

# Joint purchasing and R&D in the defence sector

- *benefits & challenges of joint purchasing & R&D initiatives in defence* -
- *some personal reflections from a researchers' point of view*

“Joint cross-border public procurement” (JCBB) ...

... has in defence\* a long-standing evidence

- Both on **bi- and multilateral agreements between nations**, both **successful**
  - Such as **FRA-DEU** defence cooperation (e.g. *Transall C-160* since 1960s, *MILAN & HOT ATGM* since 1970s) or
  - **GBR-FRA** defence cooperation (e.g. *Storm Shadow/SCALP CM* since late 1990s), or
  - **GBR-DEU-ITA-ESP** defence cooperation (e.g. *Eurofighter Typhoon*, since 1983 as EFA), or
  - **GBR-FRA-DEU-ITA-ESP-SWE** defence cooperation (e.g. *METEOR AAM*, since 1997)
- ... and **failed**, such as e.g.
  - **USA-DEU** defence cooperation on the *MBT-70* in the 1960s > led to *Leopard 2 & M1 Abrams* MBTs
  - **GBR-FRA** defence cooperation on a *joint aircraft carrier* in the early 2000s

# Joint purchasing and R&D in the defence sector

- facilitated by established cooperation & management fora -

- Within **NATO** with e.g.
  - **NETMA**, the “NATO EF 2000 and Tornado Development, Production & Logistics Management Agency” (managing the Eurofighter & Tornado programmes)
  - **NAHEMA**, the “NATO Helicopter Development and Design, Logistic Management Agency” (managing the NH90 TTH/NFH programme for FRA, DEU, ITA, NLD and BEL)
  - **NCI Agency**, the “NATO Communications and Information Agency” (managing C4ISR & cyber security programmes)
- Within **Europe** with e.g.
  - **Western European Armaments Cooperation** (IEPG/WEAG since 1976/1993), dissolved and tasks transferred to **EDA** when established in 2005
    - Aims: to make more efficient use of resources through increased harmonization of operational requirements; to open up national defence markets to cross-border competition; to strengthen the EDTIB; to cooperate in R&D
  - **OCCAR**, the « *Organisation Conjointe de Coopération en matière d'Armement* », est. 2001 (Member States: BEL, FRA, DEU, ITA, ESP, GBR), e.g. A400M, BOXER AFV, Tiger AH programmes
    - Aim: to increase the armaments cooperation of the Member States in order to improve efficiency and reduce costs (global balance of work share against cost share vs. ‘traditional’ industrial juste retour)

# Joint purchasing and R&D in the defence sector ...

## ... so everything is fine in the EU?

Figure 13. European collaborative defence equipment procurement as % of total defence equipment procurement

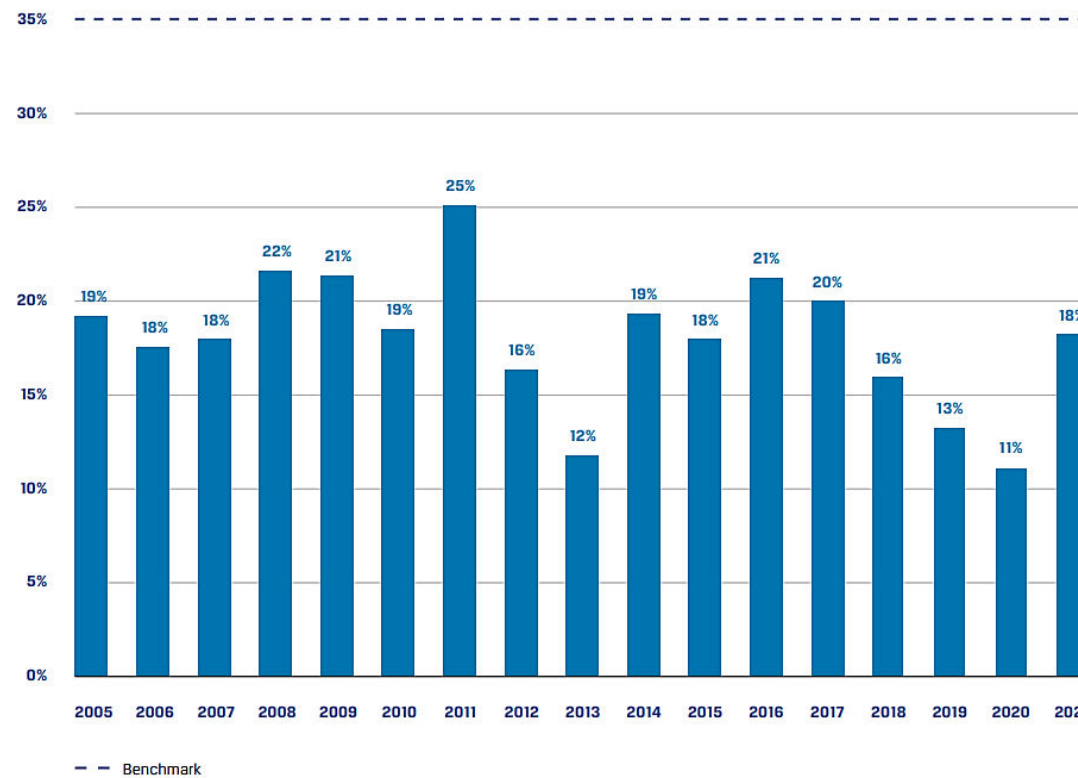
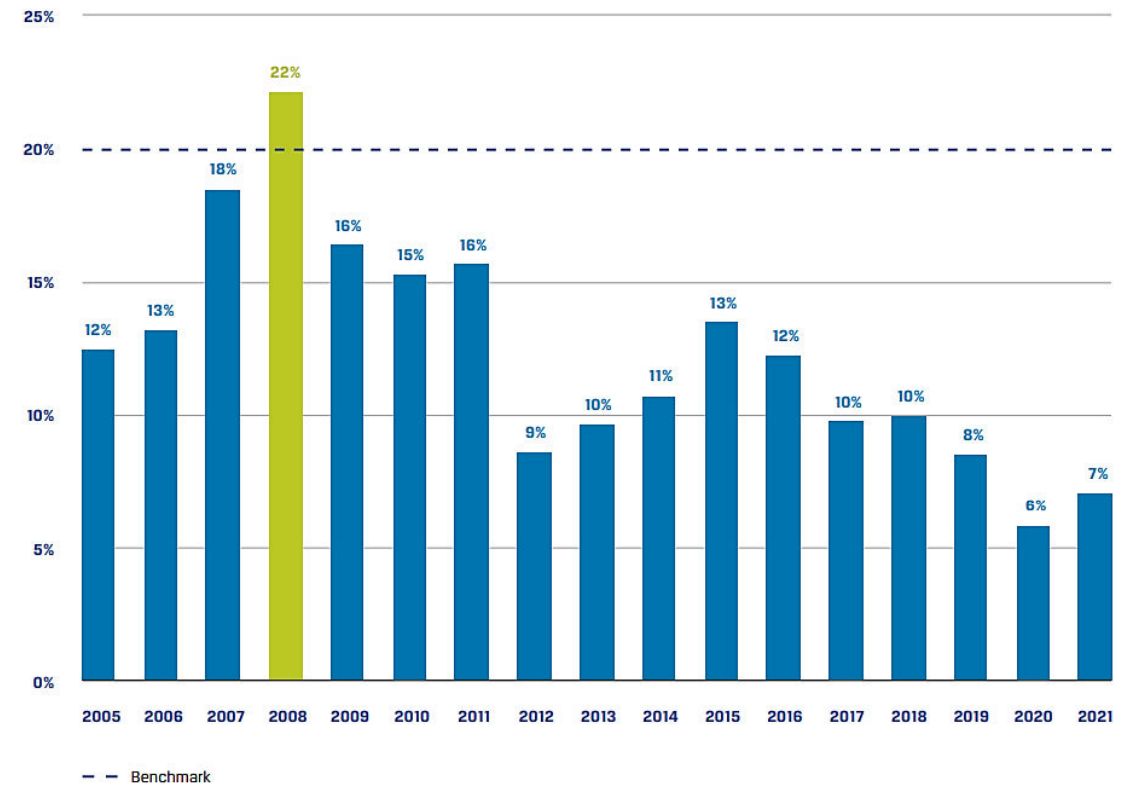


