

**EUROPEAN
DEFENCE
FUND**

European Defence Fund

**Boosting cross-border
Defence R&D cooperation
in the EU**



@defis_eu

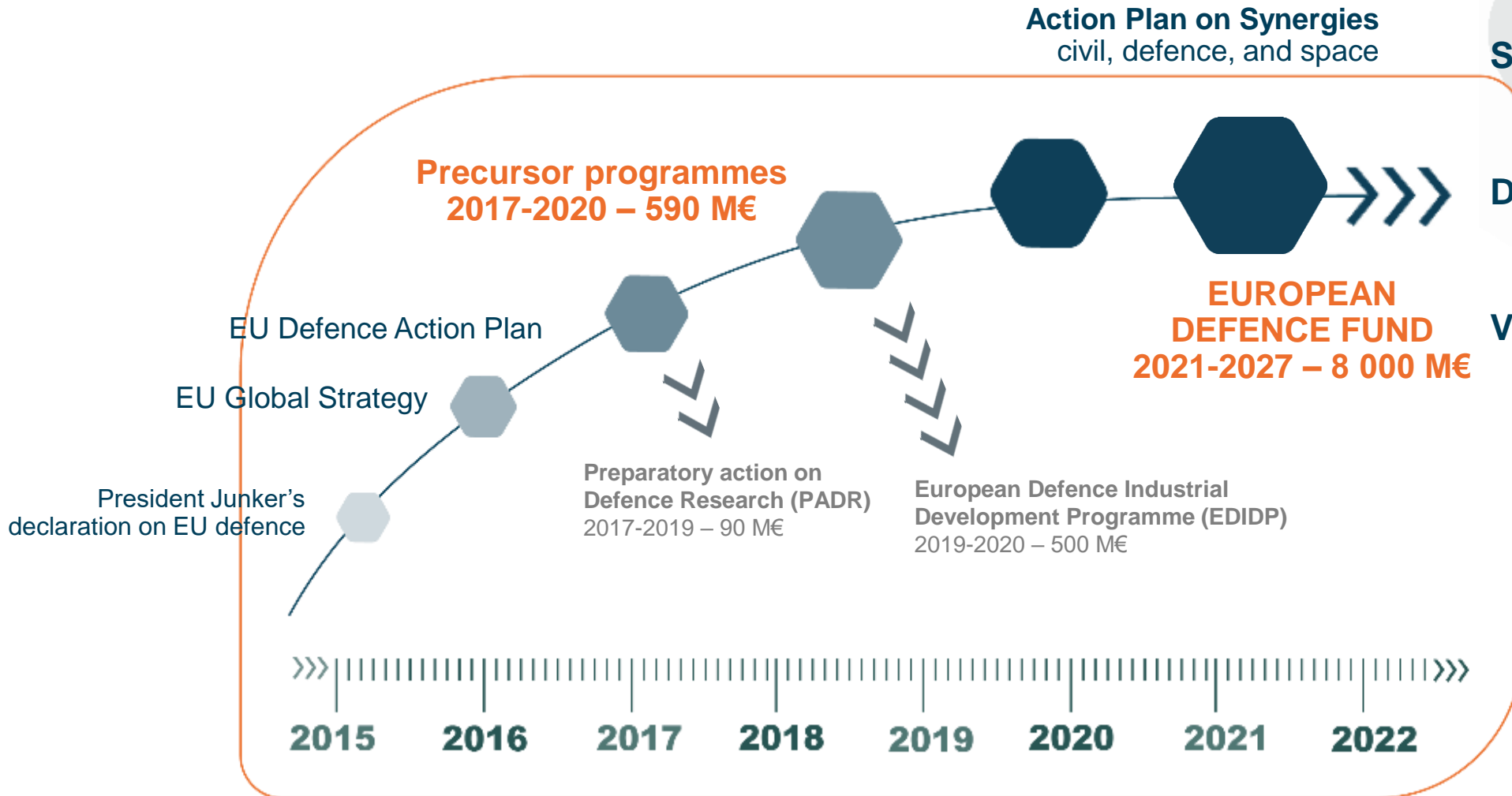


Directorate 'Defence industry', DG DEFIS

#EUDefenceIndustry

Ramping-up EU's collaborative approach to defence capabilities building

Paris Air Show 2023



Strategic compass
spend more and better in Defence, strategic enablers, capabilities and innovation), EU Space Strategy for Security and Defence

