



# European Defence Fund

*From defence research through  
development to implementation*

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# Political context

- July 2014 ○ **Political guidelines of President Juncker:** strengthening European citizens' security is a priority. Europe must become a security provider.
- September 2016 ○ **State of the Union speech in 2016:** announcement of the creation of a European Defence Fund and the need to go towards a European Defence Union.
- November 2016 ○ **European Defence Action Plan** adopted, the Commission announced the initial parameter of a possible European Defence Fund, and started the Preparatory Action on Defence Research with a budget of €90m for 3 years.
- June 2017 ○ Commission launched **the European Defence Fund:** A two-step approach  
Two initial programmes in the current budget (the Preparatory Action and a proposal for the European Defence Industrial Development Programme)  
Scaled up funding for the new MFF: European Defence Fund
- December 2017 ○ **Permanent Structure Cooperation (PESCO)** with 25 Member States, and 34 concrete operational cooperation projects
- June 2018 ○ Commission adopted its proposal for a European Defence Fund regulation
- July 2018 ○ Council and European Parliament adopted the EDIDP regulation
- April 2019 ○ Council (27 Feb) and European Parliament (18 Apr) found EDF partial agreement

# Rationale for the European Defence Fund

**ECONOMIC**

Reduction of inefficiencies of the current market, synergies and economies of scale

**STRATEGIC**

Strategic autonomy of the Union

**POLITICAL**

Protection of the basic interest of the Union and its Member States

# COMPLETE CAPABILITY DEVELOPMENT CYCLE

## Research Window

## Capability Window

Research



- ▶ EU funding



- **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**

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**Financial Toolbox**



# Preparatory Action on Defence Research

- **EUR 90 million** for **2017 - 2019** in grants - **100% funding**
- **Objective:** increase cooperation between R&T actors and demonstrate the EU added-value for defence research throughout Europe
- Bulk of the PADR budget to set-up a small defence R&T programme to prepare and test mechanisms to deliver cooperative defence research activities

## PADR Modalities (1/2)

- **Horizon 2020 "look & feel"** as close as possible but adapted to specificities of the defence sector & Financial Regulations
- Participation: legal entities established in Member States or Norway **only**
- Mainly **GRANT-based scheme** (research actions – coordination and support actions); procurement limited to studies
- IPR: **results owned by participants**; measures to inform national authorities on the outcome of the projects

## PADR Modalities (2/2)

- Evaluation based on **excellence** organised by EDA assisted by independent experts, validated by national authorities
- Funding: **100%** direct eligible costs + indirect costs (flat rate of **25%** of direct eligible costs excluding direct eligible costs for subcontracting)
- Personnel costs can be declared as **unit costs** (if this is the beneficiary's usual accounting practice)
- EU funding can only be used for R&T activities related to defence technologies, products and systems, and **not to fund military operations**



## Calls of PADR Work Programme

	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>C<sup>4</sup>ISR</b>	<b>Effects</b>	<b>Force Protection and soldier systems</b>	<b>Unmanned Platforms</b>
Defence Research Demonstrator Project							<b>1 project</b>
Critical Defence Technologies	<b>1 project</b>						
	<b>1 pr.</b>	<b>1 pr.</b>					
Future and Emerging Disruptive technologies	<b>2 topics – up to 8 projects</b>						
Standardisation and Interoperability						<b>3 projects</b>	<b>1 project</b>
<b>Strategic Technology Foresight Modalities - 1 project</b>							
<b>Strategic Technology Foresight Modalities - 1 project</b>							



## Call – Unmanned platforms

Technological demonstrator for enhanced situational awareness in a naval environment → 1 project **OCEAN 2020**

## Call – Force Protection and Soldier Systems

Force protection and advanced soldier systems beyond current programmes → 3 projects **GOSSRA, VESTLIFE, ACAMS II**

## Call – Strategic Technology Foresight

The European Defence Research Runway → 1 project **PYTHIA**



## Call – Electronic Design Technologies for Defence Applications

European high-performance, trustable (re)configurable system-on-a-chip or system-in-package for defence applications

→ 1 project

## Call – Effects

Towards a European high power laser effector

→ 1 project

## Call – Strategic Technology Foresight

The European Defence Research Runway – part II

→ 1 project **SOLOMON**



## Outline 2019 PADR Work Programme

### Call – Electromagnetic Spectrum Dominance

Combined radar, communications, and electronic warfare functions based on European Active Electronically Scanned Arrays for military applications

