



# European Defence Industrial Development Programme (EDIDP) and 2020 calls for proposals

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*European Commission*

*DG Defence industry and Space*

*Unit A3 – European Defence Fund – Capability development*

# Introduction and context

# Towards an enhanced level of defence cooperation in the EU

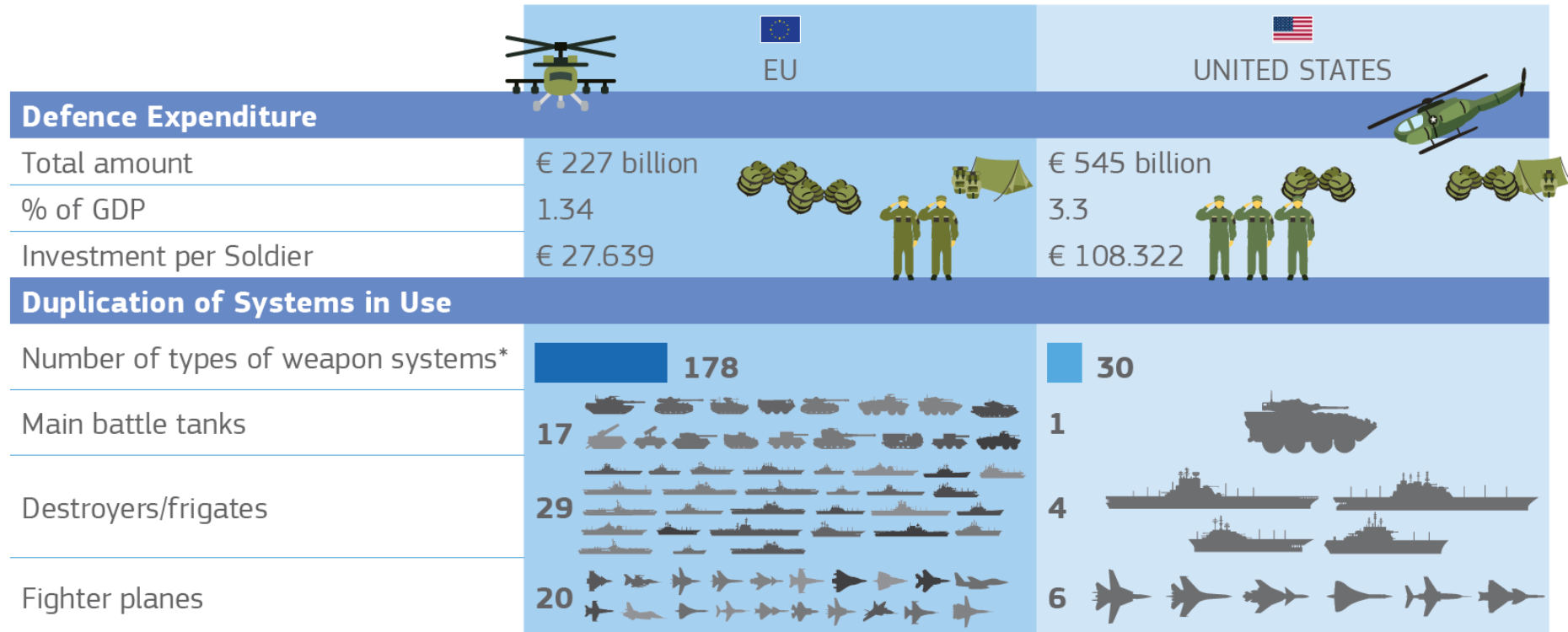
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- Mounting security concerns
  - More complex threats (cyber, space, hybrid)
  - Fragmentation and inefficiencies in Defence capability development
  - Strong demand of EU citizens for more Europe in defence and security

- **Need to step-up cooperation in the field of defence in the EU**

- **Permanent Structured Cooperation (PESCO)**
- **Coordinated Annual Review on Defence (CARD)**
- **European Defence Fund (EDF) including test phases (PADR and EDIDP)**

Responsibility of the European Commission  
**First time ever EU budget used to fund Defence R&D!**

# Cost of fragmentation and current inefficiencies



Source: NATO, International Institute for Strategic Studies, Munich Security Report 2017



The lack of cooperation between Member States in the field of defence and security is estimated to cost annually between **€ 25 billion and € 100 billion**. This is because of inefficiencies, lack of competition and lack of economies of scale for industry and production.



