

An aerial photograph of a grey naval ship, likely a minesweeper, sailing on a deep blue sea. The ship is moving towards the viewer, leaving a white wake. The ship's deck is visible, featuring various radar domes and antennas. The background shows the vast expanse of the ocean under a clear sky.

# NATIONAL ACTION PLAN

**promoting Danish interests with  
respect to the European Defence Fund**

**December 2019**

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The advisory group, which has developed the national action plan, consists of the following members

#### **Authorities**

- Ministry of Defence (chair)
- Ministry of Industry, Business and Financial Affairs
- Ministry of Higher Education and Science
- Ministry of Foreign Affairs
- Ministry of Finance

#### **Industry**

- Danish Federation of Industries (Danish Defence and Security Industries Association -FAD)
- Center for Defence, Space & Security (Cen-Sec)
- Naval Team Denmark (NTD)
- Danish Maritime
- The Danish Society of Engineers (IDA)
- Danish Metalworkers' Union – CO-Industry

#### **Research Institutions**

- Aalborg University
- Aarhus University
- Technical University of Denmark
- University of Copenhagen
- University of Southern Denmark

The Ministry of Defence provides the secretariat for the advisory group

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# Introduction

Defence and security collaboration is becoming more and more present in the EU. The impetus for this collaboration has been a renewed pressure on Europe. The deterioration of the European security situation for the EU has increased the need for unity. Broad Danish foreign and security interests call for Danish engagement in the development of the EU's security and defence profile within the boundaries of the Danish defence opt-out.

The EU published its Global Strategy in 2016. The strategy places European industrial collaboration at the heart of the development of the broader European defence collaboration. The aim is to promote European defence industry by supporting all elements in the chain from research to fully fledged military capacities. The European Defence Fund (The Defence Fund) was introduced by the European Commission in 2018 to support the financing of European research and development of defence capacities.

The introduction of the Defence Fund is important to Denmark. For Denmark, the Defence Fund constitutes an opportunity to engage in closer industry collaboration with European industrial partners within security and defence. With the Defence Fund Danish defence industry and research institutions gain access to a new potential source of finance which strong European players equally will want to exploit.

To promote Danish interests with respect to the Defence Fund, the Danish government established an advisory group as part of the former government's Foreign and Security Policy Strategy 2019-2020. The purpose of the group is to further Danish defence, commercial, and research interests with respect to the Defence Fund. This document constitutes the national action plan to promote these interests. The national action plan has been developed in a cross-sectorial cooperation among Danish authorities, industry, and research institutions and makes up the preliminary approach for Denmark's efforts with respect to the Defence Fund in the period 2020-2021. The advisory group will act as the national unit that coordinates Denmark's efforts to secure its interests with respect to the Defence Fund including the consolidation of Danish priorities.

The action plan consists of significant lines of effort that will set the frame for securing Danish interests in order to support Danish yield. Prior to the creation of the national action plan, Danish companies, authorities, and research institutions have positioned themselves and initiated efforts to exploit the Defence Fund. The national action plan therefore aims at supporting and coordinating existing efforts as well as introducing new initiatives that aim at promoting Danish interests and securing the most yields possible. Furthermore, and more broadly, the national action plan aims at reflecting visible and active Danish participation in and support to an EU and a Europe that take responsibility for its own security to a larger degree. This effort is meant to send a signal to other EU member states and the EU institutions stating that Denmark is fully on board and on par with other EU member states in the areas where Denmark is able to participate.

Denmark's yield of the Defence Fund is not a given. A range of issues pertaining to the Defence Fund have yet to be settled and blurs the prospect of setting clear goals for the national action plan. These issues include the result of the negotiations on the size, format, and content of the Defence Fund along with the alliances between countries and large players in the European defence industry. However, Danish yield is not out of our hands. It requires international outlook and risk-taking towards creating alliances across countries, companies and research institutions. It is up to the individual actor to realize the potential which the Defence Fund holds with the support of Danish authorities.

The work in the preliminary test programmes of the Defence Fund is ongoing and European authorities, defence industry and research institutions are preparing themselves for the arrival of the Defence Fund in 2021. It is therefore necessary that the initiatives of the national action plan are initiated as soon as possible in order for the initiatives to support Danish actors' work on developing collaborative projects and consortia under the Defence Fund.



# The European defence industry

The European defence industry is of a significant size in a global perspective. It employs around half a million people directly and 1.2 million people indirectly. The European defence industry is made up of a number of large defence companies as well as around 2.500 small and medium sized enterprises (SMEs). Six European defence companies are among the twenty largest (measured on revenue) in the global defence industry that is dominated by the USA and to some extent Russia. Those companies include BAE Systems (#4), Airbus (#7), Thales (#8), Leonardo (#9), Rolls-Royce (#17) and Naval Group (#19) \*. The combined yearly revenue of the European defence industry is around 100 billion euro, of which Danish defence industry accounts for around 500 million to 600 million euro.

The defence industry is characterised by the fact that states are the primary buyers of products by the defence industry. The defence industries of states are shaped by national interests rather than market forces. European countries with large demand, such as France, the UK, and Germany, are typically home to large national defence companies. The European market for defence material continues to be characterised by the lack of market integration and by nationally anchored tenders and research funds primarily due to protection of national defence industry and security considerations.



Atomium is a landmark for Bruxelles – home to the headquarters of the EU. The construction was created as a symbol of the potential of the art of engineering.

\* Overview taken from "Europæisk forsvarsindustri samarbejde – I et strategisk lys", 2019, Copenhagen University, Center for Military Studies

According to the European Commission this leads to unnecessary duplication of development efforts, lack of economies of scale in development, production, operations and service, technological gaps and inadequate interoperability of military capacities due to parallel research and development projects. The European Commission finds that the lack of cooperation between member states amounts to an estimated cost of €25 to €100 billion euro annually. In this context the European Commission underlines that the EU defence market is more fragmented compared to the US defence market.

In general, the US is an important export market for the European defence industry and the European and American defence industries are closely interwoven. Many European defence companies are suppliers to

American defence companies or integrated in American value chains. The European Commission has an ambition to make the EU capable of developing industrial and research competencies and products that are internationally competitive. For the European Commission a prerequisite for operational independence is increased independence in the defence industrial area. Denmark is generally in favor of the ambition of an EU that can support European security more independently. This has to complement NATO and at the same time strengthen transatlantic security. Therefore Denmark supports the dialogue between the US and the European Commission on how best to strike a balance between operational and industrial independence.

## **The Defence and Security Directive and Exceptions**

Public authorities in Denmark have to adhere to a range of award rules that set the frame for how public contracting authorities can execute purchases. Moreover, a contracting authority always has to adhere to the principles of equal treatment, non-discrimination, mutual recognition, proportionality and transparency.