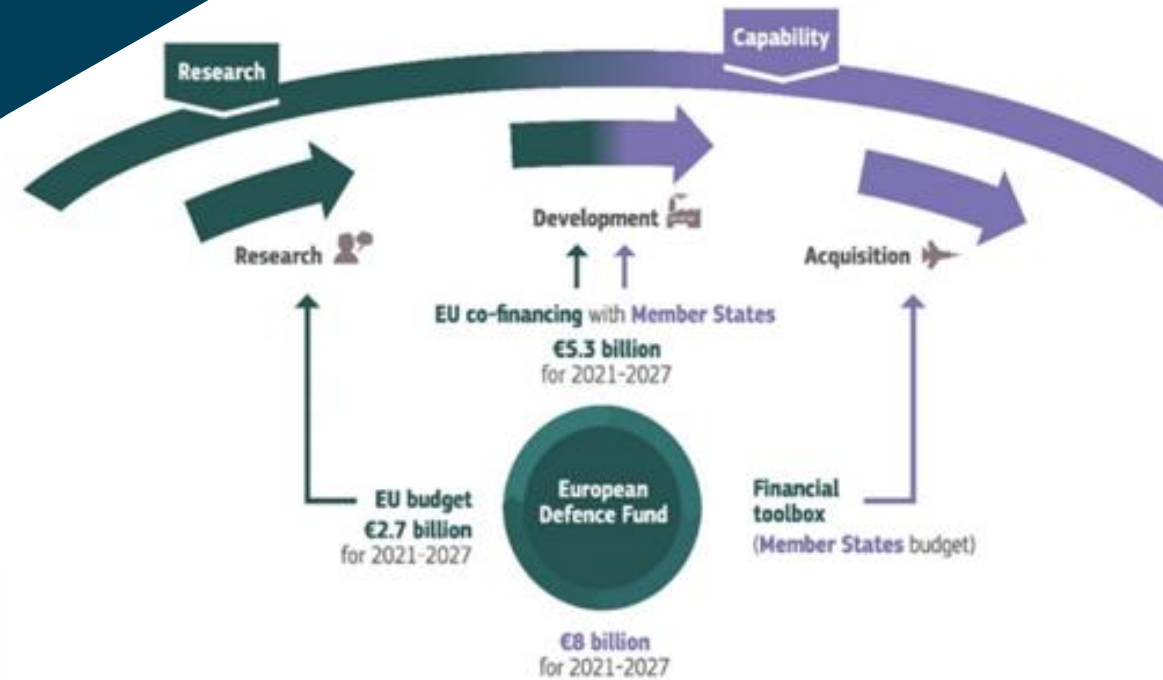
Defence Package
joint procurement, ramp-up of defence production, critical technologies, defence innovation scheme...

Versailles declaration

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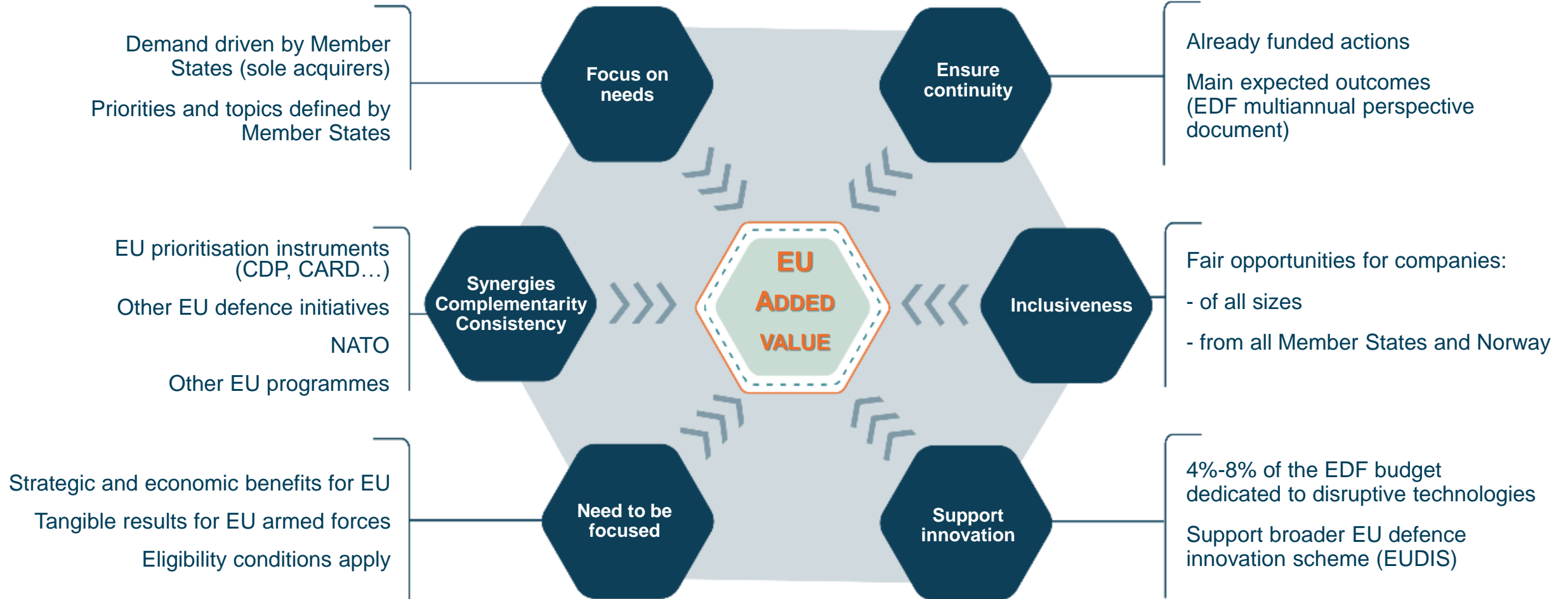
DEFENCE CROSS-BORDER R&D