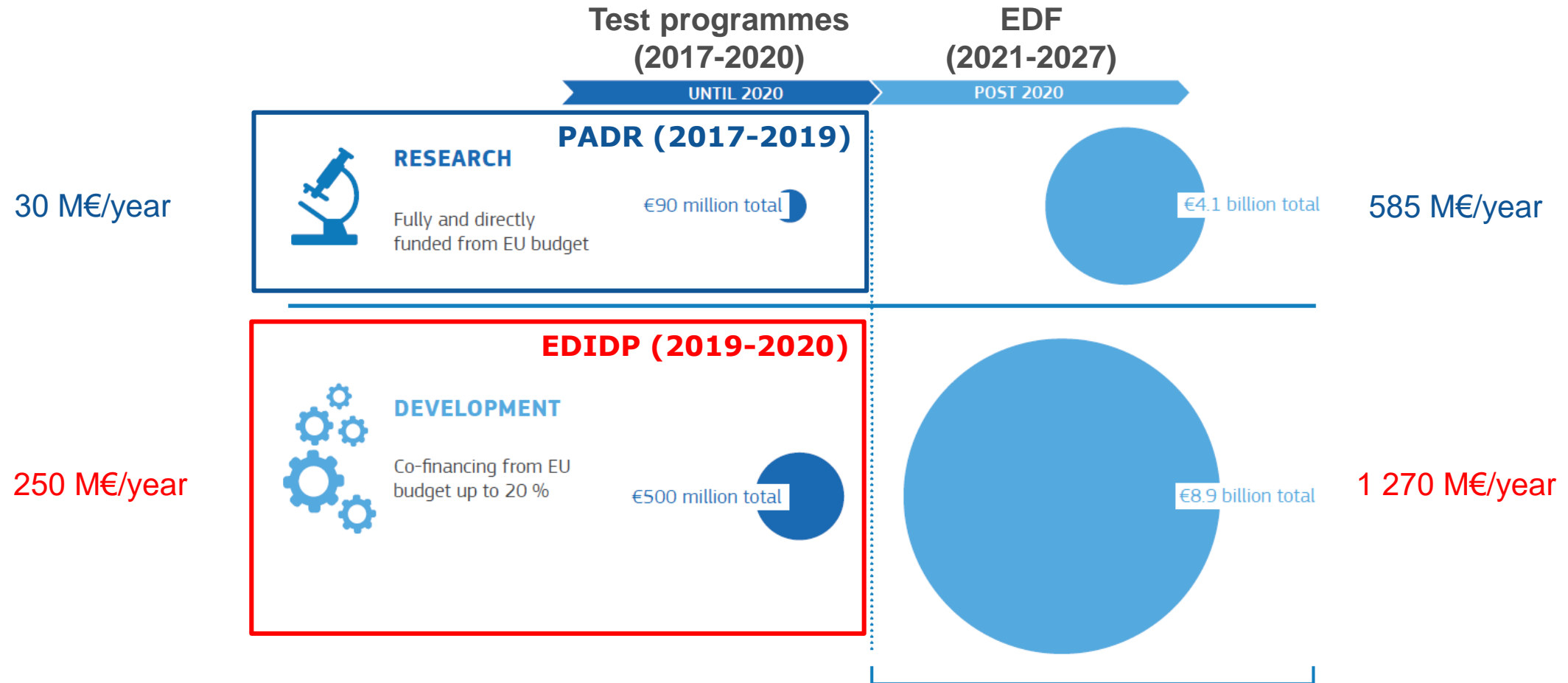
Around **80% of defence procurement** is run on a purely national basis, leading to a **costly duplication of military capabilities**.