A range of contracts within the areas of defence and security do not follow the Danish Public Procurement Act. They are rather evaluated with respect to the rules in the Defence and Security Directive (Directive 2009/81/EC)

The Defence and Security Directive has a range of exemptions that exempt acquisitions from the contracting duty. The exemptions are to be construed restrictively.

The following exemptions can, among others, be used within the areas of defence and security.

- Contracts awarded in the framework of a cooperative programme based on research and development, conducted jointly by at least two Member States for the development of a new product and, where applicable, the later phases of all or part of the life-cycle of this product (cf. article 13, para c)
- Contracts awarded by a government to another government relating to military equipment among other things (cf. article 13, para f)
- Acquisition conducted through NATO Support and Procurement Act (NSPA) (cf. article 12)
- Direct award contracts (for example in the case of a single supplier situation (cf. article 28))
- Any Member State may take such measures as it considers necessary for the protection of the essential interests of its security, which are connected with the production of or trade in arms, munitions and war material cf. TFEU article 346

# The European Defence Fund

In order to counter challenges in the European defence industry the European Commission has taken on the role as a catalyst for furthering European defence industrial collaboration - partly by taking the initiative to establish the Defence Fund.

The Defence Fund will thus provide financial support to European research in and development of defence capacities during 2021-2027. The aim is to integrate the defence industry across Europe by creating financial incentives to further common research and development projects in the area of defence. Among other things, the Defence Fund aims at supporting the integration of small and medium sized enterprises (SMEs) in the European defence market to increase competition and strengthen the innovation capacity of the European defence industry.

The Defence Fund will contain two windows – a research

window and a development window. Within the research window the Defence Fund will support common innovative research projects in the defence area, while the development window will co-finance the development of defence materiel.

The European Commission has proposed a total budget on 13 billion euro (11.5 billion euro in 2018-prices) for the Defence Fund, of which the largest share will go to development of defence materiel. The final budget of the Defence Fund will be decided on the basis of the negotiations on the EU's Multiannual Financial Framework (MFF) for the period 2021-2027.

The work programmes have yet to be defined at the time of writing. The content of the work programmes will be defined by the European Commission on the basis of the demand for defence technologies and products in member states. The programming will take



The European Commission has increased the focus on the EU's common foreign and security policy. A range of initiatives have been developed of which the Defence Fund is central for defence industrial collaboration.



place within the overarching framework of the Common Security and Defence Policy (CSDP) and will take the priorities laid down in the Capability Development Plan (CDP) by the European Defence Agency (EDA) into account. The priorities of the CDP are developed through an iterative process based on the Coordinated Annual Review of Defence (CARD) where the defence capabilities of each member states are reviewed. The CDP also contributes to defining the projects that are carried forward within the Permanent Structured Cooperation (PESCO).

The Defence Fund is not covered by the Danish defence opt-out. Denmark – both authorities and private actors – can thus participate on an equal footing with other EU member states. This is because the Defence Fund

finds its legal base in the Treaty on the Functioning of the European Union (TFEU), 'Industry' (Title XVII) and 'Research and development and space policy' (Title XIX), Article 173, 182, 183 and 188. The Danish defence opt-out can however hamper efforts to promote Danish interests in the process of setting broader priorities for the Defence Fund.

The Defence Fund strives to secure that the funds are granted to consortia in EU member states and that the products developed with the funds of the Defence Fund benefit the EU and its member states. To this end a range of requirements have been set up to focus the allocation of funds and secure the property rights of actions in EU member states.

## Defence collaboration in the EU

- **Common Security and Defence Policy (CSDP)**

The Common Security and Defence Policy is part of the EU's Common Foreign and Security Policy (CFSP). It represents the central tool for EU's military and civil activity in relation to peace keeping missions, conflict prevention and the strengthening of international security. Denmark does not participate in verdicts nor actions that have implications for the defence area due to the Danish defence opt-out. For the same reason, Denmark is not engaged in EU's military operations.

- **European Defence Agency (EDA)**

The European Defence Agency supports the development of defence collaboration between EU member states in a range of areas to sustain the Common Security and Defence Policy and particularly military capability development. The supportive work concerns the CDP, PESCO, and CARD where the priorities for military capability development are included in the planning of the work programmes under the Defence Fund. Denmark is not part of the agency but participates in the work with the initiatives that relate to broader EU-policies, such as industry, research, and transport policy, where Denmark participates fully and contributes with financing over the EU budget.

- **Permanent Structured Cooperation (PESCO)**

The Permanent Structured Cooperation supports the common planning, development and investments in military capability projects. Danish authorities are prevented from participating in PESCO, as the cooperation is covered by the Danish defence opt-out. As a rule of thumb Danish companies can contribute to PESCO-projects because private actors are not covered by the Danish defence opt-out.

- **Capability Development Plan (CDP)**

The Capability Development Plan identifies priorities for the military capability development of the EU. Danish authorities do not take part in the CDP because the cooperation takes place in the context of the EDA.

- **Coordinated Annual Review of Defence (CARD)**

The Coordinated Annual Review of Defence constitutes the annual review of defence spending, national investments, and research efforts of EU member states. The purpose of the review is to create an overview and streamline military capability development in Europe. Danish authorities do not participate in CARD.

The funds of the Defence Fund are granted on a competitive basis based on evaluation of project call proposals. It is a requirement that legal entities create a consortium with at least three eligible entities based in at least three different Member States and/or associated countries.

The funds are in principle reserved for companies and research institutions which are established and have executive management structures in the EU or an associated country and that are not controlled by a non-associated third country or a non-associated third country entity.

Each proposal is assessed on the basis of six award criteria:

- Contribution to excellence or potential of disruption in the defence domain in particular by showing that the expected results of the proposed action present significant advantages over existing products or technologies
- Contribution to the innovation and technological development of the European defence industry, in particular by showing that the proposed action includes ground-breaking or novel concepts and approaches, new promising future technological improvements or the application of technologies or concepts previously not applied in defence sector
- Contribution to the competitiveness of the European defence industry, in particular by creating new market opportunities and accelerating the growth of companies throughout the Union
- Contribution to the security and defence interests of the Union in line with the priorities referred to in Article 3 paragraph 2 and, where appropriate, regional and international cooperative agreements
- Contribution to the creation of new cross-border cooperation between legal entities, in particular for SMEs which are established in Member States and/or associated countries other than those where the entities in the consortium which are not SMEs are established
- Quality and efficiency of the implementation of the action.

