

Security & Defence Committee, European Parliament

Intervention
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SECOND SESSION: PREPARATORY ACTION

- Thank you Madam Chair. As you know, the Pilot Project and the Preparatory Action on Defence Research (PADR) are meant to pave the way for a fully-fledged European Defence Research Programme in the next Multi-Annual Financial Framework.
- Lessons learnt from the PP and the PADR are therefore particularly significant, and I would spend a few words on them. I will then conclude my brief intervention with some observations on the possible future EDRP.
- But first I'd like to start with some updates.
- The Pilot Project (PP), that the EU Parliament promoted with a budget of 1.4 m€, is already well advanced. All the three activities are currently running and well underway, with only minor delays of one to three months. Two of the activities should be concluded at the

beginning of next year at the latest, while the third one at the end of 2018.

- The Preparatory Action on Defence Research, with its foreseen total budget of 90 m€, is a much bigger endeavour. As you know, it will run for three work programmes, even though the activities will take longer to be completed.
- The approved budget for 2017 is 25 m€, while for 2018 the requested budget is 40 m€, and 25 m€ for 2019. This total amount of 90 million euro will allow us to “test” various tools, topics and areas of research, thus improving our understanding of what a productive future EDRP should look like.
- Needless to say, an eventual reduction of that budget would reduce our ability to explore different solutions, and this would clearly reflect on the future EDRP as well.
- In the current, first work programme the PADR will finance activities on three topics: Technological Demonstrator for enhanced Situational Awareness in a Naval Environment, Force Protection for advanced Soldier Systems beyond current programmes, and a Study for Strategic Technological Foresight.

- The deadline for the submissions of proposals for the last two topics will expire at the end of this week, while that for the bigger topic, the Technological Demonstrator, will expire at the beginning of October.
- As a way ahead, EDA is now setting up an Evaluation Committee which will include members from other organisations in the EU (most likely the Commission) and which will rate and rank the proposals also with the support of independent experts.
- At the end of this year, or at worst in January 2018, we plan to sign the grant agreements and, after the approval of the 2018 budget by the EU Parliament, we will also publish the new calls for proposals. These will probably come out in the first quarter of 2018.
- The same calendar is expected for the third and final group of calls, which are expected to be published in the first quarter 2019.
- All in all, I am glad to report that we are fully on track with both the PP and the PA, and my evaluation of the work done so far is encouraging.
- I would now like to provide you some brief remarks on the lessons learned.

- EDA is productively assisting by proposing and prioritising the different options for relevant research topics to the Commission, and with the drafting of the technical descriptions of the call text (the upstream role), thus acting as central operator for EU funded activities as called for by Defence Ministers in May.
- The Agency's current structures have demonstrated to be fully fit for purpose to handle the implementation role. Practical implementation work on both PP and PA, as I said, is proceeding smoothly as planned.
- We have set up in September 2016 a PA Unit, which from next January will be composed of 5 staff, of which 2 are financed through the Delegation Agreement of the PA. I should also note that this was the first instance in which EDA has managed grants – so we have been fruitfully using new IT tools as well, that would be used for the future EDRP.
- Therefore I can say that EDA, and this is my first conclusion, is successfully playing an upstream and an implementation role in both the PP and in the PA.
- My second observation is that for the PA and, in perspective, for a future EDRP, the roles of the different actors involved need to be clearly defined. Let me explain that.

- Comitology will apply, and the decision-making power clearly will lay with the Commission and the relevant Programme Committee.
- But, the Pilot Project Delegation Agreement between EDA and Commission also envisaged an implementation and an upstream role for the Agency.
- The PP demonstrated that this institutional arrangement is productive. EDA can successfully take care of the implementation of a research program, and it can assist with the definition and the prioritization of research areas and topics, ensuring that they respond to capability priorities agreed by Member States in the CDP, which at the same time is coherent with the defence needs in the NATO Defence Planning Process. The Commission can take the decision-making role in terms of making the final selection of the topics.
- Therefore, it would be perfectly rational to fully and openly recognise the EDA upstream role in the PA as well. This would ensure a clear and efficient division of tasks, thus contributing to the overall success of the enterprise and providing a clear blueprint for the EDRP.
- And this is another issue that I would like to stress: EDRP will be politically legitimate if it will lead to the

development and later production of real military capability programs, used by Member States.

- EDRP, as the European Defence Fund as a whole, must not be - and must not be perceived to be - a subsidy to industry. The Fund must provide capabilities which have an European added value, that Member States cannot or should not take forward alone, thus creating security for our citizens across the EU.
- That is why it is so important that EDA contributes to the upstream dimension in the EDRP as well, using the experience, expertise and the set of instruments that I described in the previous sessions – the Capability Development Plan, the Overarching Strategic Research Agenda, the Key Strategic Activities and the CARD.
- A future research programme making full use of these tools will produce the results that are needed, and that are currently lacking, at the European level.
- Similarly, EDA is a prime candidate for the implementation role as well, and it can bring on the table the positive experience from the PP, the PA and also the tangible results of R&T projects managed by its experts within the Agency.

- It may be appropriate to mention, in fact, that the total value of ad hoc research and technology projects run within EDA from its inception is around one billion euro: at the moment, as I said before, we are supporting some 100 R&T projects.
- Finally, a downstream role in order to best exploit the results of the different R&T projects within the EDRP context could be also envisaged. The uptake by MS of the results of research conducted within the EDRP will be, in fact, the ultimate measure of its success.
- Be it via EDA or via follow-on projects within the Capability Window or via national or multilateral capability projects, the uptake is a necessity to transform research into future military capabilities.
- Let me now conclude my intervention.
- I believe that PP and PA represent very useful testing tools in view of a future EDRP.
- The evidences so far demonstrate that EDA has the ability to play both an upstream and an implementation role in an EU-funded research program, and this should be fully recognised.
- This implies, let me repeat, that the Agency is clearly ready AND fit-for-purpose to contribute to a future

EDRP, and is willing to do so if requested, acting –and let me quote again the LTR approved by our Defence Ministers – “as a central operator for EU funded defence-related activities, notably by implementing the envisaged future European Defence Research Programme”.

- Moreover, it also implies that there is no need to establish new structures to perform tasks, such as the upstream one, that can be already successfully played by the Agency. I refer, for example, to the proposal of the establishment of an European Defence Research Agency, which would merely duplicate what EDA is doing since 2004.
- It would make more sense, from both an economic and an efficiency point of view, to make full use of the Agency’s potential, as argued in the EU Global Strategy and, notably, in different Reports from this Parliament.
- Thank you very much for your attention, and I stand ready to answer your questions.