Source: European Parliament 2013, SIPRI, European Defence Agency, IISS, US Department of Defence, ASD



European  
Commission

# The ramp-up of the European Defence Fund (EDF)



Initial proposition of the European Commission for EDF budget (2021-2027)  
Landing point subject to on-going negotiations

# EDIDP

Eligibility conditions (entities + action)

Funding rate (baseline funding rate + bonuses)

Award criteria

Other considerations

# European Defence Industrial Development Programme (EDIDP)

- **Regulation** adopted in **July 2018**
- Budget: **500 M€** over 2019-2020
- **Objectives of the programme:**
  - to foster the **competitiveness, efficiency** and **innovation** capacity of the defence industry throughout the Union, which contributes to the **Union's strategic autonomy**
  - to support and leverage **cooperation**, including across borders, **between undertakings, including SMEs and mid-caps, throughout the Union, and collaboration between Member States** in the development of defence products or technologies, while strengthening and improving the **agility of defence supply and value chains**, and fostering the **standardisation of defence systems** and their **interoperability**.
  - to foster **better exploitation of the results of defence research** and contribute to development after the research phase thereby supporting the **competitiveness of the European defence industry on the internal market and the global marketplace**, including by consolidation, where appropriate
- **Direct management by the Commission**

# EDIDP – Eligibility of the entities participating to an action

## Beneficiaries

- Members of the **consortium** / signatories of the Grant agreement
- **Need to fulfil eligibility conditions**
- **Can claim their own costs**

## Linked third parties

- Third parties with a legal or capital link with a beneficiary that can implement a part of the action in their own name and claim their own costs
- **Need to fulfil same eligibility conditions as beneficiaries**
- **Can claim their own costs**

## Non-SME partners

(only for the SME call)

- Non-SMEs needed by the SME consortium to perform main tasks/work packages
- **Need to fulfil same eligibility conditions as beneficiaries**
- **Their costs are not eligible for funding**

## Subcontractors involved in the action

- Subcontractors with a direct contractual relationship to a beneficiary, or
- Other subcontractors to which at least 10 % of the total eligible cost of the action is allocated, or
- Subcontractors which may require access to classified information to carry out the action
- **Need to fulfil same eligibility conditions as beneficiaries**
- **Beneficiary/linked third party can charge their invoice as subcontracting costs**

## Associated partners

- Entities established outside the territory of the Union, or
- Entities controlled by a third country or by a third country entity
- **Can be allocated work packages**
- **Need to fulfil different eligibility conditions**
- **Their costs are not eligible for funding**

## Other subcontractors and suppliers

- **Do not need to fulfil any eligibility conditions**
- **Beneficiary/linked third party can charge their invoice as subcontracting costs**



# EDIDP – Eligibility of the entities participating to an action

- **Beneficiaries, linked third parties, subcontractors involved in the action and non-SME partners MUST**
  - Be public or private undertaking established in the Union
  - Use infrastructure, facilities, assets and resources located on the territory of the Union
    - **Possible derogation** where no competitive substitutes are readily available in the Union → but related activities NOT ELIGIBLE FOR FUNDING
  - Have their executive management structures established in the Union
  - Not be subject to control by a third country or by a third-country entity
    - **Possible derogation** if guarantees (see dedicated slide), approved by the Member State where the entity is established, are provided → related activities ELIGIBLE FOR FUNDING

# EDIDP – Eligibility of the entities participating to an action

- **Participation of associated partners must**

- not contravene the security and defence interests of the Union and its Member States
- be consistent with the objectives of the programme
- not lead to control or restriction over the results of the action
- not lead to unauthorised access to classified information relating to the carrying out of the action
- Avoid potential negative effects over security of supply of inputs critical to the action