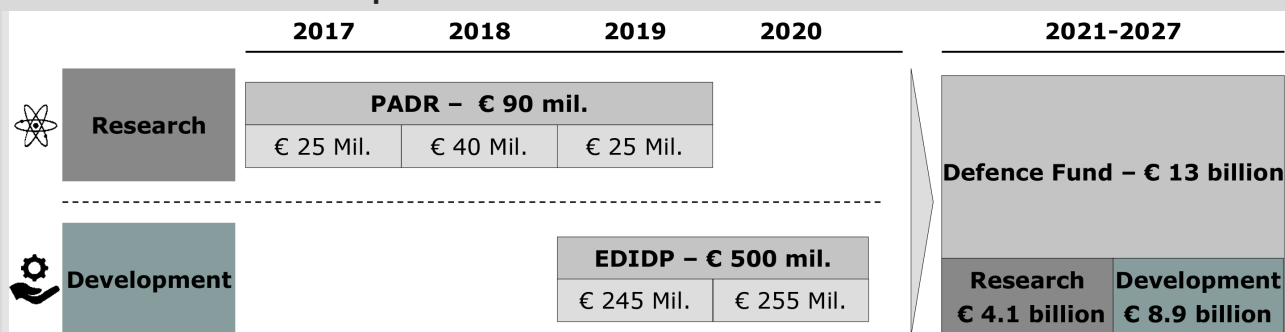
## Timeline for the test programmes and the Defence Fund

The Defence Fund is built on the basis of two test programmes – the research programme 'Preparatory Action for Defence Research' (PADR) and the development programme 'European Defence Industrial development Programme' (EDIDP)

**The research programme (PADR)** runs in the period 2017-2019 and aims to support common innovative research project in the area of defence with funds from the common budget. The total budget of PADR is 90 million euro.

**The development programme (EDIDP)** runs in the period 2019-2020 and aims at supporting development and acquisition of defence material with funds from the EU's budget. The total budget of EDIDP is 500 million euro.

**The Defence Fund will be implemented in 2021 on the basis of the test programmes PADR and EDIDP that run in the period 2017-2020\***



\*The size of the tranches are the European Commission's budget proposal for the Defence Fund





The evaluation of proposals is undertaken by the Commission assisted by independent national experts and the funds are allocated in line with the Financial Regulation in the form of grants, prizes and tenders.

Legal entities established in the Union that are controlled by a non-associated third country or a non-associated third country entity can be eligible if relevant and strict conditions relating to the security and defence interests of the Union and its Member States are fulfilled. Additionally, in order to ensure the protection of essential security and defence interests of the Union and its Member States, the infrastructure, facilities, assets and resources used by the recipients and their subcontractors in actions supported by the Fund should not be located on the territory of non-associated third countries.

The Commission will not have ownership over products or technologies resulting from funded actions. The Commission should, however, be notified of any transfer of ownership to results or to the granting of a license regarding results to a non-associated third country or a non-associated third country entity. Such transfers shall not contravene the defence and security interests of the Union and its Member States.

**Research:** The Commission has proposed 4.1 billion euro (3.6 billion euro in 2018-prices) or around 30% of the Defence Fund's budget to defence research. The co-financing rates are in principle 100% of the cost of research projects.

The result of the action will be owned by the beneficiaries. Member States and associated countries shall enjoy access rights to the results, free of charge, upon their explicit request. The beneficiaries shall grant access rights to their results on a royalty-free basis to the Union institutions, bodies or agencies, for duly justified purpose of developing, implementing and monitoring Union policies or programmes. Such access rights shall be limited to noncommercial and non-competitive use.

**Development:** The Commission has proposed 8.9 billion euro (7.8 billion euro in 2018-prices) or around 70% of the Defence Fund's budget to the development of defence products. The co-financing rate is in principle 80% for test, qualification and certification and 20% for prototypes. The research window contains the Technological Readiness Levels 1-5 and the development window contains the Technological Readiness Levels 6-9\*.

\* Technological Readiness Level (TRL) is a measure developed to estimate the maturity of technologies. TRL 1 corresponds to basic research, TRL 2-4 corresponds to applied research, TRL 5-6 corresponds to applied research/development in an industrial environment, TRL 7-8 corresponds to demonstration, qualification/test and certification, and TRL 9 corresponds to production and marketing of a new product.

The co-financing rates can increase in four cases where the projects underpin the purpose of the Defence Fund markedly.

- Bonus on 10 percentage points extra co-financing if the project is developed in the context of PESCO
- Bonus on 5 percentage points if the project consortia includes minimum 10% non-cross-border SME-participation (meaning when SME's are not established in the same country as the larger corporations that partake in the consortium)
- Bonus equivalent to double SME-partaking in the project consortia (however a maximum of 35 percentage points), if the SME accounts for minimum 10% and is cross-bordering (meaning in case the SMEs are not established in the same countries as the larger corporations that partake in the consortium)
- Bonus on 10 percentage points extra financing if project consortia include a minimum of 15 % mid-cap participation

The combined bonus can maximum account to 35 percentage points extra financing and the combined co-financing rate cannot exceed 100% of project costs. In praxis this means that test, qualification, and certification projects can obtain a combined EU co-financing rate of 100% if the project meets the bonus-criteria that results in minimum 20 percentage points extra financing. Equivalently, prototype project can maximum obtain a co-financing rate of 55%.

Consortia must demonstrate that the costs of the action not covered by the Union's funding are covered by other means of financing for example consortia's own financing or co-financing provided by member states. Moreover, consortia must in some cases document that a minimum of two member states intend to acquire the developed product or use the technology in a coordinated manner. A 'statement/letter of intent' provided by the Danish Ministry of Defence does not constitute a formal commitment of acquisition. Finally in certain circumstances consortia must document that the project is based on common technological specifications agree on by the member states that co-finance the project or intend to acquire or use the developed product in a coordinated manner.

### The co-financing rates for research and development of the European Defence Fund

|             | Research and development types        | Base financing – upper limit | Total EU financing – upper limit              |
|-------------|---------------------------------------|------------------------------|---|
| Research    | All types of research                 | 100%                         | 100%<br>(bonus not possible)                  |
|             |                                       |                              |   |
| Development | Feasibility studies                   | 100%                         | 100%  |
|             | Design                                | 100%                         | 100%  |
|             | Prototype                             | 20%                          | 55%<br>(of which 35 percentage points bonus)  |
|             | Test, qualification and certification | 80%                          | 100%<br>(of which 20 percentage points bonus) |
|             | Life cycle efficiency*                | 100%                         | 100%  |

\* The development of technologies or assets that increase efficiency throughout the lifecycle of defence products and defence technologies.



## Additional EU-financing instruments

Besides the Defence Fund, the EU has developed a range of other initiatives and financing instruments throughout the years. They have in a varying degree opened up towards the defence and security sphere and might be relevant to Danish research institutions and defence companies. These initiatives and instruments include the Security programme under Horizon2020, the European Structural and Investment Funds (ESIF), the COSME programme for clusters and SMEs, the European Investment Bank (EIB) etc.

The regulation for the European Defence Fund continues to be negotiated and at the time of writing two aspects of the Defence Fund continue to be unclear.

