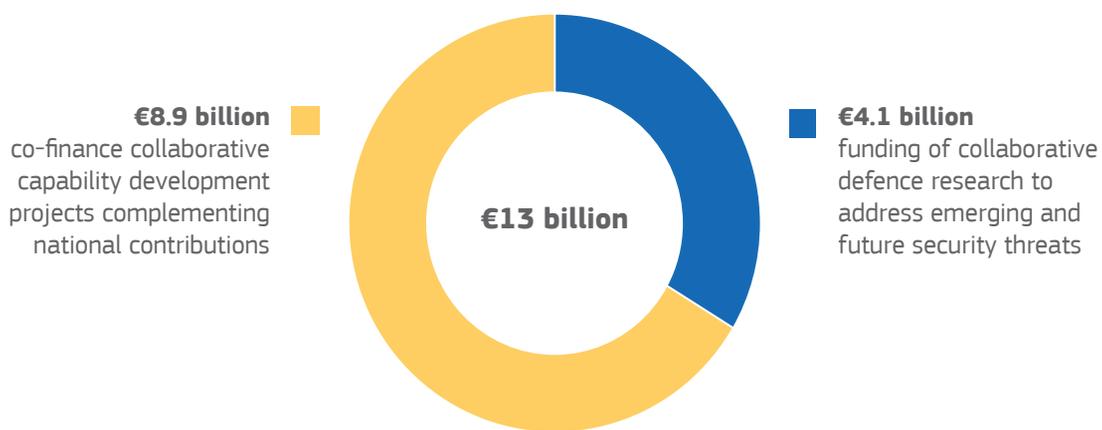


Eurodrone: the EU is intending to support with €100 million the development of a Medium Altitude Long Endurance Remotely Piloted Aircraft System (MALE RPAS), a crucial capability for Europe's strategic autonomy identified by the European Council in 2013 as a Union priority where the EU currently has a clear technological and strategic dependency.

WHAT WILL DEFENCE COOPERATION LOOK LIKE FROM 2021?

The Commission proposed in June 2018 a fully-fledged European Defence Fund worth €13 billion under the next EU long-term budget to cover both the research and capability strands.

The EU institutions in February 2019 reached a partial political agreement on the European Defence Fund, subject to formal approval by the European Parliament and Council, which will foster an innovative and competitive defence industrial base and contribute to the EU's strategic autonomy.



The budgetary aspects of the future European Defence Fund are subject to the overall agreement on the EU's next long-term budget, proposed by the Commission in May 2018.

The European Defence Fund will complement other EU programmes proposed by the Commission, in particular the €6.5 billion earmarked for the Connecting Europe Facility to enhance the EU's strategic transport infrastructures to make them fit for military mobility, and the proposal for a new €100 billion research and innovation programme Horizon Europe. Moreover, it will aim at ensuring consistency with projects proposed under the Permanent Structured Cooperation rendering those two initiatives complementary and mutually reinforcing.