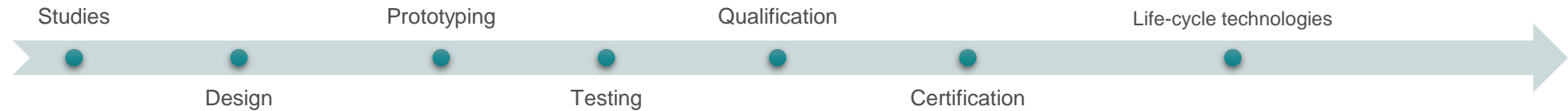
→ related activities NOT ELIGIBLE FOR FUNDING

# EDIDP – Eligibility of the entities participating to an action

- **Guarantees needed for the derogation on control must substantiate that:**
  - the participation of the controlled entity
    - does not contravene the security and defence interests of the Union and its Member States
    - be consistent with the objectives of the programme
    - not lead to control or restriction over the results of the action
  - control is not exercised in a manner that
    - restrains or restricts its ability to carry out the action and to deliver results
    - imposes restrictions concerning its infrastructure, facilities, assets, resources, intellectual property or know-how needed for the purpose of the action
    - undermines its capabilities and standards necessary to carry out the action
  - access by a third country or by a third-country entity to sensitive information relating to the action is prevented and the employees or other persons involved in the action have national security clearances, where appropriate
  - ownership of the intellectual property arising from, and the results of, the action
    - remain within the beneficiary during and after completion of the action
    - are not subject to control or restriction by a third country or by a third-country entity
    - are not exported outside the Union nor is access to them from outside the Union granted without the approval of the Member State in which the undertaking is established and in accordance with the objectives of EDIDP

# EDIDP eligibility of the action

- The proposed action must address upgrade or development of products and technologies and cover one or more of the following activities (as requested in the calls)



- The action must be performed by a consortium of at least **3 eligible entities established in at least 3 Member States**. At least 3 eligible entities established in at least 2 Member States must not be controlled, directly or indirectly, by the same entity or must not control each other
- Costs** of the action that are **not covered by Union support must be covered by other means**, such as Member States contributions
- Applicants must demonstrate that :
  - at least **2 Member States have the intention to procure or use** the developed technologies or product (not needed for studies and design)
  - development will be based on **common requirements jointly agreed by at least 2 Member States** (only for design)
  - development will be based on **common technical specifications jointly agreed by the Member States that co-finance or intend to procure or use the final product** (not needed for studies and design)
- Use, development or production of the proposed technology and product must not be prohibited by **international law**
- IPR: results of the action must not be subject to control or restriction by a third country or third-country entity**

# Funding rate: baseline funding rate + bonus

- Funding rates calculated for each activity covered by the proposed action on the basis of eligible costs
- **Baseline funding rates**
  - Studies: **90%**
  - Prototyping: **20%**
  - Others: **65%**
- **Bonus for actions developed in the context of the Permanent Structured Cooperation (PESCO)**
  - **Bonus:** additional 10%
- **Bonus for participation of SMEs**
  - **Condition for the bonus:** at least 10% of eligible costs allocated to SMEs established in the EU
  - **Value of the bonus linked to participation of non cross border SMEs:** % of eligible costs allocated to SMEs established in the same Member States as non SME entities in the consortium (**up to additional 5%**)
  - **Value of the bonus linked to participation of cross border SMEs:** twice the % of eligible costs allocated to SMEs established in other Member States than the non SME entities in the consortium
- **Bonus for participation of mid-caps**
  - **Condition for the bonus :** at least 15% of eligible costs allocated to mid-caps established in the Union
  - **Value of the bonus:** additional 10%
- **Maximum values**
  - Cumulative **bonus** capped to **35%**
  - **Union financial support** limited to **100% of total eligible costs**

# Award criteria

- Contribution to **excellence**
- Contribution to **innovation**
- Contribution to **competitiveness** and **growth of defence undertakings throughout the Union**
- Contribution to **industrial autonomy of the European defence industry** and to the **defence and security interest of the Common Foreign and Security Policy**
- Proportion of the overall budget of the action to be allocated to **SMEs** established in the Union and bringing industrial or technological added value, and in particular **cross-border SMEs**
- Contribution to **further integration of the European defence industry** through the demonstration of **commitments from Member States** (only for prototyping to certification)

