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Intervenção do Ministro da Defesa Nacional, João Gomes Cravinho, por ocasião da cerimónia de lançamento oficial do Fundo Europeu de Defesa, “European Defence Fund: a building-bloc for EU Strategic Autonomy”, no âmbito da Presidência Portuguesa do Conselho da UE.

VTC, 30 de junho de 2021

Let me start by welcoming the opportunity to join this milestone event, the official launch of the European Defence Fund. This is also officially the last event of the Portuguese Presidency of the Council of the EU in security and defence, so I am very glad that it is one that will have a major impact in the years to come.

The work leading to the adoption of the Work Programme of the EDF for 2021 began over a year ago, under major time constraints and in the context of the ongoing pandemic crisis. But with a strong commitment by Member States and excellent work by the European Commission, the difficulties inherent to this innovative process, as well as the sometimes very different positions of EU Member States, were overcome, and an ambitious working programme has been agreed to.

The fact that there was a consensual adoption of the EDF Work Programme must be seen as strong signal of political support across the EU for a mechanism that ultimately aims at reinforcing military interoperability among Member States, and developing an inclusive and mutually beneficial defence market in Europe. So now begins the time to deliver.

I would like to highlight the European Parliament's contributions to this process – and I am glad I can do that in panel with MEP Busoi, chair of the Parliamentary Commission on the Internal Market. I salute the crucial role of the European Parliament in ensuring a more substantive financial envelope to the EDF – finally established at roughly 7.9 billion Euros – but also in defining a series of ethical guidelines for the European defence economy to develop. This is an expression of the Union's normative standing in international affairs and in line with the expectations of our

citizens. We need a stronger European Defence also so that we can better defend our values in the world.

Portugal's position in this process followed the strategic guidelines that were established since discussions began in 2018, and we are very pleased that so many of our priorities have been integrated into the final version.

1. Firstly, supporting the full participation of SMEs, namely by assuring facilitated access to EDF co-funded actions. SMEs represent the majority of the economic agents throughout Europe and their access to the EDF ensures not only a tangible contribution to the post-Covid-19 pandemic economic recovery of Europe, with highly skilled jobs, but also the kind of diversification that we need for innovative and diverse approaches to security challenges. This continues to be a challenge.

2. Secondly, making sure supply chains are open to all eligible entities looking to enter this dynamic market. As Commissioner Bretton has mentioned on a previous occasion, the EDF represents an opportunity to develop a truly European defence supply chain, where the participation of all will be taken into account. For that vision to become a reality, both size and geographical diversity need to be valued.

3. Thirdly, support to Emerging Disruptive Technologies, by supporting projects with a high level of technological risk. This is needed for Europe to become a major player in this strategic domain, one that can also have a significant impact on innovation in the civilian economy and on reinforcing the EU's strategic autonomy. We are therefore pleased to see that up to 8% (about

70 million Euros) of the EDF was allocated to disruptive technologies.

4. Levelling the playing field was also a major priority, through the development of an inclusive and mutually beneficial defence market for all Member States. This is of critical importance to sustain the political momentum in European defence integration and to ensure high levels of support by our citizens. It is very positive that the EDF projects have to engage at least three entities representing three Member States, sponsoring the development of joint prototypes and crossborder SMEs activities in the defence domain.

5. Fifthly, we also value the emphasis on competition rather than direct awards.

6. And finally, the identification of key priority areas for capability research and development in line with the existing initiatives in European defence, namely CARD, PESCO and the Capability Development Plan. This is key to promoting synergies and avoiding duplication and fragmentation, which we hope can also be complementary with NATO planning, something that is relevant for 21 Member States.

A key step is to ensure the new planning instruments for EU defence, including EDF, are fully integrated into national planning cycles. Considering the mid- to long-term nature of defence planning, this means that it will take some time until national planning exercises fully benefit and reflect this new vision, but we must start to work on it now, so that it can result in more coherence and efficiency for European defence.

These tools and instruments will only prove relevant for the strategic autonomy of the EU if their development is led by a strong and cohesive political vision, regarding the perception of threats, the capabilities needed, and the types of military operations required to deal with a fast evolving security environment. Member states have a key role to play here and during our presidency we have worked hard on this, namely in the discussions on the Strategic Compass, and indeed Commissioner Breton has contributed to this, together with Commissioner Vestager, and of course High Representative Borrell.

Coherence and complementarity with other EU Defence initiatives, in particular with PESCO, is a key feature of the EDF that we welcome. But EDF should not be used as an instrument to overcome underfunding of PESCO projects. It should rather reinforce the EU's strategic autonomy by fostering the

competitiveness and innovation capacity of the Union's defence industry in articulation with scientific and technological entities across Europe.

Today, the Commission will also present the results of the 2020 EDIDP calls, which we salute and welcome. A strong correlation between PESCO projects and this predecessor of the EDF is already visible, reflecting an alignment of priorities and coherence. And on this topic, I am pleased to highlight the strong participation by Portuguese entities, who, with the active and engaged support of the Portuguese Armed Forces, managed to obtain excellent results that we are proud of, and should be interpreted as stimulus to develop greater integration into the defence supply chains in Europe.

Ladies and gentlemen,

European defence budgets have only just recently begun to recover from a long period of lack of adequate investment with long-term implications, including loss of technological capabilities and critical industries, increased dependency on third countries, and gaps on research and development.

Today, thanks to the EDF the EU is already the fourth largest investor in Defence in Europe, and Member States have given a clear mandate to EU institutions, signaling that defence policy is an indispensable part of the strategic relevance we want for Europe in the world today. Our populations have the same perspective, as opinion polls repeatedly show.

Launching the European Defence Fund and its work programme for 2021 are major steps in the right direction, but this is just the beginning. Now we need to ensure that we deliver, because developing the European Defence Economy is not just good for Defence policy. It is also good Economic policy and Europe needs both.

Thank you very much.