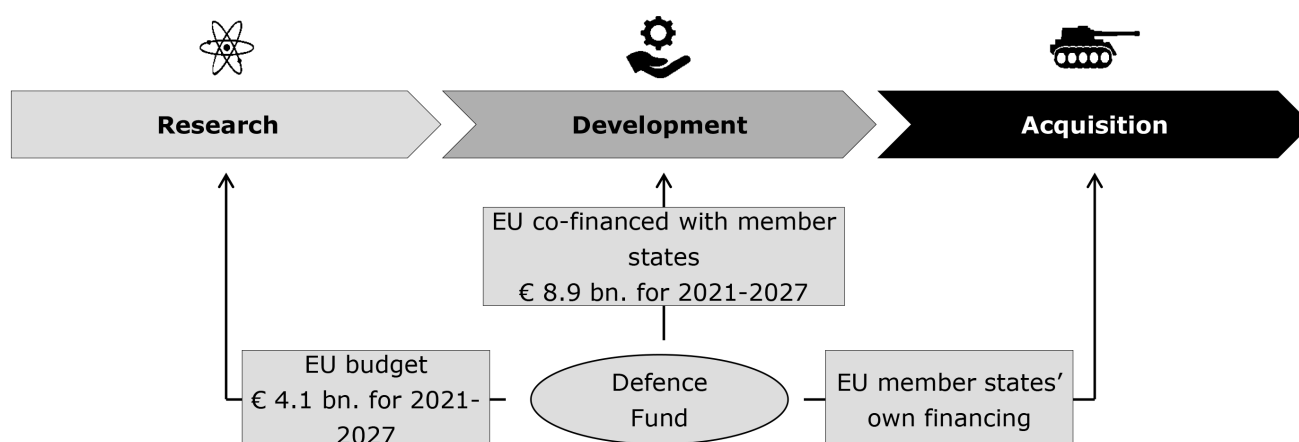
Firstly, the final budget for the Defence Fund has to be settled as part of the overall negotiations of the Multiannual Financial Framework (MFF) for the period 2021-2027. The proposal of the Commission to allocate 13 billion euro to the Defence Fund should be seen in the context of the Commission's ambition of raising non-financed expenditure for over 100 billion euro across all budget categories.

Secondly, what role associated countries and entities from associated countries will play continues to be undecided. It has yet to be decided which countries can be associated countries and thus which associated countries' research institutions and companies can participate under the Defence Fund.

Conditions relating to third countries and third country companies have been negotiated. However, it remains unclear as to what role third countries and entities from third countries will play in the Defence Fund in practice. In light of the close relationships to the American defence industry this question is central to Danish companies' possibilities for benefiting from their good relations to American defence industry and the EU's relationship with the US more broadly.

Furthermore, there is a risk of having different export rules in the EU that hamper companies' full use of the Defence Fund. The lack of homogeneity of export rules constitutes a potential hurdle for realising the potential of the Defence Fund for Danish companies as trade can be reduced in the EU and to third countries. Moreover, different export rules can place administrative burdens on companies. This can take the form of export barriers that discourage participation in consortia.

**The Defence Fund will sustain all elements of the chain from research to fully developed military capacities.**







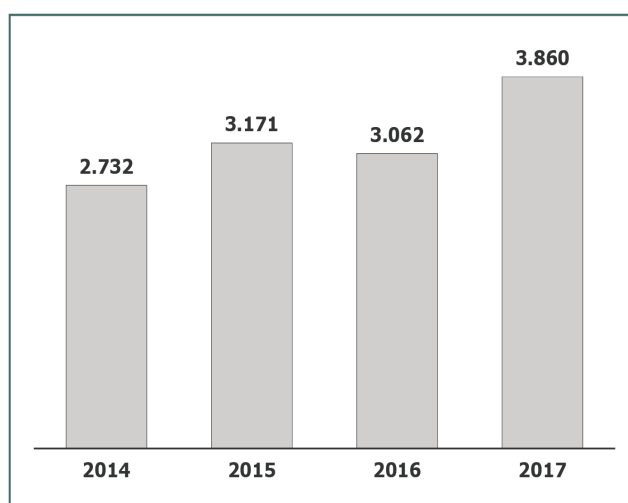
# The European Defence Fund and Denmark

The introduction of the Defence Fund is important to Denmark. There is considerable potential related to Danish participation in the Defence Fund. Politically as well as economically, and in general the Defence Fund is expected to strengthen European cooperation. It therefore makes sense for Denmark to support the introduction of the Defence Fund. At the same time, Denmark must position itself with respect to the new circumstances that follow the introduction of the Defence Fund.

The defence industry of Denmark is small in a European context. The total annual revenue of the Danish defence industry is between 500 million and 600 million euro. Compared to the European revenue of around 100 billion euro the defence industry of Denmark thus accounts for around 0.5%. The defence industry of Denmark exports most of its products and services. 80% of revenue is made up by exports; 40% of exports goes to the US and another 40% to the EU, whereas the final 20% goes to other markets. The composition of the Danish defence industry is characterised by small and medium sized companies with a few larger players. These players are however still small in a European context. More than 80% of Danish defence companies have a total annual revenue of less than 7 million euro. There are between 100 and 200 Danish defence companies depending on the accounting method. Denmark is a frontrunner within a couple of defence industrial areas such as radar and sensor technologies as well as ship and ship yard design. Danish defence companies are to a large extent suppliers to larger American and European defence companies.

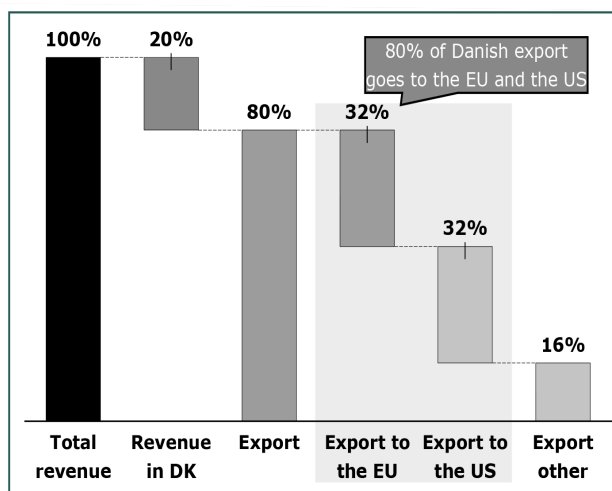
The European market is important for the defence industry of Denmark given that 40% of Denmark's defence industrial exports go to Europe. For many years, the Danish Defence has completed a relatively large number of acquisitions through European defence industry. In light of the increased focus on defence in the EU this market may become even more important in the future.