**Weighs 2**

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# Other important considerations

- SME call (EDIDP-SME-2020)
  - Members of the consortium can only be SMEs
  - Subcontracting strictly limited to 30%
- All calls
  - ONE proposal must target ONE topic (some calls address several topics)
  - Proposals **MUST** address the scope and cover the targeted activities as defined in the targeted call/topic
- Registration on the Funding and Tender portal
- SME and mid-cap self assessment
- Read carefully the *Calls and conditions* and the *Submission form* (including its annexes)
- Guide for applicants will be available soon
- For remaining questions: [EC-EDIDP-proposals@ec.europa.eu](mailto:EC-EDIDP-proposals@ec.europa.eu)

# EDIDP

## 2020 calls for proposals

12 open calls for proposals for a total indicative budget of 163,5 M€

Deadline for submission: 1 December 2020





# EDIDP 2020 calls for proposals

## Preparation, protection, deployment and sustainability

Calls		Topics addressed by the calls	
EDIDP-CBRN-2020 <b>13,5 M€</b>	Chemical Biological Radiological Nuclear (CBRN) detection capabilities and medical countermeasures	EDIDP-CBRN-DEWS-2020	Capabilities for CBRN risk assessment, detection, early warning and surveillance
		EDIDP-CBRN-MCM-2020	CBRN medical countermeasures, such as preventive and therapeutic immunotherapy
EDIDP-UCCRS-2020 <b>22,5 M€</b>	Underwater control contributing to resilience at sea	EDIDP-UCCRS-MCM-2020	Solutions to detect, identify, counter and protect against mine threats (including those operating at very high depths)
		EDIDP-UCCRS-MUAS-2020	Solutions to detect, identify, counter and protect against mobile manned, unmanned or autonomous underwater systems (including those operating at very high depths)
		EDIDP-UCCRS-EDD-2020	Enhanced defence diving solutions to detect, identify, counter and protect against sub-surface threats.
EDIDP-CUAS-2020 <b>13,5 M€</b>	Counter-Unmanned Air Systems (UASs)	EDIDP-CUAS-2020	Capabilities to detect, classify, track, identify and/or counter UASs in defence scenarios

# EDIDP 2020 calls for proposals

Information management and superiority, C4ISR, cyber defence and cyber security

Calls		Topics addressed by the calls	
EDIDP-CSAMN-2020  <b>14,3 M€</b>	Cyber situational awareness and defence capabilities, defence networks and technologies for secure communication and information sharing	EDIDP-CSAMN-SDN-2020	Software defined network for defence use including the development of products and technologies
		EDIDP-CSAMN-EDICT-2020	Easily deployable and interconnected cyber toolbox for defence use
EDIDP-SSAEW-2020  <b>22,5 M€</b>	Space Situational Awareness (SSA) and early warning capabilities	EDIDP-SSAEW-SC2-2020	Advanced Space Command and Control (SC2) capability to process and exploit SSA data generated from sensors and catalogues to provide a complete space picture
		EDIDP-SSAEW-SSAS-2020	Enhanced SSA sensors for accurate identification and characterization of existing Geostationary Earth Orbit (GEO) and Low Earth Orbit (LEO) public and private assets
		EDIDP-SSAEW-EW-2020	Early warning against ballistic missile threats through initial detection and tracking of ballistic missiles before handing over to ground based radars
EDIDP-MSC-2020  <b>20 M€</b>	Maritime surveillance capabilities	EDIDP-MSC-IS-2020	Integrated solution to enhance the maritime situational awareness
		EDIDP-MSC-MFC-2020	Multifunctional capabilities, including space based surveillance and tracking, able to enhance the maritime awareness (discover, locate, identify, classify and counteract the threats) with particular focus on maritime littoral and high sea areas and harbour protection and related critical infrastructure
		EDIDP-MSC-CRPS-2020	Coastal radars and passive sensors with associated relevant networks
		EDIDP-MSC-NS-2020	Maritime surveillance generated by networks of sensors based on fixed and/or semi-fixed unmanned platforms