European Defence Fund : The EU defence R&D programme



- **EDF financial support mainly in the form of grants**
- **Open to EU Member States and Norway**
- **Security-based participation conditions for entities controlled by third-countries**

General Principles governing implementation



EDF: an enabler in a larger eco-system

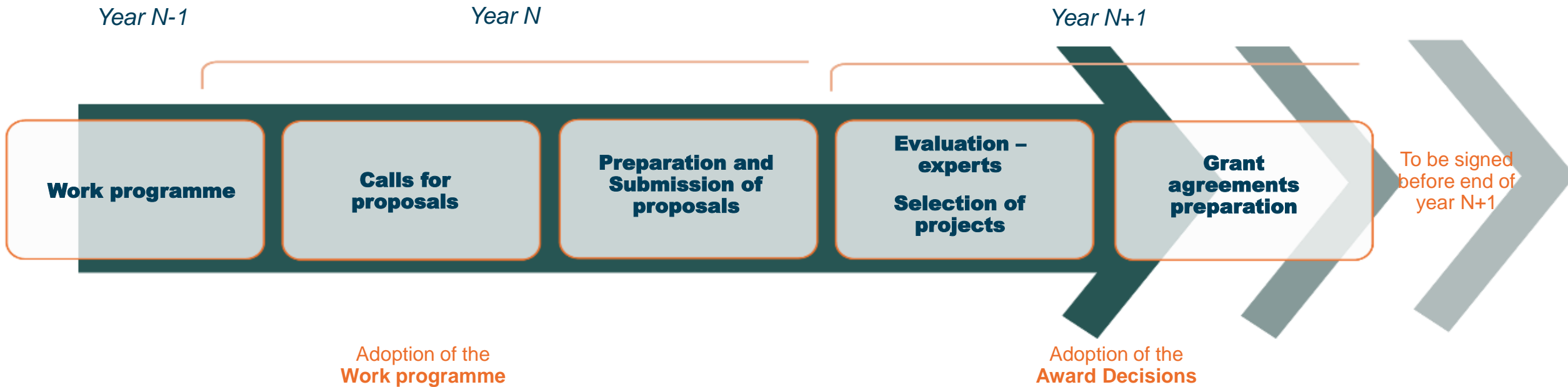
- EDF annual Work programmes **informed by:**
 - **Capability Development Plan (CDP)**: consistency with commonly agreed priorities
 - **Coordinated Annual Review on Defence (CARD)**: opportunities for collaborative R&D
 - **Permanent Structured Cooperation (PESCO)** projects
 - **Synergies and complementarity** with other EU programmes
- EDF multiannual perspective **informed by MS/NO co-financing & planning**



EDF Life-cycle

Annual work programmes and calls for proposals + indicative **multiannual perspective**

Member States (“EDF Programme Committee”) validate the annual EDF **work programme** and the **selection of projects** (awards) to be funded following the calls for proposals



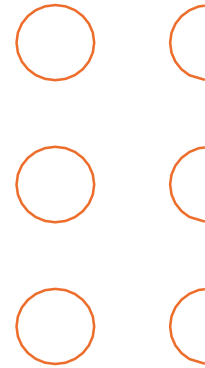


EDF CATEGORIES OF ACTIONS

Addressed by annual work programmes & calls for proposals

- Medical response, CBRN & human factors**
- Information superiority**
- Sensors**
- Cyber**
- Space**
- Digital transformation**
- Energy resilience & environmental transition**
- Materials and components**

