EUROPEAN COMMISSION

Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs

Space Policy, Copernicus and Defence

Scoping Paper on the **European Defence Fund post 2020**

This paper is only a services working document which does not necessarily represent the position of the Commission

The objective of this paper is to discuss informally with Member States a number of issues related to the European Defence Fund post 2020. The list of issues is not exhaustive and additional issues will be discussed with Member States at a later stage.

1. CONTEXT

The overarching objective of the European Defence Fund (EDF) launched by the Commission in June 2017 is to contribute to the competitiveness and innovation capacity of the EU defence industry leading to the overall reduction of fragmentation of capabilities throughout the Union, greater efficiency in defence spending, interoperability between the forces and thus strengthening EU strategic autonomy. The EDF aims at complementing, and not substituting to, Member States efforts which are mainly responsible for research and development in the field of defence.

More concretely the EDF supports and leverages collaboration between Member States, cooperation amongst R&T actors and cross-border cooperation between undertakings throughout the Union, including small and medium-sized enterprises, throughout the industrial cycle, notably in the research phase and the capability development phase. The EDF should support actions in line with defence capability priorities commonly agreed by Member States within the Union.

Research and capability development are intrinsically interlinked and contribute to the same objective which is at the end to deliver the capabilities needed to fulfil Member States' level of ambition. Therefore, the EDF should be considered as one single instrument. Consistency between research and development is essential and should be notably ensured when defining categories of projects and priorities in the work programmes.

Defence research is essential to develop the future key capabilities, bridge technological gaps and thereby address emerging and future security threats facing Europe. In its Communication of 7 June 2017 on the launch of the EDF, the Commission has already indicated that the future research window should focus on critical defence technologies

as well as exploratory and disruptive research with the potential to strengthen the technological leadership of the European defence industry. This could notably cover a limited number of innovative actions with specific high risks. The EU budget should support all eligible costs of the research actions.

As regards development, the objective of the EDF is to support the joint development of key defence capabilities. The capability development phase is normally driven by Member States, in particular for the development of prototypes. As a general rule, the EU budget should not support all the costs of specific projects or actions, but contribute to the financing and thereby encourage cooperation by reducing the risks and sharing the financial burden during the development phase. The direct involvement of Member States, including through co-financing of the major part of the project's costs or the intention to procure the final product or technology constitute a clear indication on viability of the project.

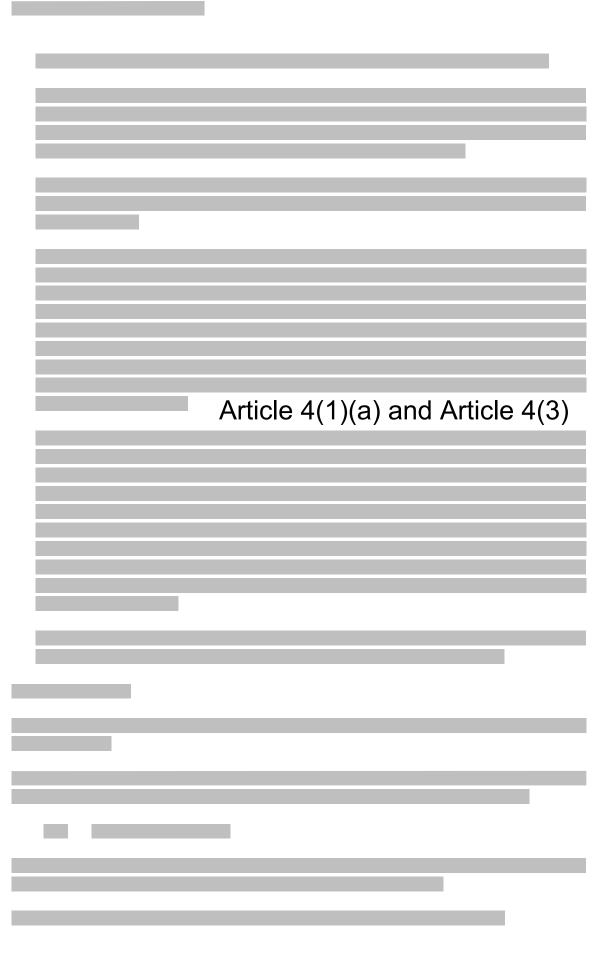
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