# EDIDP 2020 calls for proposals

## Engagement and effectors

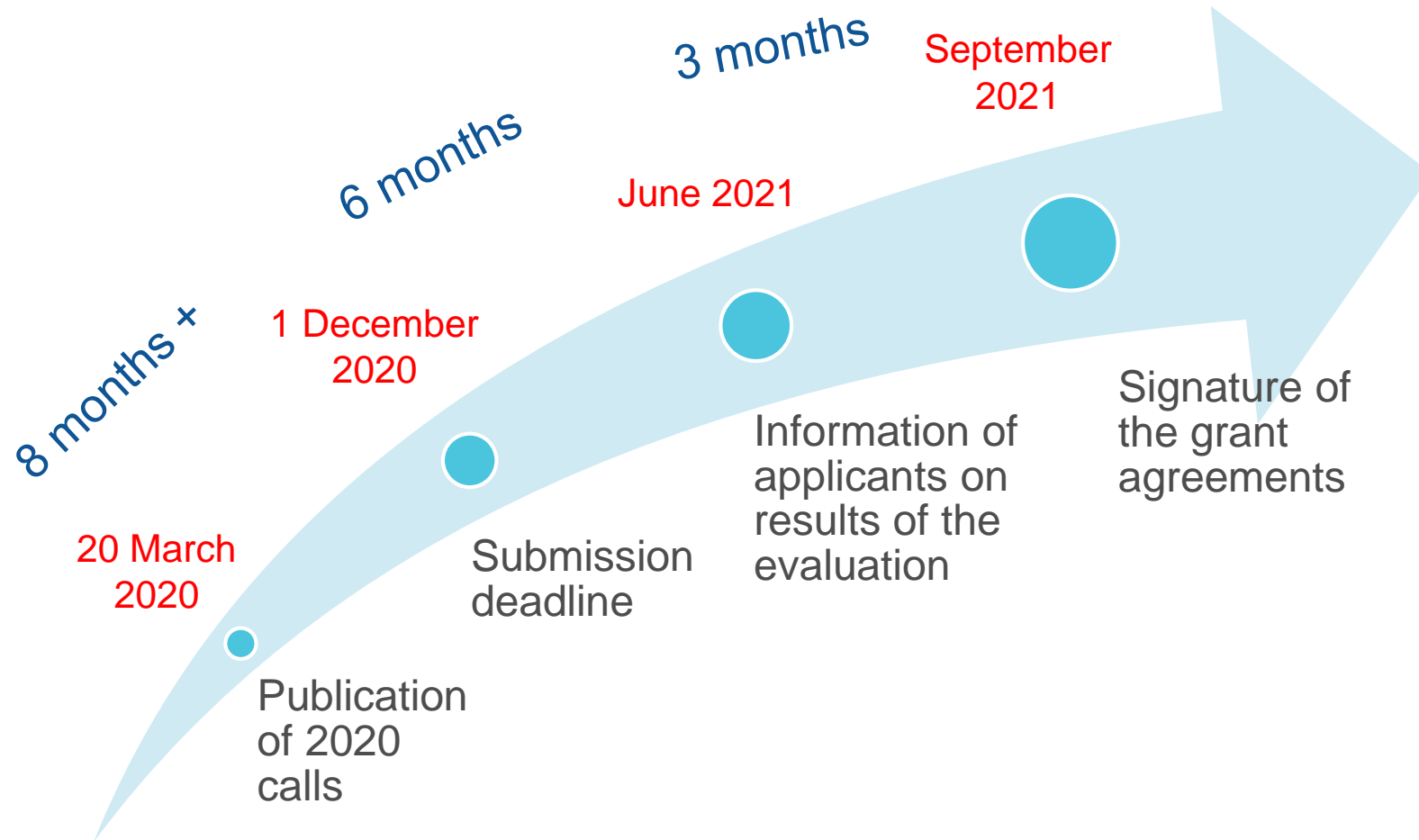
Calls		Topics addressed by the calls	
EDIDP-NGPSC-2020 <b>7 M€</b>	Upgrade of current and development of next generation ground-based precision strike capabilities	EDIDP-NGPSC-LRIF-2020	Platform for long range indirect fire support capabilities
		EDIDP-NGPSC-PGA-2020	Programmable and guided ammunition
EDIDP-GCC-2020 <b>9 M€</b>	Ground combat capabilities	EDIDP-GCC-2020	Development of next generation and upgrade of current armoured platforms, including those able to operate in extreme climates and geographical environments
EDIDP-AAC-2020 <b>22 M€</b>	Air combat capabilities	EDIDP-ACC-CH-2020	Upgrading or developing next generation combat helicopters
		EDIDP-ACC-SPS-2020	Self-protection systems for fixed and rotary wing aircraft
		EDIDP-ACC-3MACS-2020	EU multiplatform mission management capabilities for air combat systems