→ not more than 1 project to be funded

### Call – Future Disruptive Defence Technologies

**Challenging the future (*no predefined topics*)**

Emerging game changers (*5 predefined topics*)

### Call – Unmanned systems

Interoperability standards for military unmanned systems

*53 proposals had been submitted following the 2019 call, evaluation period started, grant agreements to be signed in 2020*

# COMPLETE CAPABILITY DEVELOPMENT CYCLE

## Research Window

Research

- ▶ EU funding



- European Defence Research Programme

## Capability Window

Development

- ▶ Pooling of national contributions
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European Defence  
Industrial Development  
Programme

Acquisition

- ▶ Practical support by European Commission



Financial Toolbox



# EUROPEAN DEFENCE INDUSTRIAL DEVELOPMENT PROGRAMME

- Duration: **2 years → 2019-2020**
- Budget: **EUR 500 million** for the period 2019-2020
- Objectives:
  - foster the competitiveness, efficiency and innovation capacity of the defence industry throughout the Union, thus contributing to the Union's strategic autonomy;
  - support and leverage the cooperation including across borders between undertakings including SMEs and mid-caps;
  - foster better exploitation of the results of defence research and contribute to development after the research phase.

## Cross-border SMEs participation

- EDIDP not only for large Member States and large companies – it provides **opportunities for all EU's defence industry** regardless of size and location within the EU.
- Award criteria and bonus system for project with substantial cross-border SME participation
- 10% of the overall budget shall benefit the **cross-border participation** of SMEs
- Specific project category solely focused on consortia of SMEs



# EUROPEAN DEFENCE INDUSTRIAL DEVELOPMENT PROGRAMME

- **Work programme published on 19<sup>th</sup> March 2019**
- Prepared by the Commission **in close cooperation with Member States**
- Describes categories of defence capabilities for competitive calls for proposals in 2019 and/or 2020 (21 calls in total)
- **Work programme covers:**
  - all domains: land, sea, air, cyber and space
  - 17 categories of capabilities
  - >50 capabilities (topics)
- Provides indicative budget and targeted activities for each category of projects





# EUROPEAN DEFENCE INDUSTRIAL DEVELOPMENT PROGRAMME

## Work programme in numbers

- 80 million euro for enabling operations, protection and mobility of military forces
- 180 million euro on Intelligence, secure communication & Cyber
- 71 million euro to strengthen the ability to conduct high-end operations
- 27 million euro for projects covering the development of innovative defence technologies. Also designed for Small and Medium-sized Enterprises.
- 2 projects selected for direct award procedure (no competitive calls): Eurodrone and ESSOR



# EUROPEAN DEFENCE INDUSTRIAL DEVELOPMENT PROGRAMME

## 2020 Call – Categories:

- *Chemical Biological Radiological Nuclear (CBRN) detection capabilities and medical countermeasures*
- *Underwater control contributing to resilience at sea*
- *Counter-Unmanned Air Systems (UASs) capabilities*
- *Cyber situational awareness and defence capabilities, defence networks and technologies for secure communication and information sharing*
- *Space Situational Awareness (SSA) and early warning capabilities*
- *Maritime surveillance capabilities*
- *Upgrade of current and development of next generation ground-based precision strike capabilities*
- *Ground combat capabilities*
- *Air combat capabilities*
- *Simulation and virtualisation tools and equipment for training, exercises, systems design, development and integration, testing and validation*
- *Defence technologies supported by artificial intelligence*
- *Category for SMEs – Innovative and future-oriented defence solutions*

