

STRENGTHENING EUROPEAN DEFENCE COOPERATION AND INDUSTRY

The central message of the 2016 Global Strategy is based on empowering the EU, whose aim is to implement a common strategy through a common vision and joint action. Consequently, a number of initiatives have been launched, with the Permanent Structured Cooperation (PESCO) and the European Defence Fund (EDF) being the most important ones in the field of promoting the European defence cooperation and industry.

PESCO was launched in 2017 with the aim of enhancing the defence cooperation of EU Member States, jointly developing defence capabilities and investing in joint projects and enhancing the operational readiness of own armed forces. Today all EU Member States except Malta and Denmark participate in PESCO, and currently 47 PESCO projects are underway. A strategic review of PESCO is planned in 2020, which should give a clearer picture of the direction PESCO will take, in terms of projects and in fulfilling the commitments undertaken by joining PESCO. The participation of third countries in PESCO projects is still an open issue to which a solution needs to be found.

The purpose of establishing the European Defence Fund is to strengthen the industrial and technological base of the defence sector to foster participation of SMEs and their innovative ideas, thereby contributing to strengthening the European defence capability development. The European Commission launched the EDF concept in 2017 consisting of two strands: research – to support common research projects and creating innovative defence technologies, 100% financed from the EU budget, and capabilities – to create incentives for companies and EU countries to collaborate on the joint development of defence products and procurement of defence technology.

Within the new European Commission, the Directorate-General for Defence Industry and Space (DG Defence) has been set up, which is placed in the portfolio of the Commissioner for Internal Market, who will be responsible for three areas: the digital economy and society, the European industry and single market and the defence industry and space. In the fields of defence industry and space the new DG will manage the European Defence Fund, which is established to support cooperative research and industry projects; ensure an open and competitive European market of defence equipment and compliance with EU rules regarding defence procurement; implement the Action Plan on military mobility in cooperation with the European Commission's Directorate-General for Mobility and Transport (DG MOVE); encourage an innovative space industry in the EU; implement the future space programme that will cover the European global navigation satellite system (Galileo), the European Geostationary Navigation Overlay Service (EGNOS) and the European Earth Observation Programme (Copernicus).

The initiative on military mobility in Europe is aimed at faster and more efficient cross-border deployment of assets and personnel. It is one of the top-ranking areas of EU-NATO



cooperation. At EU level, the relevant activities are carried out within the PESCO project “Military Mobility”, EDA working groups focused on harmonising legislation and procedures, in accordance with the Commission’s 2018 Action Plan.

In the forthcoming period the European Commission should define priority dual-use (military and defence) infrastructure projects eligible for EU financing. The ultimate objective of this project is to remove all obstacles to mobility by 2024, where the success will depend on the ambition of the EU's long-term budget 2021-2027 and the allocation of an appropriate envelope for military mobility.

(Possible) Points of Discussion:

- Should obligations of participant Member States in PESCO be re-evaluated or should the participants focus on implementation?
- How could participation of third countries in PESCO become an added-value for the EU?
- In what ways do SMEs contribute to defence industry?
- Will the new Directorate-General for Defence Industry and Space provide for a more efficient management of the European Defence Fund?