- Air combat**
- Air and Missile defence**
- Ground combat**
- Force protection and mobility**
- Naval combat**
- Underwater warfare**
- Simulation and training**



Horizontal categories

- Disruptive technologies**
- Innovative defence technologies (SMEs)**



EDF Work Programme 2023

EUR 1.18 billion

Paris Air Show 2023

34 topics

Published 13 April 2023

Deadline for submission: 22 November 2023

 Medical Response & CBRN	<ul style="list-style-type: none"> Federated CBRN systems 15 M€ 1st SGA under FPA on medical countermeasures 25 M€ 	 Air combat	<ul style="list-style-type: none"> Smart technologies for next generation fighter systems 30 M€ Self-protection systems 33 M€
 Information superiority	<ul style="list-style-type: none"> Laser communications 17 M€ Tactical RPAS 42 M€ Detect and avoid 40 M€ 	 Air & missile defence	<ul style="list-style-type: none"> Counter-UAS 43 M€ Endo-atmospheric interceptor (dual sourcing/direct award) 80 M€
 Sensors	<ul style="list-style-type: none"> Electromagnetic signal propagation 22 M€ Optronics detector 20 M€ Sensor grid 27 M€ 	 Ground combat	<ul style="list-style-type: none"> Main battle tank technologies 20 M€ Long range indirect fire support 27 M€
 Cyber	<ul style="list-style-type: none"> Automation of security penetration tests (spin-in) 14 M€ Cyber situational awareness 20 M€ Deployable Autonomous AI Agent 26 M€ 	 Protection & Mobility	<ul style="list-style-type: none"> Defeating unexploded explosive ordnances and IEDs 25 M€ Strategic air transport for outsized cargo 20 M€
 Space	<ul style="list-style-type: none"> Threats surveillance and protection of space assets 25 M€ Space situational awareness 100 M€ 	 Naval combat	<ul style="list-style-type: none"> Modular and multirole patrol corvette 154.5 M€
 Digital transformation	<ul style="list-style-type: none"> Dedicated hardware architectures for energy-efficient AI 20 M€ Human language technologies (challenge, 2 topics) 25 M€ 	 Underwater warfare	<ul style="list-style-type: none"> Unmanned anti-submarine and seabed warfare 45 M€ Mine countermeasures 45 M€
 Energy & Environment	<ul style="list-style-type: none"> Innovative propulsion systems (spin-in) 25 M€ 	 Disruptive technologies	<ul style="list-style-type: none"> Laser-based directed-energy weapons 25 M€ Non-thematic research 16 M€
 Materials & Components	<ul style="list-style-type: none"> High-performance materials (spin-in) 20 M€ Maintenance, joining and repair (cross-border defence innovation network) 30 M€ 	 SMEs	<ul style="list-style-type: none"> Non-thematic research for SMEs and ROs 36 M€ Non-thematic development for SMEs 36 M€
		 Others	<ul style="list-style-type: none"> External expertise, audits, IT, indirect management 8.5 M€ Business coaching for SMEs 1.2 M€ Blending facility for equity funding for SMEs/Mid-Caps 20 M€ EDF hackathon events 0.6 M€

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Legend: **Research** **Development** **EUDIS-related**

Zoom on eligibility conditions

Consortia: at least 3 eligible entities from 3 different MS/Norway (2 for disruptive call)

Recipients & main subcontractors + Infrastructure, facilities, assets and resources for the action located in EU or Norway

Entities established in 3rd countries can be associated if security-specific conditions are met, but no EDF financial support

Recipients and main subcontractors not subject to control by 3rd country/entity

Derogation possible if approved security-specific guarantees can be provided

No restrictions nor control by 3rd country/entity on results

Compliance with international law and high ethics standards

+ specific to development actions

- Co-financing where needed
- Harmonised defence capability requirements jointly agreed by at least 2 MS/NO for design
- Intention to procure & common technical specifications for system prototyping+ activities

EU funding rates

Research vs Development

Research actions

Activity type	EU funding rate
Generating knowledge	100%
Integrating knowledge	100%
Studies	100%
Design	100%

Development actions

Activity type	EU baseline funding rate	EU maximum funding rate
Integrating knowledge	65%	100%
Studies	90%	100%
Design	65%	100%
Prototyping	20%	55%
Testing	45%	80%
Qualification	70%	80%
Certification	70%	80%
Increasing efficiency	65%	100%

