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EU should boost European Defence Agency funding on R&D

Paris, 1 December 2010 – The Assembly voted on Tuesday for the European Union (EU) to boost funding on research and development (R&D by the European Defence Agency (EDA), despite the decline in national defence budgets.

Presenting a report for the Technological and Aerospace Committee, **Mr José MENDES BOTA** (Portugal, EPP/CD Group) said that this could help promote interoperability and "perhaps even lead eventually to greater homogeneity among the equipment and capabilities of the national armed forces, which provide the basis for the EU's 'hard' power'.

10 years after the EU Lisbon Summit, the objectives for a "European area of research and innovation (extended to security and defence in 2001) are far from being achieved (even though) Europe remains a world leader in technology". Despite some progress, "European research remains fragmented", he said. Europe is a "world leader in R&D, but is having trouble transforming itself into a real power in the field of security and defence".

On the intergovernmental side, the EDA, which was launched in 2004, aimed to "provide the beginnings of an answer to the lack of a European defence research policy", he said. "Previous attempts to build something akin to a European defence research and technology (R&T) and R&D area have failed and continue to be hampered by NATO and EU member states". The reasons for this ranged from the classified nature of research in such sensitive areas as nuclear energy, communications, munitions, computerised command and control (C2) networks, to economic protectionism, intellectual property rights, export advantages or international (bilateral and multilateral) agreements on the transfer of defence technologies.

Three years after EDA member states adopted a European Defence Research & Technology Strategy, "its implementation continues to suffer from the fragmented and dispersed nature of the European security and defence technological and industrial base (ESDTIB), its chronic underfunding and the fact that it remains concentrated in a very, very small number of countries". This means that "the prospect of implementing pan-European cooperation programmes based on pooling and specialisation is (...) set aside and referred to vaguely as a long-term objective". But the major problem is funding the strategy at a time of economic crisis, reduced defence budgets and longer timeframes for current and future equipment replacement and armed forces modernisation programmes.

Two European Commission directives, one on defence procurement and the other on security and defence technology transfers between member states, should come into force in 2011 to give the Commission joint oversight with national governments over these areas. A majority of firms in the security and defence sector are in favour of the European Commission becoming more involved, which might pave the way for Community funding of defence research or even subsidies for the industry, he suggested.

But the report's call for more R&D cash for the EDA was rejected by two United Kingdom MPs. **Mr Jeffrey DONALDSON** (UK, Federated Group) dismissed the idea of allocating more cash to a European agency when the UK defence budget was falling. "R&D is a priority for us, but it is perhaps not the same priority as for our European partners. (...) Member states (might) not be convinced that the agency could deliver what they cannot deliver nationally". Moreover, cooperation is complicated by the fact that firms in the defence and security industry are often multinational, he added. **Mr Christopher CHOPE** (UK, Federated Group) was another abstainer. But his colleague **Lord ANDERSON** (UK, Socialist Group) said that two-thirds of the EU spend on security and defence came from France and the United Kingdom and that the sums involved in the EDA were "minimal". Opponents to an increase in its allocations were "looking for a headline".

The Assembly also encouraged EU member states to extend security and defence cooperation to other countries, such as the United States, Canada, Israel and Russia; to prepare a chapter for the 2014-2020 Framework Programme (FP8), with mixed funding from member states and the European Commission under EDA supervision in coordination with the Commission; and for Community investment on R&D and Research and Technology (R&T) to be maintained at a high level in the next EU budget.