European Defence Fund

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

Directorate ‘Defence industry’, DG DEFIS

#EUDefenceIndustry
Ramping-up EU’s collaborative approach to defence capabilities building

- **EU Defence Action Plan**
- **EU Global Strategy**
- **President Junker’s declaration on EU defence**
- **Precursor programmes** 2017-2020 – 590 M€
- **Preparatory action on Defence Research (PADR)** 2017-2019 – 90 M€
- **European Defence Industrial Development Programme (EDIDP)** 2019-2020 – 500 M€
- **EUROPEAN DEFENCE FUND 2021-2027 – 8 000 M€**

### 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

**DEFENCE CROSS-BORDER R&D**

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European Defence Fund: The EU defence R&D programme

- Support collaborative and cross-border research and development projects, including disruptive technologies
- Contribute to the competitiveness and innovation capacity of the EDTIB
- Encourage the participation of SMEs and other actors not usually active in the defence field
- Help reducing fragmentation of the European defence and industrial landscape
- Build partnerships between defence actors, on both demand and supply sides
- Help maximising the outcome of defence spending
- Lead to close defence technological gaps
- Strengthen other security and defence initiatives
- Strengthen Europe’s resilience and strategic autonomy

- 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**

- **Focus on needs**
  - Demand driven by Member States (sole acquirers)
  - Priorities and topics defined by Member States

- **Ensure continuity**
  - EU prioritisation instruments (CDP, CARD…)
  - Other EU defence initiatives
  - NATO
  - Other EU programmes

- **Support innovation**
  - Strategic and economic benefits for EU
  - Tangible results for EU armed forces
  - Eligibility conditions apply

- **Inclusiveness**
  - Fair opportunities for companies:
    - of all sizes
    - from all Member States and Norway

- **Synergies Complementarity Consistency**
  - 4%-8% of the EDF budget dedicated to disruptive technologies
  - Support broader EU defence innovation scheme (EUDIS)

- **Already funded actions**
  - Main expected outcomes (EDF multiannual perspective document)

**Main expected outcomes** (EDF multiannual perspective document)
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

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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

Horizontal categories
- Air combat
- Air and Missile defence
- Ground combat
- Force protection and mobility
- Naval combat
- Underwater warfare
- Simulation and training
- Disruptive technologies

Innovative defence technologies (SMEs)

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**EDF Work Programme 2023**

**Published 13 April 2023**

**EUR 1.18 billion**

**Deadline for submission: 22 November 2023**

<table>
<thead>
<tr>
<th>Category</th>
<th>Topics</th>
<th>Budget (M€)</th>
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<tbody>
<tr>
<td><strong>Medical Response &amp; CBRN</strong></td>
<td>Federated CBRN systems, 1&lt;sup&gt;st&lt;/sup&gt; SGA under FPA on medical countermeasures</td>
<td>15, 25</td>
</tr>
<tr>
<td><strong>Information superiority</strong></td>
<td>Laser communications, Tactical RPAS, Detect and avoid</td>
<td>17, 42, 40</td>
</tr>
<tr>
<td><strong>Sensors</strong></td>
<td>Electromagnetic signal propagation, Optronics detector, Sensor grid</td>
<td>22, 20, 27</td>
</tr>
<tr>
<td><strong>Cyber</strong></td>
<td>Automation of security penetration tests (spin-in), Cyber situational awareness, Deployable Autonomous AI Agent</td>
<td>14, 20, 26</td>
</tr>
<tr>
<td><strong>Space</strong></td>
<td>Threats surveillance and protection of space assets, Space situational awareness</td>
<td>25, 100</td>
</tr>
<tr>
<td><strong>Digital transformation</strong></td>
<td>Dedicated hardware architectures for energy-efficient AI, Human language technologies (challenge, 2 topics)</td>
<td>20, 25</td>
</tr>
<tr>
<td><strong>Energy &amp; Environment</strong></td>
<td>Innovative propulsion systems (spin-in)</td>
<td>25</td>
</tr>
<tr>
<td><strong>Materials &amp; Components</strong></td>
<td>High-performance materials (spin-in), Maintenance, joining and repair (cross-border defence innovation network)</td>
<td>20, 30</td>
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<tr>
<td><strong>Air combat</strong></td>
<td>Smart technologies for next generation fighter systems, Self-protection systems</td>
<td>30, 33</td>
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<tr>
<td><strong>Air &amp; missile defence</strong></td>
<td>Counter-UAS, Endo-atmospheric interceptor (dual sourcing/direct award)</td>
<td>43, 80</td>
</tr>
<tr>
<td><strong>Ground combat</strong></td>
<td>Main battle tank technologies, Long range indirect fire support</td>
<td>20, 27</td>
</tr>
<tr>
<td><strong>Protection &amp; Mobility</strong></td>
<td>Defeating unexploded explosive ordnances and IEDs, Strategic air transport for outsized cargo</td>
<td>25, 20</td>
</tr>
<tr>
<td><strong>Naval combat</strong></td>
<td>Modular and multirole patrol corvette</td>
<td>154.5</td>
</tr>
<tr>
<td><strong>Underwater warfare</strong></td>
<td>Unmanned anti-submarine and seabed warfare, Mine countermeasures</td>
<td>45, 45</td>
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<tr>
<td><strong>Disruptive technologies</strong></td>
<td>Laser-based directed-energy weapons, Non-thematic research</td>
<td>25, 16</td>
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<tr>
<td><strong>SMEs</strong></td>
<td>Non-thematic research for SMEs and ROs, Non-thematic development for SMEs</td>
<td>36, 36</td>
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<tr>
<td><strong>Others</strong></td>
<td>External expertise, audits, IT, indirect management, Business coaching for SMEs, Blending facility for equity funding for SMEs/Mid-Caps, EDF hackathon events</td>
<td>8.5, 1.2, 20, 0.6</td>
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**Legend:** Research, Development, EUDIS-related