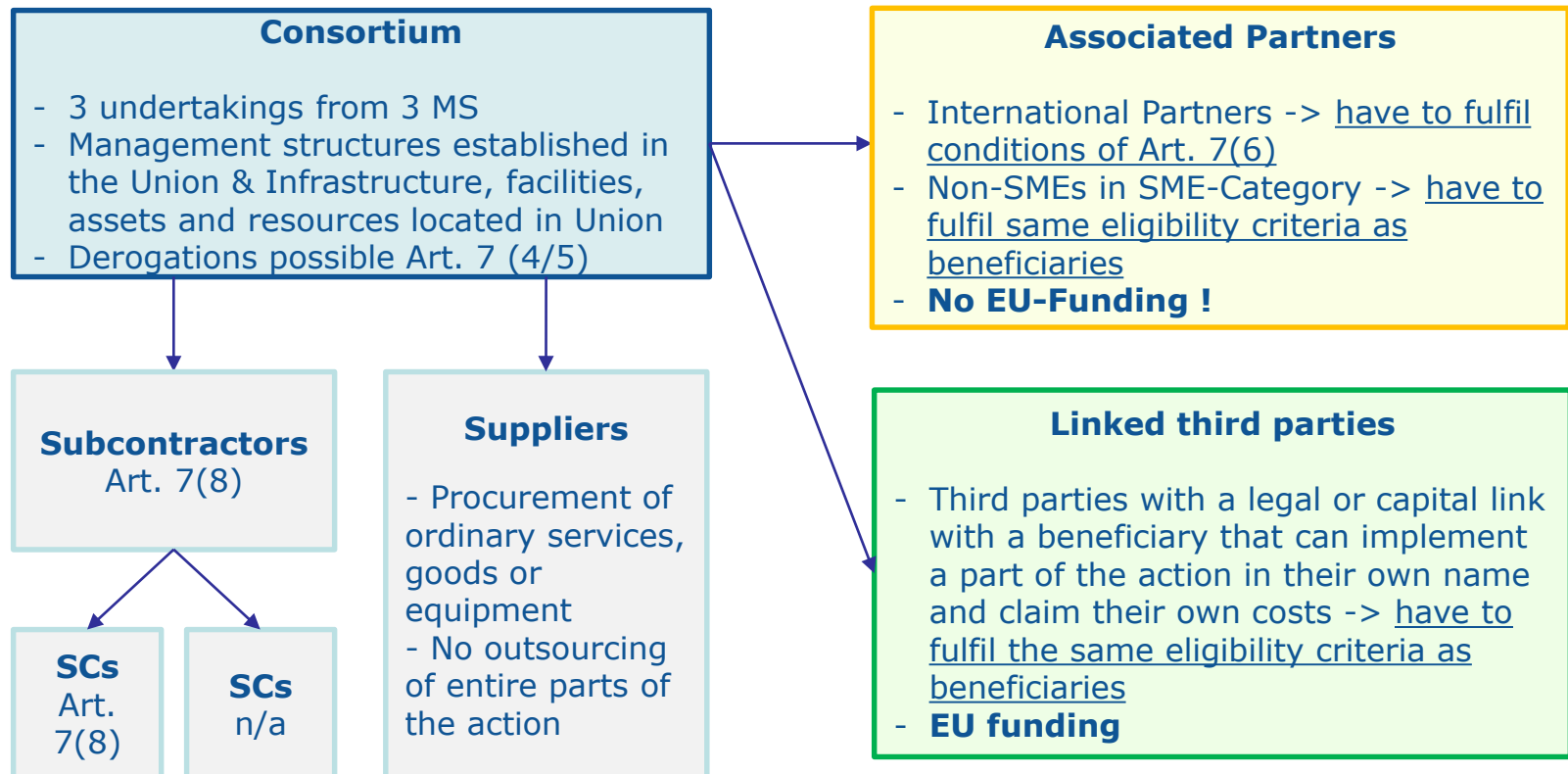
## Eligible actions

- a) studies, such as feasibility studies, and other accompanying measures
- b) the design the system prototyping;
- c) the testing;
- d) the qualification;
- e) the certification;
- f) the development of technologies or assets increasing efficiency across the life cycle of defence products and technologies.

## Funded Activities and requirements

- EDIDP activities cover the development of new and the upgrade of existing defence products and technologies
- Costs of the action that are not covered by Union support are to be covered by other means of financing (such as Member States co-financing)
- Design must be based on common requirements jointly agreed by at least two Member States.
- System prototyping, testing, qualification, certification, development of life-cycle technologies:
  - must be based on common technical specifications jointly agreed by the Member States that are to co-finance or that intend to jointly procure the final product or to jointly use the technology;
  - at least two Member States need to show the intention to procure the final product or to use the technology in a coordinated way, including through joint procurement where applicable.
- The results of actions which receive funding shall not be subject to non-EU control or restrictions