# EDIDP 2020 calls for proposals

## Cross-domain capabilities

Calls		Topics addressed by the calls	
EDIDP-SVTE-2020 <b>3,5 M€</b>	Simulation and virtualisation tools and equipment for training, exercises, systems design, development and integration, testing and validation	EDIDP-SVTE-2020	Modelling, simulation and virtualisation tools and equipment for training, exercises, systems design, development and integration, as well as testing and validation
EDIDP-AI-2020 <b>5,7 M€</b>	Defence technologies supported by artificial intelligence	EDIDP-AI-2020	Defence capabilities supported by artificial intelligence
EDIDP-SME-2020 <b>10 M€</b> <b>(max 2,5 M€/proposal)</b>	Innovative and future-oriented defence solutions <b>(call dedicated to SMEs)</b>	EDIDP-SME-2020	Innovative defence products, solutions, materials and technologies, including those that can create a disruptive effect and improve readiness, deployability, reliability, safety and sustainability of EU forces in all spectrum of tasks and missions, for example in terms of operations, equipment, infrastructure, basing, energy solutions, new surveillance systems

# EDIDP 2020 calls – Indicative timeline



# Useful links

## EDIDP

Regulation (EU) 2018/1092 of the 18 July 2018 establishing the European Defence Industrial Development Programme:  
<https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=CELEX:32018R1092&from=EN>

C(2019) 2205 of the 19 March 2019 - Commission implementing decision on the financing of the European Defence Industrial Development Programme and the adoption of the work programme for the years 2019 and 2020: <https://ec.europa.eu/docsroom/documents/34515>

Press release and factsheets (19 March 2019): [http://europa.eu/rapid/press-release\\_IP-19-1717\\_en.htm](http://europa.eu/rapid/press-release_IP-19-1717_en.htm)

All reference documents regarding EDIDP 2020 calls:  
<https://ec.europa.eu/info/funding-tenders/opportunities/portal/screen/how-to-participate/reference-documents:programCode=EDIDP>

## EDF

State of play: [https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2018/0254\(COD\)&l=en](https://oeil.secure.europarl.europa.eu/oeil/popups/ficheprocedure.do?reference=2018/0254(COD)&l=en)

Regulation (partial agreement): [https://www.europarl.europa.eu/doceo/document/TC1-COD-2018-0254\\_EN.pdf](https://www.europarl.europa.eu/doceo/document/TC1-COD-2018-0254_EN.pdf)

## DEFENCE INDUSTRY

European Commission (DG GROW) Internet site on Defence Industries (includes a dedicated page on the European Defence Fund):  
<http://ec.europa.eu/growth/sectors/defence>

Commission Recommendation 2003/361/EC of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises:  
<https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32003H0361>

Enterprise Europe Network: <http://een.ec.europa.eu>

European network of Defence related regions: <https://www.endr.eu>



# Thank you

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