



European
Commission



DEFENDING EUROPE

The European Defence Fund



“ *It is the most basic and universal of rights to feel safe and secure in your own home. Our Union should provide that for Europeans.* ”

President Jean-Claude Juncker, June 2017

WHY DO WE NEED A EUROPEAN DEFENCE FUND?

Today, guaranteeing security means dealing with threats that transcend borders. No single country can address them alone. Europe's citizens are looking to the European Union for protection, with 3 out of 4 in favour of a Common Security and Defence Policy among EU Member States (Eurobarometer, April 2017).



3/4 of Europeans want a Common Security and Defence Policy

WHAT WILL THE FUND ACHIEVE?

The ambitious European Defence Fund, launched in June 2017, will promote cooperation and cost savings among Member States to produce state-of-the-art defence technology and equipment. The Fund will contribute to a European Union that defends and protects its citizens.



Since 2017, the EU **for the first time** offers **grants for collaborative research projects**, supporting projects in the areas of drones, strategic technology foresight and soldier protection and equipment (see page 3).

With this programme, the EU will also create incentives for Member States to **cooperate on joint development of defence equipment and technology** through co-financing from the EU budget.

HOW IS IT FINANCED?

The research and development strands of the Fund are being rolled out progressively, reflecting the nature of the EU budgetary planning cycles.

Together with Member States' contributions to finance joint development projects, the Fund could generate a total investment in defence research and capability development of €5.5 billion per year after 2020.

	UNTIL 2017 – 2020	POST - 2020
 RESEARCH Fully and directly funded from EU budget	€90 million total	€500 million* / year
 DEVELOPMENT Member States budget at least 80%	€2 billion total	€4 billion* / year
Co-financing from EU budget up to 20%	€500 million total	€1 billion* / year
		€5.5 billion* / year

* Budget expectations per year

- **Only collaborative projects** are eligible. At least **3 participants** from several Member States.
- **Proportion of budget earmarked** for projects with **cross-border participation of SMEs**.
- **EU** will only co-fund development of prototypes where **Member States commit to buying final product**.
- **Permanent Structured Cooperation projects may be eligible for a higher rate of EU co-financing** (30% instead of 20%).

MORE EFFICIENT SPENDING



Lack of cooperation between Member States in the field of defence and security is estimated to **cost between €25 billion and €100 billion** every year¹. The European Defence Fund will **help Member States to spend taxpayers money more efficiently** and **get better value** for their investment. It will offer EU co-funding and help Member States to find the most suitable financial arrangements for joint acquisitions.



Enhanced cooperation through the Permanent Structured Cooperation will **strengthen operational cooperation** among Member States. Currently, around 80% of defence procurement is run on a purely national basis, leading to a costly duplication of military capabilities².



Since 2010, less than €200 million has been spent each year on collaborative European research & technology in the field of defence. The European Defence Fund will more than triple this figure from 2020 onwards, to over **€500 million** yearly.

⁽¹⁾ EPRS, European Parliament, 2013

⁽²⁾ Munich Security Report, 2017

RESEARCH PROJECTS ALREADY UNDERWAY

PYTHIA

A project aiming to identify **key trends** in the fast evolving world of **innovative defence technologies**, which will be run by a consortium, run by Ingegneria Informatica S.p.A.

Participating Member States:

Bulgaria, France, Italy, Poland, Romania and the United Kingdom.

Industry and research partners:

Engineering Ingegneria Informatica S.p.A. ENG, Zanasi & Partners Z&P, Expert System France ESF, Hawk Associates Ltd HAWK, Military University of Technology WAT, Bulgarian Defence Institute BDI, Fondazione ICSA, and National Defence University NDU.

GOSSRA

A project focused on ensuring that complex system elements worn by soldiers (e.g. sensors or digital goggles) can work together, specifying how components connect and making it easier to **develop new devices** that can work with existing equipment.

Participating Member States:

Germany, Italy, the Netherlands, Poland, Portugal, Spain and Sweden.

Industry and research partners:

Rheinmetall, Indra, GMV aerospace and defence, Leonardo, Larimart and Saab; SMEs Tekever and iTTi, Nederlandse Organisatie voor Toegepast Natuurwetenschappelijk Onderzoek (TNO).

Vestlife

A project to create **protective clothing for soldiers**. It will work on developing clothes that are effective for defence purposes, but lighter, more flexible and comfortable at the same time.

Participating Member States:

Finland, Italy, the Netherlands, Portugal and Spain.

Industry and research partners:

CITEVE, FY-composites, AITEX and TECNALIA.

Ocean 2020

A project to enhance **situational awareness in a maritime environment** by using manned and unmanned systems, which will be run by a consortium led by Leonardo S.p.A.

Participating Member States:

Estonia, France, Greece, Italy, Lithuania, the Netherlands, Portugal, Spain, Sweden and the United Kingdom.

Industry and research partners:

Indra, Safran, Saab, MBDA, PGZ/CTM Hensoldt, Intracom-IDE, Fincantieri and Qinetiq, Fraunhofer, the Nederlandse Organisatie voor Toegepast Natuurwetenschappelijk Onderzoek (TNO), the Centre for Maritime Research and Experimentation (CMRE NATO) and the Italian Istituto Affari Internazionali (IAI).

ACAMSII

A project to develop **adaptive camouflage for soldiers** that will protect them against sensors operating in several wavelength ranges.

Participating Member States:

France, Germany, Lithuania, the Netherlands, Portugal and Sweden.

Industry and research partners:

CITEVE, Damel and Safran, Totalförsvarets forskningsinstitut (FOI), Fraunhofer, and the Nederlandse Organisatie voor Toegepast Natuurwetenschappelijk Onderzoek (TNO).