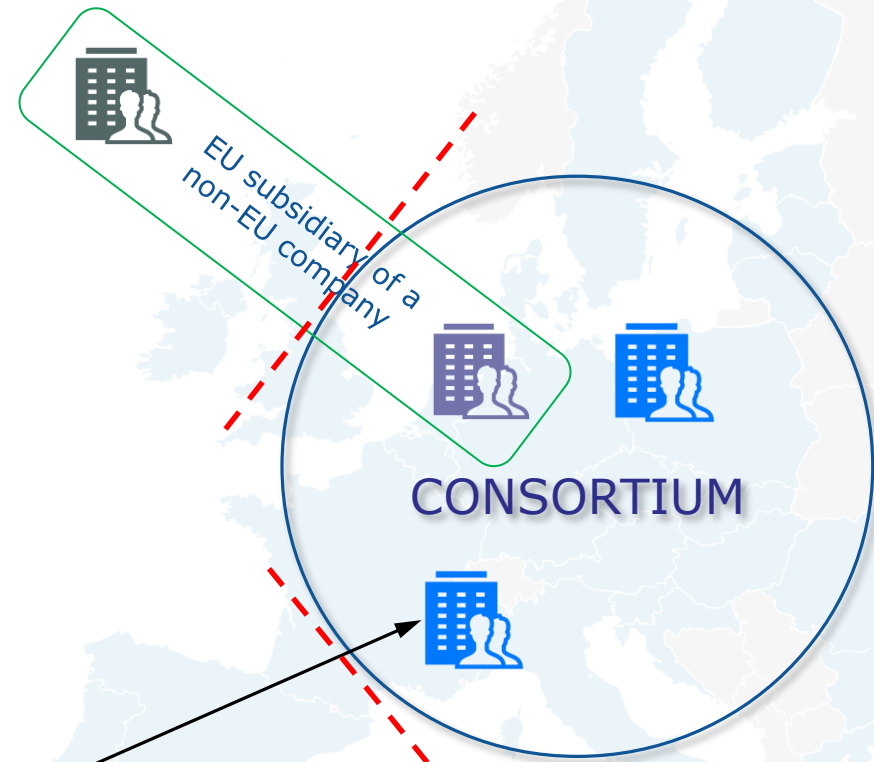
# Participation rules



## DEROGATIONS

- **Non-EU controlled** undertakings are eligible, if **guarantees** approved by their Member State assuring that their participation does not contravene the **security and defence interests** of the EU and its Member States or the **objectives** of EDIDP/EDF. They shall in particular substantiate that,
  - No risk in the ability to perform the action
  - Sensitive information is protected
  - IPR should remain in the EU, Export only with approval by the Member State
- Possibility to **cooperate with entities located outside** the Union under strict conditions but no funding for the related costs (Article 7(6) EDIDP Regulation)

### DEROGATION FOR NON-EU CONTROLLED EU COMPANY



### DEROGATION FOR COOPERATION WITH NON-EU COMPANIES



## Funding rates

- a) studies, such as feasibility studies, and other accompanying measures – **90% of total eligible costs**
- b) the design – **65% of total eligible costs**
- c) the system prototyping – **20% of total eligible costs**
- d) the testing – **65% of total eligible costs**
- e) the qualification - **65% of total eligible costs**
- f) the certification - **65% of total eligible costs**
- g) the development of technologies or assets increasing efficiency across the life cycle of defence products and technologies - **65% of total eligible costs**

## Bonus system

- +10% in case the action is developed in the context of PESCO
- Where at least 10% of the total eligible cost of the action is allocated to SMEs established in the Union:
  - % equal to the percentage of the total eligible cost of an action allocated to SMEs established in Member States in which the undertakings in the consortium that are not SMEs are established (maximum 5%)
  - Twice the % of the total eligible cost of an action allocated to SMEs established in Member States other than those referred to in the previous point
- +10% where at least 15% of the total eligible cost of the action is allocated to mid-caps established in the Union
- **Maximum bonus cannot exceed 35%**



## Award criteria

- contribution to excellence;
- contribution to innovation;
- contribution to the competitiveness and growth;
- contribution to the industrial autonomy of the European defence industry and to the security and defence interests of the Union;
- participation of SMEs / cross-border SMEs;
- contribution to the further integration of the European defence industry;

# EDIDP next steps

- **Fall 2019:** Evaluation of proposals by the Commission assisted by independent experts
- **End 2019:** Selection of first projects
- **1<sup>st</sup> trimester 2020:**
  - Publishing of the 2020 call for proposals
  - Negotiation and signature of Grant Agreements with the beneficiaries



European Commission

# All calls available on the Funding and Tender opportunities Portal



Funding & tender opportunities  
Single Electronic Data Interchange Area (SEDIA)

français

Register

select programme

clear filters

- SEARCH FUNDING & TENDERS
- HOW TO PARTICIPATE
- PROJECTS & RESULTS
- WORK AS AN EXPERT
- SUPPORT

European Defence Industrial Development Programme (EDIDP)

Type your Keywords



Match whole words only

GRANTS  TENDERS

Filter by submission status

- FORTHCOMING
- OPEN
- CLOSED

Filter by programme (only for grants)

EDIDP

Funding and tenders

Sort by:

- opening date
- title
- ID
- deadline

16 results



Download all funding and tender opportunities to your calendar or subscribe to the RSS feed (unfiltered).