**Revenue of the defence industry of Denmark in million kroner from 2014 to 2017**



Source: FAD/ Danish Industry

**80% of the revenue of the defence industry of Denmark is generated by exports**

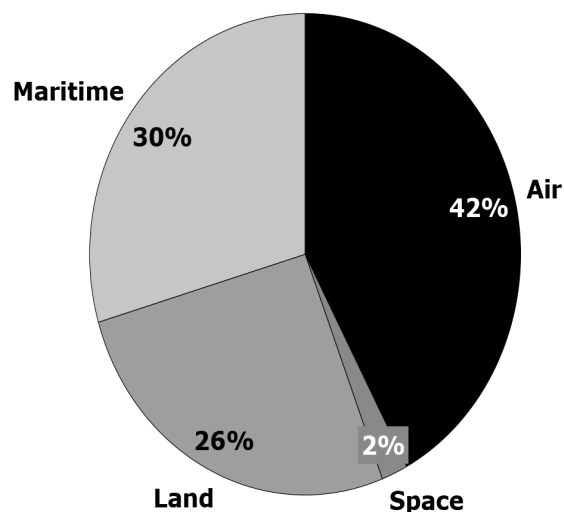


Source: FAD/ Danish Industry

In addition to the classical defence industry Denmark has a space industry with an annual revenue of around 550 million euro. This industry can potentially play a larger role in the area of defence in Europe in the coming years given the focus on space in the work programmes of the Defence Fund and the ambition of the European Commission to create greater synergies between the space and defence industries of the EU.

European suppliers have in several areas collaborated with the defence industry of Denmark which gives Denmark a stepping stone for participating in development project under the Defence Fund. On the one hand the Defence Fund constitutes an opportunity for the export oriented Danish defence industry to position itself strategically on the European market and in European supply chains. The bonus scheme encourages the inclusion of midcap companies and SME's. This can incentivise larger companies to include Danish companies in consortia. On the other hand the composition of the Danish defence industry can be a challenge when it comes to profiting from the Defence Fund. European countries with large defence industries and large defence companies can benefit disproportionately from the Defence Fund compared to countries such as Denmark given that consortia are typically driven by large defence companies due to experience, resources, and the close relationships large countries typically have between the defence and their defence industries. This will particularly be the case if the Defence Fund is programmed in a way that prioritises larger projects where large companies can influence proposals and organise consortia at the expense of smaller companies and the interest of smaller countries. Given that the European defence industrial market is characterized by a high number of smaller companies and only a few larger players, the large companies might experience a beneficial bargaining position as they potentially will be able to play off smaller companies against one another in consortium negotiations for larger projects. It is therefore in the interest of Denmark that the work programmes of the Defence Fund enables smaller projects such as the development of enabling technologies, systems, and subsystems that can be integrated into other systems, including larger platforms.

**Revenue for Danish defence industry - domain areas air, space, land and maritime – 2017**



Source: FAD/ Danish Industry

The Danish Ministry of Defence conducts few research and development activities in the area of military technology. This is partly due to the fact that Denmark primarily buys 'off the shelf' materiel and to a lesser extent focuses on development projects with the inclusion of companies. Several Danish research institutions have established research units that are internationally competitive within the sphere of defence and security policy research. Research in military technology is not characterised by the same level of competitiveness.

In light of Denmark's relatively limited defence-related and military technology research and development efforts, Denmark is not in a strong position to lead consortia under the research window and secure funds for research institutions compared to other European member states. However, with the introduction of the Defence Fund Danish research institutions and the Danish Defence can get easier access to knowledge in the area of military technology because member states and associated countries enjoy access rights to the results of the research window free of charge. The Defence Fund furthermore has a strong focus on SME's that operate in the sphere between research and development – a sphere in which several Danish companies operate.

Denmark is oriented towards transatlantic relations politically, strategically, and industrially. The US is the most important national market for the defence industry of Denmark and Denmark's relationship with the US in the defence industrial area is strong both industrially and politically. A large part of Danish defence companies operate as suppliers in American value chains and a valuable exchange of knowledge and competencies occurs through these value chains.

Denmark also has clear operative and defence political interests in a close relationship with the US. Denmark has collaborated with the US in military operations for nearly two decades and large Danish defence investments are therefore also aimed at the US. For example Denmark participates in the American led F-35 fighter jet programme. As a result, Denmark will support the Defence Fund and other EU-initiatives while at the same time work to promote industrial cooperation between Denmark and the US.

## Denmark and the Test Programmes

Danish companies and research institutions have engaged in three PADR-consortia for the 2019 work programmes. The European Commission has received a total of 40 proposals under the 2019 work programme for the development window EDIDP. 12 Danish companies are represented in nine of the proposals. These consortia cover six out of the nine project categories. Three consortia have Danish leads.



Danish military helicopter Fennec AS 550, developed by Airbus Helicopters.



