



Commission welcomes the political agreement on the European Defence Fund

Brussels, 10 December 2020

Today, the Commission welcomes the political agreement between the European Parliament and the EU Member States on the European Defence Fund proposed by the Commission in [June 2018](#). Trilogue negotiations have now concluded with the political agreement, pending the final approval of the legal texts by the European Parliament and the Council. This is the first ever multiannual financial programme to support defence research and development in the EU.

With the agreed total of €7.953 billion in current prices, roughly one third will finance competitive and collaborative research projects, in particular through grants and two-thirds will complement Member States' investment by co-financing the costs for defence capabilities development following the Research stage.

Commissioner for Internal Market, Thierry **Breton**, said: *"I welcome the political agreement on the European Defence Fund today. This is a major breakthrough as for the first time, the EU will have a dedicated programme to support defence industrial cooperation. A more integrated, innovative and competitive European defence technological and industrial base is essential for a stronger, more resilient and strategically autonomous Europe. Through defence cooperation and joint investment in R&D, the European Defence Fund will deliver state-of-the-art and interoperable defence technologies and equipment in line with Member States capability needs."*

The European Defence Fund will provide a key contribution to Europe's sovereignty, protecting and defending its citizens. It will promote defence cooperation among companies, research actors and between the Member States to foster innovation and develop state-of-the-art defence technology.

It will also strongly encourage the participation of small and medium-sized companies (SMEs) in collaborative projects and foster breakthrough innovation solutions through a dedicated budget for disruptive technologies in defence.

The Fund will place the EU among the top 3 defence research and technology investors in Europe. The programme builds on two precursor programmes, started under the 2014-2020 budget, the [Preparatory Action on Defence Research](#) (€90 million for 2017-2019) and the [European Defence Industrial Programme](#) (€500 million for 2019 and 2020).

Following today's agreement, a vote will take place in the European Parliament and the Council to formally endorse the text. Since the partial agreement in 2019, the Commission has been preparing in order to start ensure its applicability as of in January 2021.

Next steps

On 10 November 2020, a political agreement was reached between the European Parliament, EU Member States in the Council as well as the Commission on the next long-term EU budget and NextGenerationEU. As a next step, the legal adoption of the MFF package along with the ratification of the Own Resources Decision is now urgently needed.

Once adopted, the EU's long-term budget, coupled with the NextGenerationEU initiative, which is a temporary instrument designed to drive the recovery of Europe, will be the largest stimulus package ever financed through the EU budget. A total of €1.8 trillion^[1] will help rebuild a post-COVID-19 Europe. It will be a greener, more digital and more resilient Europe.

Background

The [European Defence Fund](#) is the Commission's key initiative to support, with the EU budget, collaborative research and development of defence capabilities. Under the next Multiannual Financial Framework of the Union (2021-2027), the Fund will financially support consortia of entities from different member states undertaking cooperative defence research and development of defence products and technologies. The Fund also includes mechanisms to stimulate the participation of SMEs in cross border defence projects, contributing to the opening of European defence supply

chains.

For More Information

[European Defence Industry](#)

[Press release on European Defence Fund launch](#)

[Press release on first defence research grants](#)

[Press release on the Proposal for a European Defence Fund 2021-2027](#)

[Press release on the provisional agreement on the future European Defence Fund](#)

[Press release on paving the way for first joint industrial projects under EU budget](#)

More information on PADR [Work Programme](#) and [calls for proposals](#)

More information on EDIDP [Work Programme](#) and [calls for proposals](#)

[Recovery plan](#)

[2021-2027 long-term EU budget & Next Generation EU](#)

[1] In 2018 prices.

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