Bonuses



Funding rate mechanism to **incentivise co-financing**
(leverage effect)

EDF bonus system for development actions

Condition for application	Value of the bonus
PESCO Bonus	
Action developed in context of the Permanent Structured Cooperation (PESCO)	+10% for all activities in the action
'Mid-cap' bonus	
% eligible costs allocated to 'Midcaps' established in the EU (and NO) \geq 15%	+10% for the activity
SME Bonus	
% eligible costs allocated to 'SMEs' established in the EU (and NO) \geq 10%	% of eligible costs allocated to ' non cross-border SMEs ' established in the EU and NO (maximum 5%) + 2 x % of eligible costs allocated to ' cross-border SMEs ' established in the EU and NO

Bonus system to **incentivise participation of SMEs and mid-caps**

Latest Commission initiatives in the field of defence

Paris
Air
Show / 20
23

- European Defence Innovation Scheme (EUDIS)
- Act in Support to Ammunition Production (ASAP)
and European Defence Industry Reinforcement through common Procurement Act (EDIRPA)

FIVE EUDIS INNOVATION TRACKS

Put your novel idea to challenge

In hackathons or technology challenges



Test and accelerate your innovation

In thematic EU defence innovation test hubs (together with RTOs, civil and military testing facilities and accelerators)



Migrate your innovation from civil to defence

Expand your business portfolio by answering defence-specific needs based on your know-how



Improve your access to finance to scale-up

Get access to equity funding to finance the growth of your business



Empower SMEs

Apply for open SME and disruptive technologies calls to receive business coaching and benefit from match-making opportunities



EU Defence Innovation Scheme A stronger defence innovation ecosystem throughout the EU

- Launched in spring 2022 with focus on SMEs, including start-ups
- Aims to tap the full potential of defence & civil innovation communities
- Integrated in the EDF
- Five tracks combining different approaches to call organisation & SME support services
- Many opportunities, depending on innovation maturity level
- Approx. 20% of the annual EDF budget
- Aims to reach up to 400 SMEs annually

EUDIS in the EDF '23 - EUR 224 Mio



Put your novel idea to challenge:

Hackathon organization (EUR 0.6 Mio) & Technological Challenge call in Digital Transformation category (EUR 25 Mio)



Test and Accelerate Your Innovation:

Development call with financial support to third parties (cascade funding) in Materials & Components category (EUR 30 Mio)



Migrate your innovation from civil to defence:

Research spin-in calls in Cyber, Materials & Components, Energy Resilience and Environmental Transition categories (EUR 59 Mio)



Access to finance:

Equity funding for SMEs and mid-caps through the EIF Equity facility – EUR 20 Mio



Empower SMEs:

Non-thematic SME (EUR 72 Mio) and Disruptive Technology Calls (EUR 16 Mio) & Business Coaching (EUR 1.2 Mio)

Latest developments: The new initiative on ammunition

Track 1

- Support the **immediate transfer** of ammunition, of 155 mm calibre, from existing national stocks

Track 2

- **Consolidate European demand** through the launch of joint contracts

Track 3

- Support the **massive increase of EU production capacity**
- 3 May 2023, Commission adopted the **Act in Support of Ammunition Production** – ASAP (Regulation proposal)

• 19 July 2022, Commission adopted the **European defence industry reinforcement through common procurement act (EDIRPA)** to incentivise Joint procurement between Member States (not limited to ammunitions)

Implementation of Track 3 ... ASAP

ASAP will urgently strengthen responsiveness and ability of EDTIB to ensure timely supply of ammunition and missiles



Financial support to industrial reinforcement of ammunition and missiles production capacities



Temporary rules to secure the timely availability of ammunitions missiles



Mapping exercise for continuous monitoring of availability of ammunition, missiles and their components



Useful links

- General information on the EDF on DG DEFIS website
 - https://ec.europa.eu/defence-industry-space/eu-defence-industry/european-defence-fund-edf_en
- EDF Calls for proposals on the *Funding and Tenders portal* (where to apply until 22 November 2023)
 - <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/programmes/edf>
- EDF Reference documents on the *Funding and Tenders portal*
 - <https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/reference-documents;programCode=EDF>
- National Focal Points Network (in all EU Member States and Norway!)
 - https://ec.europa.eu/defence-industry-space/network-european-defence-fund-national-focal-points-nfp-0_en
- Remaining questions regarding application to EDF calls for proposals?
 - DEFIS-EDF-PROPOSALS@ec.europa.eu



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