



CHIEF EXECUTIVE
SPEECH

EDA ANNUAL CONFERENCE - CE WELCOME SPEECH

INNOVATION FOR EUROPEAN DEFENCE

CHECK AGAINST DELIVERY!

Your Excellencies,
Distinguished Audience,
Dear Colleagues,

- It's a pleasure and honour to welcome you all at the **2021 Annual Conference**. While we are a limited group here in the room today, I also warmly welcome the many more participants who are joining us virtually from across Europe and beyond.
- When we closed the registration for this conference last week, more than 1,100 defence stakeholders expressed their interest to join us today. In the military world we know that often – but certainly not always – there is strength in numbers.
- Today, this high number fills me with confidence as it shows that the topic of **European defence in general and innovation in European defence more specifically** is a relevant and timely one.

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BRIEFING NOTE

- Let me start this conference by stating that the credibility and effectiveness of our defence not only depends on our ability to act, but also **to innovate**. Defence innovation is intrinsically linked to Europe's ambition to be a credible and autonomous global security provider.
- **Those who don't innovate, stay behind**. This is true for defence as for many other spheres of life too.
- Let me remind you that the **defence sector** has always been at the **forefront of innovation**.
- With the rapid development of new and often disruptive technologies in the civilian world and their fast weaponization, today, more than ever before, **innovation is a geostrategic factor** shaping the international security environment and, eventually, global balance of power.
- So our choice, the vital choice for Europe, is clear: **defence innovation or**
- **defence irrelevance**.
- To fully embrace defence innovation, the EU and its Member States need to do **much more**. And we must do much more **together**, because joint innovation activities, done in collaboration, guarantee better value for money than today's fragmented efforts.
- Some of you might have seen that the Agency published its annual overview of defence spending in its Member States yesterday. And while the positive trend of slightly increasing defence budgets continues, we also see a **further decline of the national defence expenditure Member States allocate to**

cooperation with other EU Member States - be it for the joint development and procurement of equipment and capabilities or for defence research and innovation.

- Unfortunately, we cannot dismiss this as a one-time slip. The share allocated to European collaborative equipment procurement has been dwindling continuously since 2016 -- despite the PESCO binding commitment to increasing joint and collaborative defence capabilities projects.
- Furthermore, another of the binding PESCO commitments made by the 25 participating Member States sets the share of expenditure allocated to defence research and technology to 2% of their total national defence spending. Currently mere 1,2% of the total defence outlays go to defence R&T.
- Given the **innovation imperative versus innovation gap challenge**, the question for me is: how can EDA best serve the MS and the needs of their armed forces?
- One of the main tasks of the Agency is to drive and promote technological innovation. Already in 2017-18, EDA conducted a far-reaching **analysis of existing tools and strategies used to foster innovation**.
- Based on this analysis, EDA developed a **capability-driven innovation methodology, tailored to defence**. It notably relies on EDA tools for technology watch and technology foresight to identify innovative solutions in a forward-looking perspective.

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- EDA's involvement in the new EU defence initiatives also contributes to strengthening innovation:
- The first **Coordinated Annual Review of Defence**, or CARD not only analysed the state of play of MS' defence spending, defence planning and defence cooperation, but also proposed over 100 collaborative opportunities in capability development and research & technology, including in innovation domains
- However, when talking about innovation, **we cannot and should not limit ourselves to technological progress**. We all know that the innovation ecosystem is much wider and includes new strategies and operational concepts as well as decision-making processes and organisation and, last but not least, building innovation culture.
- EDA is already contributing to Member States' and Europe's efforts to boost defence innovation. In fact, we are set to do more in future.
- As you might be aware, at the last Steering Board of Ministers of Defence we had a first discussion on strengthening the EDA's role in supporting Member States in this area with the possible launch of a Defence Innovation Hub within EDA. Our discussions will continue but let me assure you, EDA is ready to take up this important task.

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Ladies and gentlemen, dear guests,

- It is my pleasure to welcome today a wide range of speakers who will share with us their **views, experiences and I hope also visions** of how Europe can become a **defence innovation champion**.
- We are honoured today to welcome **Mr Borrell**, Head of the European Defence Agency, who will open the conference in just a minute. After that **Mr Charles Michel**, the President of the European Council, will address the audience in a video message before I have the pleasure to exchange with the **Ministers of Slovenia and Belgium** as well as the **Deputy Minister of Poland** on defence innovation as a strategic imperative for the EU.
- **General Graziano**, the Chairman of the EU Military Committee will give us the military viewpoint before our first panel will look at how to foster defence innovation from a national, European and international point of view.
- After lunch, **Kris Peeters**, the Vice-President of the European Investment Bank will tell us how the EIB can support dual-use innovation before we award the winners of this year's EDA Defence Innovation Prize.
- In the last panel of the day, representatives of the European defence industry will discuss the innovation capacity of the sector.

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- As you can see, we have an interesting day ahead of us. Throughout it you will have the opportunity to ask questions to our speakers, whether you are here in the room or joining us from your desk or home.
- I encourage you to use this opportunity and to engage as much as possible.
- Now, I am very pleased to **give the floor to Mr Borrell**, the Head of the European Defence Agency.
- Mr Borrell, the floor is yours.