

# Innovation in Europe: Prospects for an EDA Defence Innovation Hub.

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“Let us recognise that we, the European Union and the Member States, need to do much more together, and we need to do much more together right now. We cannot wait, because the choice for us is simple: either we invest a lot on defence innovation, or we will become defence irrelevant” (European Defence Agency, 2021) This year’s European Defence Agency’s (EDA) Annual Conference focus revolved around discussing the EU innovation in European Defence and what more must be done. Upon speaking to a room filled with EU and national decision-makers, military organisations, think tanks, and other relevant stakeholders within the defence industry, our High Representative for Foreign Affairs of the EU and Vice-President, Josep Borrell, recognised that much more needs to be done. Whether the EU manages to take the appropriate steps towards advancing defensive innovation or not shall decide on the relevance or obsolescence of its armies in the future.

The present global landscape requires swift action. Indeed, the emergence of so-called Emerging Disruptive Technologies (EDT’s) and foreign countries increasing their expenditures in the area place the EU at risk of becoming defence obsolete in the medium – long-term. The term Emerging Disruptive Technologies refers to new technological developments that have a revolutionary effect on the battle scene. Indeed, technologies such as Artificial Intelligence, Advanced New Materials for Soldier Protection or New Space Tech are already affecting our military strategies. This requires the EU to innovate and adapt to the current global context. As the EDA puts it, to retain its role as a global security provider and further strategic autonomy, the Union must master said EDT’s (European Defence Agency). So, it must keep up with international competitors’ defence developments abroad through innovation.

However, fragmentation within the European military landscape currently holds the European Union back on making sufficient progress. The Coordinated Annual Review on Defence (CARD) is a cyclical report drafted by the European Defence Agency together with the European External Action Service (EEAS), which aims to give a broad picture of the EU defence landscape, based on Member States’ preferences and an analysis of trends in defence spending. In its last cycle (2019-2020), the CARD found that said landscape is characterised by high levels of fragmentation and low investment in cooperation. (European External Action Service and European Defence Agency) Naturally, all this fragmentation has a high cost for the EU, as overlapping projects and lack of collaboration take opportunities for innovation away. According to Lowri Evans, Director-General for Internal Market, Industry, Entrepreneurship and SMEs at the European Commission, the lack of cooperation in defence and research between the Member States is thought to cost us between €25 - €100 billion every single year. (Evans, 2018). This is a sizeable amount considering that our European Defence Fund dedicates a budget of €7,9 billion for the next seven-year period. To avoid becoming “defence irrelevant”, the EU must push for more coordination and de-fragmentation and pull its resources together towards everyday defensive innovation and research. Neither the EU nor its Member States can afford such fragmentation.

The EDA has a crucial role in this endeavour, with more responsibilities being conferred upon it as time progresses. The CARD report was an occasion for the EDA to showcase its problem-solving capabilities. It identified over 55 collaborative opportunities for capability development, divided into six main areas, in light of the fragmentation it initially observed within the European defence landscape. This was the case, for example, for the area of Main Battle Tanks (MBTs), designed to constitute the backbone of the Union’s armies. At present, 18 manufacturers are providing different MBTs across Europe. (Kepe et al., 2019). Compared to the less than five manufacturers providing MBTs for the United States of America, this figure highlights the fragmentation and unnecessary cost generated from such a framework.

According to the RAND Report “Opportunities for European Collaboration in Armoured Vehicles”, drafted upon request of the EDA for its first CARD cycle, there are many ways in which such costs could be reduced. For example, by pooling and sharing spare parts for Main Battle Tanks (an armoured vehicle can contain up to 5000 individual spare parts), the EU and its Member States could save up to 63% in costs associated with duplication and overlapping armoured vehicles.

The CARD report also identified 56 collaborative initiatives for Research & Technology (R&T), which would significantly contribute to building a future unfragmented and coordinated defence landscape. Given that the Member States and the EU have already agreed on a budget for defence for the next seven years, channelled through the European Defence Fund, opportunities for collaboration in capacity development are at present limited. Therefore, investing in Research and Technology would be a way to prepare for the future, get on top of EDTs such as Artificial Intelligence, and perhaps even develop ground-breaking technologies for the EU itself. The role of innovation, especially in the field of R&T, will decide the future of EU defence itself.

That’s why the EDA’s Ministerial Steering Board, the Ministers of Defence of each Member State, gathered last month to discuss the creation of an EDA Defence Innovation Hub. (EDA, 2021). In light of the findings of EDA, the 27 MoD agree this would help remedy stagnating efforts for investment in defence and shall make a final decision later this month. Establishing this type of network for defence innovation has also been one of Josep Borrell’s priorities in the context of the Strategic Compass. As he explained at the 2021 EDA Annual Conference, “this Defence Innovation Hub would promote synergies with the industrial sector; to foster an ecosystem of Research and Development in defence and get innovative solutions closer to the military user”. (EEAS, 2021)

Therefore, establishing the initiative would be a chance for the defence industries of each Member state to deepen ties, build trust, and exchange information through a broad hub of defence networks. Relying on the EDA’s experience would allow companies and countries to be aware of projects already being developed and allow them to play their part in said projects or invest in different innovative solutions. This would be a massive asset for the EU, allowing it to keep up with foreign technological developments on the battle scene and perhaps even shape tomorrow’s global defence.

But for a project of such ambition to work, the EDA requires the appropriate funding. Defence funds are controlled by other EU institutions, such as the European Defence Fund. That is why collaboration between the EDA and the EDF is crucial. The EDA already plays a vital role by helping Member States increase focus in the EU priority setting on defence capability development and defence research to be addressed by the EDF. Therefore, the EDF’s resources and the Agency’s knowledge should keep serving as a basis for implementing an EDA Defence Innovation Hub. This will capacitate the Agency while helping the EDF follow actual needs in the field of defence and implement constantly evolving EU defence priorities. Ultimately, this would make the ambition of coordinating EU defence innovation a reality.

In the context of strategic autonomy, the EU has a window for an opportunity that it should seek to capitalise on. Whether or not it decides to take this opportunity will have a decisive impact on the future of the Union as both a relevant security provider and a relevant global actor. An EDA Defence Innovation Hub is a step in the right direction without a shadow of a doubt.

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