



## National Conference “Bulgarian Defence and Aerospace Industry Research”

Jorge Domecq, Chief Executive, European Defence Agency

Official opening (10:00-12:00)

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### Check against delivery

- Your excellency, Ladies and Gentlemen,
- Honoured to be invited.
- This is an important event in the frame of the ongoing implementation of significant initiatives related to strengthening the European defence, aiming to meet the EU’s level of ambition.
- With the implementation of the Global Strategy in the Centre, the European Defence Action Plan along with the EU-NATO Joint Declaration form a solid package aiming to address coherence between Community and Intergovernmental policies and tools as well as coherence between EU and NATO.
- As the High Representative / Vice President / Head of Agency Federica Mogherini says now is the time to get

things done and indeed EDA is playing a central role in all these initiatives.

- As regards the Global Strategy EDA has multiple tasks on the implementation but currently the focus is on the revision of the Capability Development Plan (CDP) and on the Coordinated Annual Review on Defence (CARD).
- This is complemented by strong links and extended EDA's support to defence industry, aiming to deliver to Member States the defence capabilities they need while in parallel to provide industry business with opportunities by promoting structured cooperation among Member States.
- This last element makes today's event, even more important since its objective is to support the European Defence Technological and Industrial Base, which from the EDA's looking glass is not related to few big companies in Europe but to industries from all across the European Union, with backbone the Small and Medium Enterprises.
- To focus on EDA's role on the implementation of the EDAP and more specifically on the EDF, I think that the Commissioner set already the scene as regards the objectives of this initiative.
- I can only welcome Commission's decisions to support capability development in order for the EU to achieve the level of ambition as set out in the EU Global Strategy.
- EDA's role as an interface between Commission and the Ministries of Defence but also as a central operator of EU

funded defence-related initiatives will be crucial for the success. And EDA is already delivering concrete results.

- Within the Research Window of the EDF, we have made a major step ahead with the Preparatory Action on Defence Research (PA).
- Its main purpose is to pave the way for a fully-fledged European Defence Research Programme in the next Multi-Annual Financial Framework after 2020, which will incentivise cross border cooperation in defence R&T between European entities.
- Although the Preparatory Action is meant to test procedures and modalities as well as the work together of the European Commission and EDA, it is in itself a small scale Defence Research Programme with some 90 million Euros over three budgetary years, from 2017 until 2019.
- I am inclined to say that the PA and its predecessor, the Pilot Project, are successful endeavours so far, quasi blue prints, where we ought to build upon.
- Although it might be too early to talk about Lessons Learnt, we do have our first observations that I would like to share with you.
- The modalities of the processes and the criteria for the participants for the Research window are to be set by the Commission. However, here we need to keep the defence specificities in mind. As you know, the defence market is not a consumer market, but driven by capability needs of Member States. Modalities like the Intellectual Property Rights or security scrutinies need to reflect that.

- The Preparatory Action has also provided a good test bed for finding an efficient and structured way to define the topics and work programmes for the respective Calls for Proposals.
- In its upstream role the EDA identified and preselected research topics for the Preparatory Action with government and industry experts working together to progress defence research in their particular areas.
- The expertise and best practice advice provided by the EDA during the whole upstream process evidenced that it is well positioned for identifying and prioritising research topics from the technical point of view, in line with the role given to it in the Treaty of the European Union.
- To ensure that EU funded activities will contribute to develop the capabilities Member States need, it is important that the identification of priorities and the definition of the technical specifications remain intergovernmental.
- Furthermore, through EDA with the Capability Defence Plan, we ensure that the capability priorities on which the Member States agree remain coherent with the needs of their single set of forces in the NATO context.
- In that respect the Agency fully justifies its key role as coherent intergovernmental prioritization platform thereby informing among others EU funded activities.

- For the future and much larger European Defence Research Programme, additional EDA tools will be available to provide a structured, comprehensive, balanced and prioritised approach to work programmes. In this context particularly the Overarching Strategic Research Agenda (OSRA), which is linked to the Capability Development Plan in EDA, will play a crucial role.
- The handling of the projects of the PP and the PA is conducted by the EDA as the implementing agency. Accordingly, we are augmenting our staff for the PA and built upon EDA's experience to manage and monitor defence research projects. Clearly, for the European Defence Research Programme we will have to scale up these activities and adapt to the respective staff requirements considering the larger budget and the extended work related to the comprehensive approach.
- We should also build on the good work together of Commission, notably DG GROW, and EDA and make best use of existing structures and mechanisms. There is no need for the duplication of structures or mechanisms. That is a major conclusion I would like to draw already from the PP and the PA, and as called for by Defence Ministers last May.

- And let me add one last observation related to the Research Window. As I said: for defence research there is no consumer market per se. Member States, EDA and the Commission need to address the exploitation path of research results, also in anticipation of the interplay of the two Windows of the European Defence Fund. Be it for follow-on research or for the capabilities urgently needed for European Defence.
- To turn now to the Capability Window and the European Defence Industrial Development Programme. This indeed can become an innovative incentive which complements existing ones already in place to foster cooperation between Member States and to develop the competitiveness of the European industry.
- EDA, acting as a central operator to assist the Member States in making best use of EU incentives, and especially additional EU funding, will support the implementation of this tool and make all necessary efforts to make the first years of this “capability window” a success.
- It will be a success if all the Member States can benefit from this financial support.
- It will be a success if all types of companies - from the very big players to the most innovative SMEs – will have access.

- We will consider it also as a success, if the capability window generates a significant impact on the European capability landscape, focusing on capabilities that cannot be tackled by any single MS in isolation.
- The coming months will be key to demonstrate that it is a powerful and successful tool.
- To that end, in parallel to the approval by the Council and the European Parliament of the EDIDP regulation, we need to understand and substantiate the possible content of the first years of this new mechanism.
- In close coordination with the Commission, this is what EDA intends to provide in support of the Member States: a common understanding of topics and projects potentially eligible to the EDIDP support.
- And this should not only be about demonstrators or prototypes but also on feasibility studies, modernisation, upgrades repair and overhaul of existing capabilities, a field which I know that the Bulgarian industrial base is very strong.
- This exercise will be carried out in a structured and transparent manner, involving all the Member States and the European industry. I invite you, government and industry, to stay close and fully involved in the work of the EDA.

- It is opportunity for each Member State to make the case for collaborative projects and in which their industry is involved.
- My message here is to you is: do not miss this opportunity to get involved and at the same time benefit from EU funding.
- This initiative paves the way for a standing EU funding programme in the defence area and improve the coherence of the European defence capability landscape.
- In times that Member States' defence budgets are increasing, here I can only commend Bulgaria's increase by 20% in 2017 vis à vis 2016, there is a need to do it right this time in Europe as regards development of capabilities so as to:
  - Avoid duplications;
  - Promote cost-efficiency through cooperation;
  - Address industries all across Europe in a balanced way;
- Aiming to meet the EU level of ambition but also in coherence with NATO.
- To do so we need to build on our excellences and use all available tools and instruments.



- EDA's close cooperation with the Commission, notably DG GROW, can only best serve Member States expectations.
- Thank you.