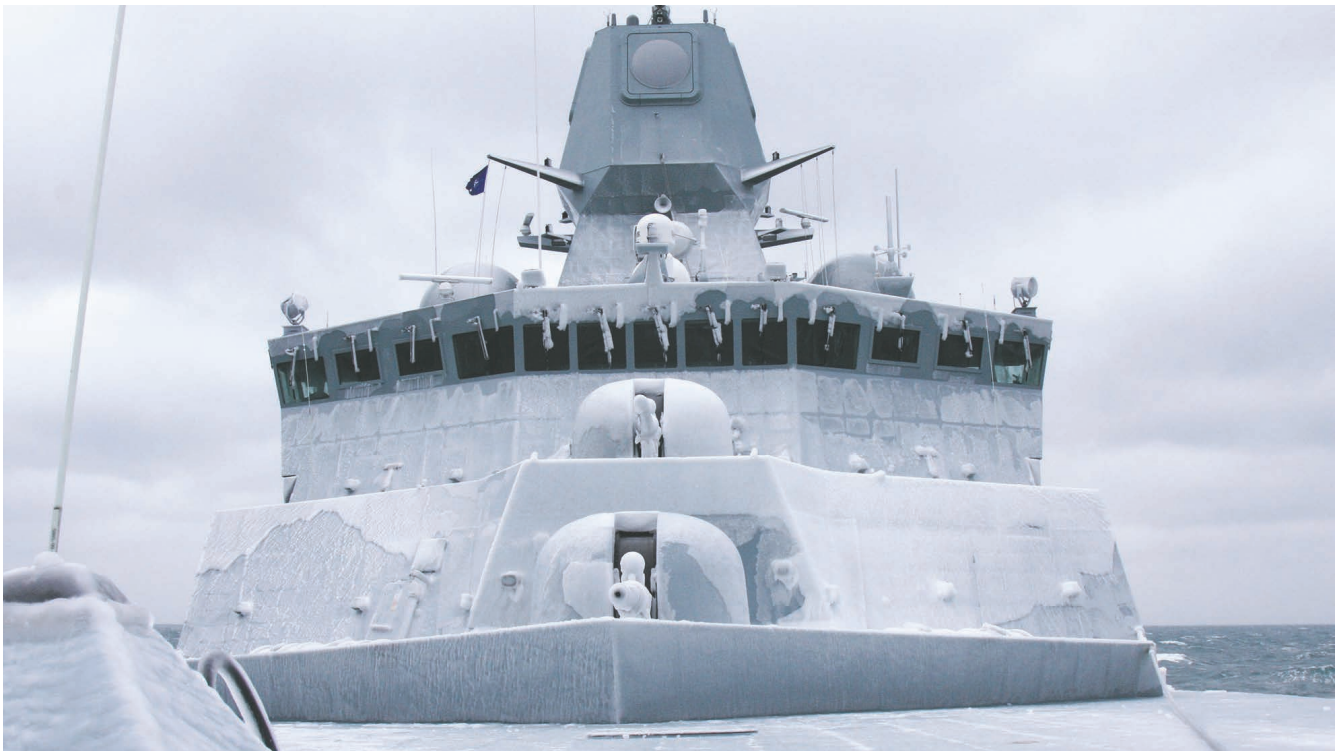
# Danish interests

Although the Defence Fund will consist of two separate windows for research and development it is not the expectation that the windows will be strictly separate. The boundaries between the windows and the different phases of the development window will most likely be blurred and overlap. Projects are thus expected to include elements of both research and development and efforts to promote Danish interest rely on strong national collaboration across sectors. There is a need for new partnerships that encompass military research and development activities and include civilian, military, political, and economic considerations. A condition for ensuring that Denmark benefits from the Defence Fund is that the collaboration between authorities, the industry, and research institutions is strengthened.

The purpose of this national action plan is to secure a coordinated Danish effort through the development of

initiatives to promote Danish interests with respect to the Defence Fund. The aim of the initiatives is to maximise the Danish economic benefits as much as possible and promote Danish defence political, commercial, and research interests. The economic benefits consist of direct economic benefits in the form of funds received by the beneficiaries of the Defence Fund as well as indirect economic benefits in the form of the economic value added that the participation in a consortium generates.

The action plan consists of existing initiatives, that aim to shape the format of the work programmes and the Defence Fund so that they are in line with Danish interests and increase the prospects of economic benefits, as well as new initiatives that aim to secure economic benefits and promote Danish interests.



Danish frigate of the Huitfeldt-class

## Defence political interests

The Defence Fund shall enable relevant, cost-effective, and flexible acquisition of defence material of high quality for the Danish defence. The work programmes for the Defence Fund shall sustain Danish military technological priorities and Denmark shall be able to influence the future aims of the Defence Fund. The Defence Fund shall complement Danish collaboration in NATO and NORDEFCO (The Nordic Defence Cooperation) and avoid unnecessary duplication of efforts. The Defence Fund should ensure that actors from third countries or EU-actors controlled by actors from third countries can participate in consortia based on secure and fair conditions and on the basis of individual security clearances. The introduction of the Defence Fund constitutes an opportunity for Denmark to engage in EU's security and defence political cooperation and demonstrate noticeable endorsement of the cooperation within the boundaries of the Danish defence Opt-Out.

## Commercial interests

Denmark works to ensure that the Defence Fund promotes market integration and increased competition on the European market. This is strategically valuable and will benefit Danish industry through better access to European supply chains. It is the ambition that Danish companies are integrated in the development, production, and maintenance of defence material which the Defence Funds supports and which member states will acquire and use in the future. Danish interests include more than just the direct economic benefits and the derivative commercial openings because the positioning of Danish industry in European supply chains also contributes to essential Danish security interests. Furthermore, efforts to promote Danish interests in relation the Defence Fund is in line with the national defence industrial strategy, which states that it is an essential security interest of Denmark to have a competitive defence industry that can engage in international value chains and deliver material of high quality to the Defence and Denmark's allies. An effort is made to ensure that work programmes will be orchestrated in ways that will promote involvement from the non-traditional defence industry within cyber security, energy efficient technology areas including energy storage, as well as space and health care technologies where Danish' companies have strong competencies. Denmark generally supports that third country actors on safe and fair conditions can engage in consortia as it may support product development and the innovation capacity under the Defence Fund. Having fair conditions for third country participation in the Defence Fund holds large commercial value for Denmark in light of the considerable potential the American market holds for Danish export.

## Research interests

The research window of the Defence Fund shall support Danish research interest, be in line with Danish areas of expertise, and ensure that research institutions are involved in relevant networks in Europe. The research window of the Defence Fund shall complement other EU-programmes such as Horizon Europe to secure synergies across military and civilian research. The participation of Danish research institutions under the Defence Fund has strategic value given that participation can secure international knowledge sharing and strategic international positioning with respect to relevant research communities. The Defence Fund shall ensure that research institutions from third countries have the option of participating in the research window under the Defence Fund without having access to resources from the Defence Fund.

# Existing efforts

Efforts have already been made to address the opportunities and challenges that follow the introduction of the test programmes and the Defence Fund.

Among authorities the Ministry of Defence and the Ministry of Industry, Business, and Financial Affairs have participated in discussions with the EU related to defining the content and structure of the test programmes and the Defence Fund based on input from Danish industry and research institutions. This has constituted an opportunity to influence the framework and priorities of the Defence Fund in the meeting fora of the work programmes as well as the negotiations on the Regulation for the Defence Fund. The work has furthermore given insight into the mechanism of the Defence Fund and has developed a forum for investigating the potential of cooperation and communities of common interests between other member states, defence authorities, companies, and research institutions. Moreover, the Ministry of Defence and the Ministry of Industry, Business, and Financial Affairs work in a range of other international fora that can facilitate dialogue and potential cooperation on priorities and concrete projects. The Danish Ministry of Defence Logistic and Acquisition Organisation has equally investigated and cultivated cooperation opportunities for Danish companies as well as provided 'letter of intents' to promote the participation of Danish companies in international consortia under EDIDP. The Ministry of Industry, Business, and Financial Affairs has informed and advised Danish and international companies with respect to the opportunities of cooperation under the Defence Fund. The Ministry of Higher Education and Science has contributed with knowledge on how to structure an advisory structure for the Defence Fund, including inputs on what actors would be relevant to include from the Danish research sphere. The Ministry of Higher Education and Science has furthermore contributed to clarify the interface to other EU programmes for research and innovation. The Ministry of Foreign Affairs has continuously clarified

questions related to the Danish defence opt-out and used its contacts in the European defence industry in relation to investment promotion activities in Denmark to build partnerships with Danish research institutions.

