



# EU BUDGET FOR THE FUTURE

#EUBudget #EURoad2Sibiu #FutureofEurope



2 May 2018

## DEFENCE



### WHY IS THIS A PRIORITY?

In a world where geopolitical instability in our neighbourhood is increasing, the European Union needs to take greater responsibility for defending and protecting its citizens, their values and way of life. The European Union cannot substitute Member States' efforts in defence, but it can encourage their collaboration in developing the technologies and equipment needed to address common defence and security challenges. The European Union is stepping up its contribution to Europe's collective security and defence, working closely with its partners, beginning with the North Atlantic Treaty Organisation (NATO).



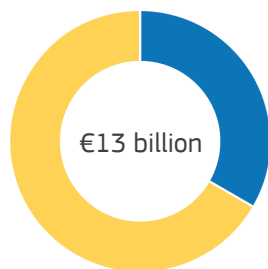
### WHAT DOES THIS MEAN IN FINANCIAL TERMS?

The Commission proposes a budget of **€13 billion** (over the 7 years period) be dedicated to the **European Defence Fund**. This will place the EU among the top 4 of defence research and technology investors in Europe.

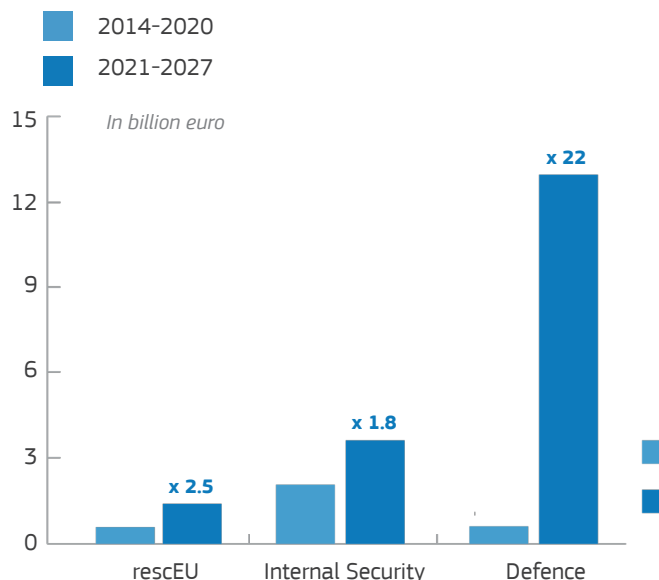
#### Budget dedicated to the European Defence Fund

**€4.1 billion** ■  
funding of collaborative defence research to address emerging and future security threats

**€8.9 billion** ■  
co-finance collaborative capability development projects complementing national contributions



#### A step change for security and defence



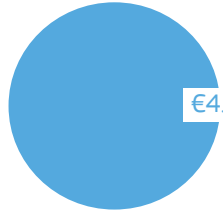
Source: European Commission



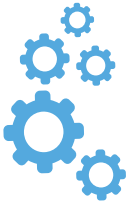
### RESEARCH

Fully and directly funded from EU budget

€90 million total



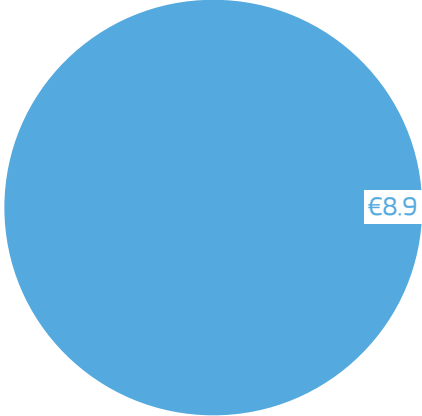
€4.1 billion total



### DEVELOPMENT

Co-financing from EU budget up to 20 %

€500 million total



€8.9 billion total

€13 billion over 7 years 



## WHAT IS NEW IN THE COMMISSION PROPOSALS?

The Commission proposes a **European Defence Fund** to promote cooperation and cost savings among Member States in producing state-of-the-art and interoperable defence technology and equipment. Offering support for the research and development parts of the lifecycle will make sure that the results of research are not lost due to the lack of funding for developing and testing the technology. It will also avoid duplication, allow for economies of scale and result in a more efficient use of taxpayers' money. The fund will encourage the participation of small and medium-sized enterprises in collaborative projects.

In addition, the Commission proposes that the Union enhance its strategic transport infrastructures to make them fit for military mobility. A dedicated budget of **€6.5 billion** will be earmarked in the **Connecting Europe Facility**.



## HOW ELSE WILL THE FUTURE EU BUDGET MAKE A DIFFERENCE IN THIS AREA?

- Boosting cooperation effectiveness with the new research and innovation programme **Horizon Europe** will ensure that results under civil research can benefit the development of defence capabilities and vice versa. This will help avoid unnecessary duplication.
- Ensuring close links between the European Defence Fund and the projects implemented within the framework of the **Permanent Structured Cooperation** in defence (PESCO). If eligible, PESCO projects will receive additional co-funding (30 % rather than 20 %), but funding is not exclusive or automatic.
- Supporting other defence-related activities through the **European Peace Facility**, an off-budget instrument proposed outside the Multiannual Financial Framework. The facility will aim to increase the EU's support to peace operations by third parties worldwide; to cover joint costs of Common Security and Defence Policy military missions (now covered under the Athena mechanism); to enable the EU to engage in broader actions aimed at supporting non-EU countries' armed forces with infrastructure, equipment and supplies or military technical assistance.



## NEXT STEPS