Figure 15. European collaborative defence R&T as % of total defence R&T



Source: DEFENCE DATA 2020-2021 / KEY FINDINGS AND ANALYSIS, EDA 2022

# Joint purchasing and R&D in the defence sector ... ... a brave new world emerging?



## NATO launches Innovation Fund

30 Jun. 2022 - | Last updated: 30 Jun. 2022 10:41

English | French | Russian | Ukrainian

On Thursday (30 June 2022), at a signing ceremony hosted by NATO Secretary General Jens Stoltenberg, Leaders and Ministers from 22 Alliance countries\* launched NATO's Innovation Fund, the world's first multi-sovereign venture capital fund.



Update

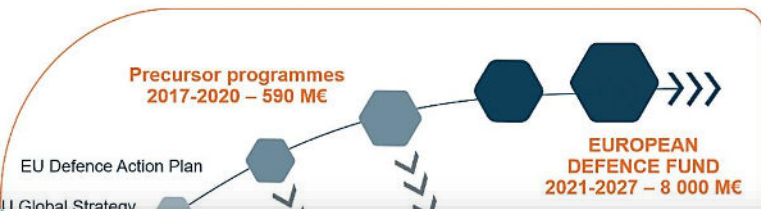
### Short-term Instrument for Common Defence Procurement



### European Defence Industry Reinforcement through common Procurement Act (EDIRPA)

### Ramping-up the EU's ambition for a more collaborative approach to defence capabilities building

2023



EDF Regulation (EU) 2021/697 29 April 2021

### EU Defence Innovation Scheme - EUDIS

2023

€2 billion for defence innovation until 2027

Triggered by the European Defence Fund, the EU Defence Innovation Scheme (EUDIS) will put in place a wide range of support measures to help European innovative companies bring their ideas to defence end-users.

### WHY?

- Innovation is key to **strengthen our defence capabilities, to create strategic advantages in the battlefield, reduce strategic dependencies and stay competitive.** The EUDIS will help to:
  - Increase EU support for Research, Technology Development and Innovation by **investing together, better and European.**
  - Foster synergies between **civil, defence and space** research.
  - Overcome barriers** to defence innovation.
  - Introduce and integrate innovative SMEs** into the defence industrial ecosystem.

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# Joint purchasing and R&D in the defence sector

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## Benefits:

- joint R&D & procurement contributes to a more efficient expenditure of tax payer's money:
- together nations could achieve more than alone, by complementing their specific know-how
- they can create and exploit economies of scale
- Improving thereby the interoperability of their armed forces

## Challenges (e.g.):

- Language; cross-border cooperation often depending upon individual motivation and engagement,
- Political will vs. appetite of the defence administration,
- different bureaucratic procedures with non-aligned time lines, different export control laws,
- annual budgets with different fiscal years,
- Articulated national security interests (e.g. in “key technologies”) > Art. 346 TFEU,
- national industrial champions; no level-playing field in defence in the EU
- national tax payer's money crossing borders vs safeguarding jobs at home (> political & trade union pressure)