At the industry level, interest organisations have worked to promote Danish companies' interests with respect to the test programmes and the Defence Fund. Interest organisations have, among other things, intensified information sharing among their own members on the opportunities the test programmes and the Defence Fund bring. Moreover the organisations have increase the collaboration with universities, technology centers, defence and related clusters. A few interest organisation representatives have participated as speakers in panel debates and co-arranged defence related events in the EU, for example through DG GROW in which consortia are set up for EDIDP and the Defence Fund. One interest organisation has participated in the European Commission's advisory group for securing access to cross border defence and security contracts for SME's. Interest organisations have furthermore worked to shape the framework of the Defence Fund's work programmes. On national level interest organisations have had constructive cooperation with Danish authorities in regard to Denmark's bargaining position. On European level interest organisations have been engaged in the negotiation track through the European industry organisations or directly through the European Commission and the European Parliament.





Universities have worked to promote Danish research interests with respect to the test programmes and the Defence Fund. For example, the Technical University of Denmark has established Security DTU in 2017 as an interdisciplinary research center. Together with the CyberHub the center contributes to initiate and promote collaboration across universities focused on the Defence Fund among other areas. Aalborg University is engaged in a range of collaborative arrangements with European defence companies. Moreover, Aalborg University advises the European Commission on the topic of education programmes focused on the European defence industry in the context of the Defence Fund. Aalborg University and The Technical University of Denmark have investigated the possibility to establish a national defence technological center across universities.

Aalborg University has strategic cooperation with European defence companies and partakes in projects under PADR.



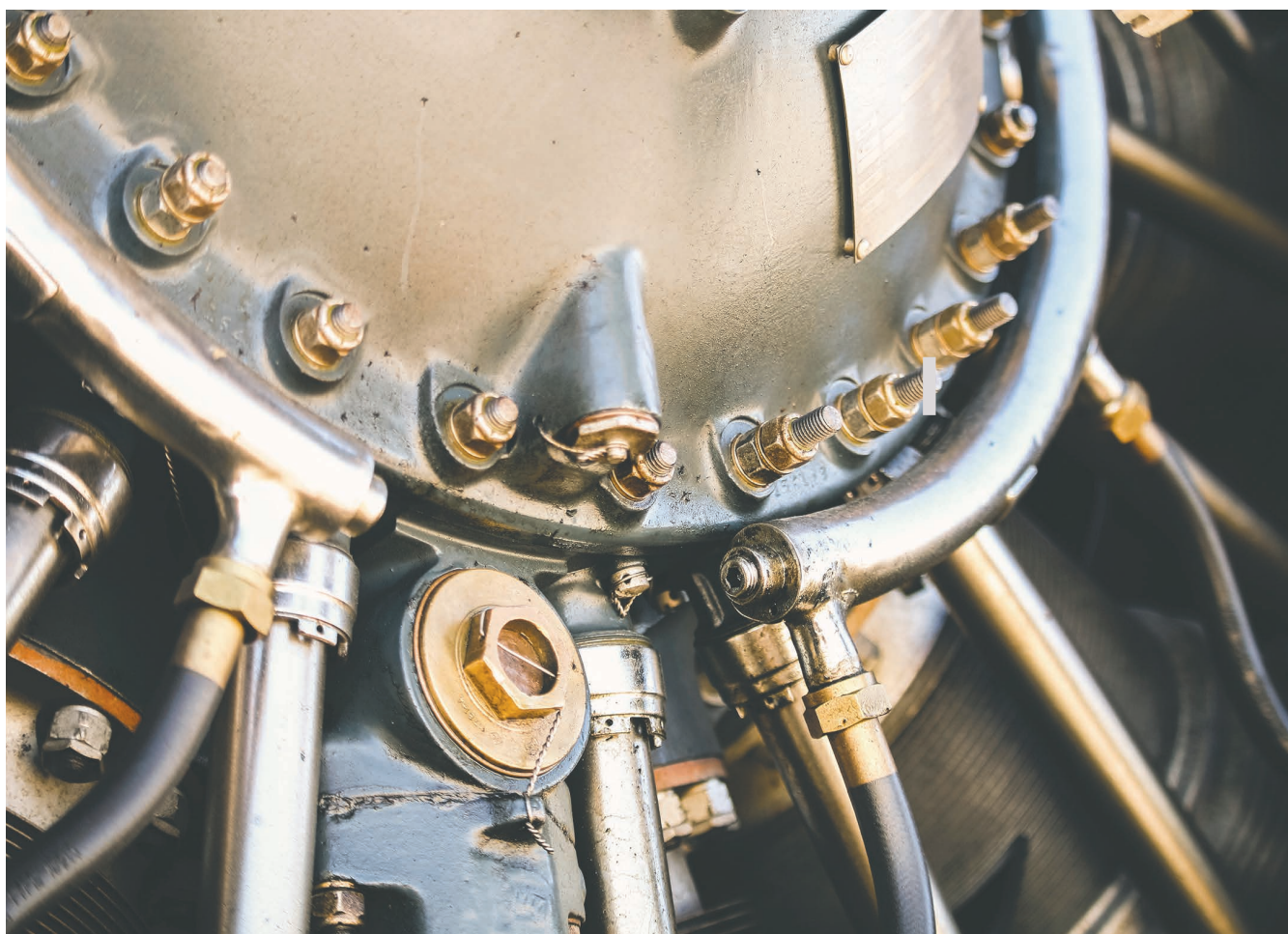
# New initiatives

The National Action Plan consists of a range of new initiatives which will further the ambition of the government to promote Danish defence, commercial, and research interests with respect to the Defence Fund. The initiatives shall contribute to promoting Danish interests in the best possible way and secure most economic yield to companies, research institutions, the Defence and the Danish society more generally.

The final framework and content of the Defence Fund remains to be settled. The new initiatives will therefore

be scaled to the budgetary arrangements of the Defence Fund and adjusted to the final framework and content of the Defence Fund.

The new initiatives will be sequenced and take a more concrete form in the activity catalogue of the National Action Plan to secure crosscutting coordination, to anchor responsibility, and to secure that targets are met for each of the initiatives.



Motor piece in production – The Defence Fund aims at supporting all parts of the chain from research to development of full military capacities. The Defence Fund constitutes an opportunity for Denmark to engage in even greater industrial collaboration with European partners within the areas of security and defence.

## The new initiatives consist of five main areas



**1. Military capacity needs** covers the initiatives that aim to give companies and research institutions greater insight into the military technological priorities, development needs, and long-term acquisition plans of the Danish defence. This includes the work in the Military Technology Coordination Forum of the Danish Ministry of Defence as well as the ongoing capacity planning process of the Danish Defence. This work can give the defence companies and research institutions an opportunity to prepare and position themselves in international partnerships to fulfill Danish military capacity needs.



**2. Matchmaking and consortium formation** covers the initiatives that aim to further cooperation between companies and between research institutions as well as across sectors. In particular, the initiatives focus on the mapping and outreach of companies and research institutions to potential consortium partners and research communities under the Defence Fund.