Online manual  
"Find a grant"

See all calls for tenders published by EC

Grant

**Airborne electronic attack capability EDIDP-ACC-AEAC-2019**

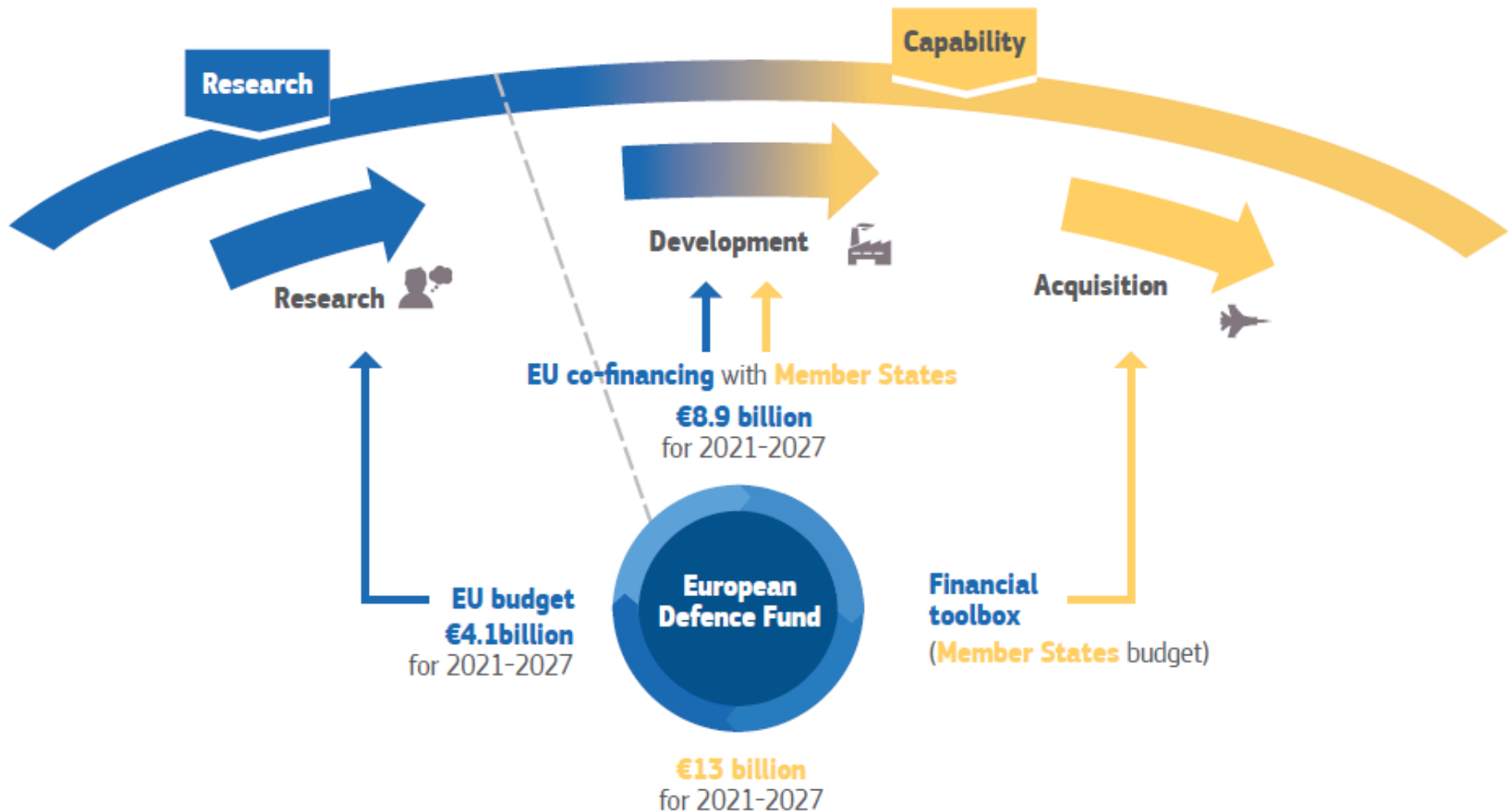
Types of action: EDIDP Action grant | Programme: European Defence Industrial Development Programme