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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

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## EU funding rates

### Research vs Development

#### Research actions

<table>
<thead>
<tr>
<th>Activity type</th>
<th>EU funding rate</th>
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<tbody>
<tr>
<td>Generating knowledge</td>
<td>100%</td>
</tr>
<tr>
<td>Integrating knowledge</td>
<td>100%</td>
</tr>
<tr>
<td>Studies</td>
<td>100%</td>
</tr>
<tr>
<td>Design</td>
<td>100%</td>
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#### Development actions

<table>
<thead>
<tr>
<th>Activity type</th>
<th>EU baseline funding rate</th>
<th>EU maximum funding rate</th>
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<tbody>
<tr>
<td>Integrating knowledge</td>
<td>65%</td>
<td>100%</td>
</tr>
<tr>
<td>Studies</td>
<td>90%</td>
<td>100%</td>
</tr>
<tr>
<td>Design</td>
<td>65%</td>
<td>100%</td>
</tr>
<tr>
<td>Prototyping</td>
<td>20%</td>
<td>55%</td>
</tr>
<tr>
<td>Testing</td>
<td>45%</td>
<td>80%</td>
</tr>
<tr>
<td>Qualification</td>
<td>70%</td>
<td>80%</td>
</tr>
<tr>
<td>Certification</td>
<td>70%</td>
<td>80%</td>
</tr>
<tr>
<td>Increasing efficiency</td>
<td>65%</td>
<td>100%</td>
</tr>
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</table>

#### Funding rate mechanism to incentivise co-financing (leverage effect)
EDF bonus system for development actions

<table>
<thead>
<tr>
<th>Condition for application</th>
<th>Value of the bonus</th>
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<tbody>
<tr>
<td><strong>PESCO Bonus</strong></td>
<td></td>
</tr>
<tr>
<td>Action developed in context of the Permanent Structured Cooperation (PESCO)</td>
<td>+10% for all activities in the action</td>
</tr>
<tr>
<td><strong>‘Mid-cap’ bonus</strong></td>
<td></td>
</tr>
<tr>
<td>% eligible costs allocated to ‘Midcaps’ established in the EU (and NO) ≥ 15%</td>
<td>+10% for the activity</td>
</tr>
<tr>
<td><strong>SME Bonus</strong></td>
<td></td>
</tr>
<tr>
<td>% eligible costs allocated to ‘SMEs’ established in the EU (and NO) ≥ 10%</td>
<td>% 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</td>
</tr>
</tbody>
</table>

Bonus system to incentivise participation of SMEs and mid-caps
Latest Commission initiatives in the field of defence

- European Defence Innovation Scheme (EUDIS)
- Act in Support to Ammunition Production (ASAP)

and European Defence Industry Reinforcement through common Procurement Act (EDIRPA)
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
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:

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

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

Financial support to industrial reinforcement of ammunition and missiles production capacities

Temporary rules to secure the timely availability of ammunitions missiles
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
You want to know more about the EDF?

Visit our stand: Hall 2.B – E 140

and don’t miss our

EDF INFO DAYS 2023
28-29 June
Brussels & Online

#EUDefenceIndustry

Register here!
Thank you for your attention