Open for submission

Opening date: 09 April 2019

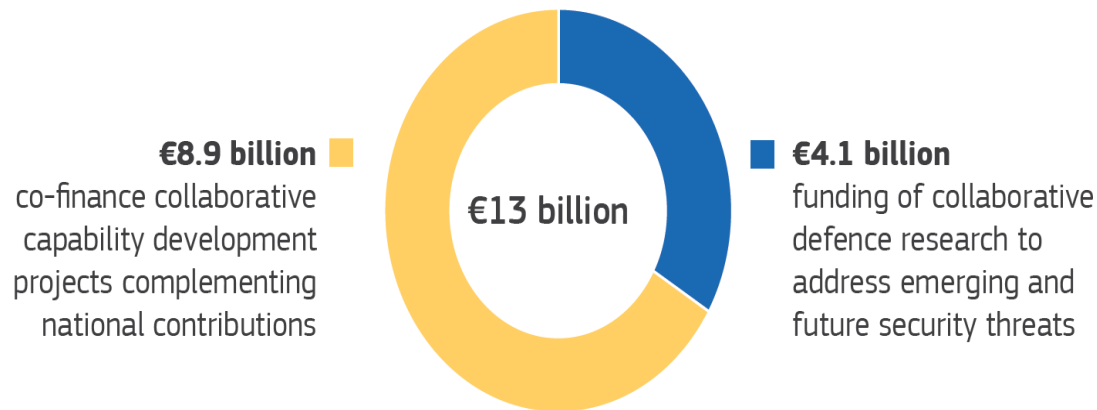
Deadline model: single-stage  
Deadline date: 29 August 2019 17:00:00 Brussels time

# The European Defence Fund



# EUR 13 billion for 2021 - 2027

## 2021-2027:



## EU financing rate:

- **Research:** up to **100%**
- **Prototypes:** up to **20%**
- **Post-prototype:** up to **80%**
- **25% of the total direct eligible costs** as flat rate for indirect costs or determined on the basis of actual indirect costs

## ***Additional incentives:***

- Cross-border participation of **SMEs/midcaps** – EU funding rate increasing with the level of cross-border participation of SMEs/midcaps in the projects (higher for SMEs)
- PESCO (if eligible): +10% co-financing bonus



## European Defence Fund

- **Budget: EUR 13 billion** for 2021 to 2027 (EUR 4.1bn for research actions and EUR 8.9bn for development actions)
- **Integrated approach** covering the research and development activities – to strengthen the uptake of research results
- **Use of result-based tools** such as single lump sum support
- **Disruptive technologies for defence:** dedicated support to ensure long term strategic autonomy for Europe
- Provisions on ethical aspects
- Commission proposal adopted on June, 13<sup>th</sup> 2018; **partial agreement reached between the co-legislators in February 2019;** final adoption depends on discussions on the long-term budget



European  
Commission

## Call for Experts

European Commission | Funding & tender opportunities  
Single Electronic Data Interchange Area (SEDIA)

SEARCH FUNDING & TENDERS | HOW TO PARTICIPATE | PROJECTS & RESULTS | **WORK AS AN EXPERT** | SUPPORT

### Pilot Projects and Preparatory Actions (PPPA)

#### Work as an expert

The European Union Institutions appoint external experts to assist in the evaluation of grant applications, projects and tenders, and to provide opinions and advice in specific cases.

**Being an expert for the European Commission** — Watch later Share

In particular, experts assist in:

- Evaluation of proposals, prize applications and tenders
- Monitoring of actions, grant agreements, public procurement contracts

In addition, experts provide opinion and advise on:

- Preparation, implementation and evaluation of EU programmes and design of policies.

In order to select experts, the European Union Institutions publish regularly calls for expression of interest (see list below) detailing the selection criteria, the required expertise, the description of the tasks, their duration and the conditions of remuneration.

Interested? Please join the database of external experts!

- **Experts need to be validated by national authorities**
- **Experts need appropriate personal security clearance**

<https://www.eda.europa.eu/docs/default-source/procurement/2017-call-for-experts.pdf>  
[https://ec.europa.eu/growth/content/call-expression-interest-establish-list-experts-assist-european-commission-tasks-connection\\_en](https://ec.europa.eu/growth/content/call-expression-interest-establish-list-experts-assist-european-commission-tasks-connection_en)



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***Thank you!***