**3. Co-financing** covers the initiatives that are meant to secure the necessary co-financing so that companies and research institutions have the opportunity to engage in consortia and research communities under the Defence Fund. For example, this can include support to special projects that match the acquisition needs of the Defence and can be given by authorities, companies, and research institutions as well as national pension funds etc.



**4. International cooperation** covers the initiatives that aim to secure cross border dialogue and cooperation in order to further Danish actors' opportunities to gain from the potential of the Defence Fund. This can take the form of government-to-government dialogue, bi- and multilaterally, at EU-level as well as between Danish and international interest organisations, companies, and research institutions.



**5. Advice and information** covers the initiatives that aim to secure nonfinancial support and information for companies and research institutions in the area of the Defence Fund. This entails in-kind contributions in the form of time and staff resources, advisory, expert contribution, consulting, as well as knowledge sharing of the opportunities and challenges which the Defence Fund brings.





Danish Tank – Leopard 2, developed by the German company Krauss-Maffei Wegmann GmbH & Co. KG.

# 1. Military capacity needs

A condition for Danish companies to create consortia under the development window is that they gain greater understanding of the military technological development needs, priorities, and acquisition plans of the Danish Defence. A greater understanding is essential to allow companies to see the potential in developing corporate strategies aimed at greater engagement in projects under the development window of the Defence Fund. Similarly, a greater understanding is also important to research institutions that create knowledge of relevancy to the Danish Defence. The Ministry of Defence will strengthen the dialogue on the Defence Fund with research institutions and the industry. This dialogue will be centered on the

military technological priorities, development needs, and long-term acquisition plans of the Danish Defence. It is expected that the initiatives will strengthen the opportunity for defence companies and research institutions to prepare for and position themselves in international collaborations. At the same time, these initiatives will create the foundation for uncovering the options to develop prioritised military development and acquisition projects through the Defence Fund grounded in the operative needs of the Danish Defence.

### **Initiative 1.1: Establishment of the Military Technological Coordination Forum**

The Ministry of Defence has established an internal Military Technological Coordination Forum whose purpose is to create an overview of military technology needs and activities of the ministry. The Ministry of Defence will work for that Military Technological Coordination Forum consolidates the military technological priorities and strengthen the coordination and knowledge sharing within the ministry with respect to collaborative arrangements with companies and research institutions.

### **Initiative 1.2: Strengthened dialogue on military technological priorities, development needs, and acquisition plans**

The Ministry of Defence will work for strengthening the dialogue with Danish industry and research institutions on the military technological priorities, development needs, and long-term acquisition plans of the Danish Defence. The Ministry of Defence will among other things explore the possibility of heightening the insight into the capacity planning and concrete acquisition plans.

### **Initiative 1.3: Invitation of companies to present common interests with respect to the Defence Fund**

The Ministry of Defence will explore the possibility to inform about military technological priorities, development needs, and long-term acquisition plans of the Danish Defence at the Danish Ministry of Defence Acquisition and Logistics Organisation (DALO) Industry Day 2020 (executed at the same time as Nordic Defence Industry Seminary, 2020) and 2021 in a separate track. The industry will in this context be invited to present common interest and potential cooperative arrangements with respect to the Defence Fund. The focus will be on how to make best use of the Defence Fund to realise the potential of collaborations and common interests between the Danish Defence and Danish companies.



Danish authorities, industry, and research institutions must collaborate in Denmark and in the EU to make the most of the Defence Fund.

## 2. Matchmaking and consortium formation

Matchmaking and consortium formation cover the initiatives that enable collaboration between authorities, companies, and research institutions. A criterion for securing financial support from the Defence Fund is that companies and research institutions create a consortium with a minimum of three entities, that are established in minimum three member states/associated countries. Thus, Danish yield is conditioned on the outlook of research institutions and companies and their ability to create consortia with European partners.

### **Initiative 2.1: Match-making under the Defence Fund's development window**

A range of initiatives will be initiated to secure match-making under the development window. Match-making can happen between companies and between companies and research institutions. Danish companies will primarily be supported by Danish industry organisations as well as European sister organisations, clusters, and other associations based on direct outreach to and from Danish and foreign companies. The Danish Ministry of Defence and the Danish the Ministry of Industry, Business, and Financial Affairs will



continue the support given to companies under the EDIDP and make use of existing contacts to European defence companies to support match-making between Danish and European companies and research institutions. The Ministry of Industry, Business, and Financial Affairs will draw on, and continuously update, its knowledge on Danish companies' competencies and capacities through its other activities in the defence industrial area, which partly includes dialogue with other actors in the advisory group. The Ministry of Industry, Business, and Financial Affairs will furthermore work towards, that the European-Commission establishes an available European database that can serve as a tool to facilitate contact and match-making between European companies and research institutions. The Ministry of Defence will, to the extent it is relevant, supply written letters of intent so that companies can document Danish support to consortia. The Ministry of Foreign Affairs can in collaboration with relevant actors expand its investment and export promotion activities and network activities to encompass defence collaboration and business-to-business meetings on relevant Danish representations. Industry organisations will, together with the Danish Ministry of Defence Acquisition and Logistics Organisation continuously identify and match relevant Danish and European companies. Danish competitive advantages and innovation capacity within other sectors can contribute to making Danish companies attractive partners under the Defence Fund. The industry organisations can contribute with identifying and establishing contact to companies outside the defence industry that can have technologies and competencies that are relevant for Danish priorities and concrete projects under the Defence Fund. Industry organisations can advise new companies on the framework conditions of the defence market and the Defence Fund.

### **Initiative 2.2: Match-making under the Defence Fund's research window**

A range of initiatives will be initiated to secure match-making under the research window. Match-making can happen between research institutions, between companies with research activities, and between research institutions and companies. Danish research institutions will map capabilities and interests internally with respect to research projects under the Defence Fund both within the traditional defence research area

as well as other research areas with spin-in potential. Danish research institutions and industry organisations will furthermore independently arrange relevant match-making events related to the Defence Fund's research window for Danish and foreign research institutions and companies. The Ministry of Higher Education and Science will provide programme membership for the Defence Fund to EU-DK Support, with which a platform is provided to increase the knowledge of the programme markedly and reach stakeholders through EU-advisors. EU-DK-Support has over 400 public national EU-advisors as members and includes research and knowledge institutions, business centers, Enterprise Europe Network (EEN), and EU-offices. Through EU-DK Support, these advisors will develop competences related to the Defence Fund and promote the programme to potential applicants nationally. Furthermore, the membership of EU-DK Support gives access to EU-programme related collaboration with EEN, which has a special match-making initiative in the network. The EEN is a global network of business-promoting actors that focus on helping SME's and knowledge institutions finding international partners. Research institutions will generally work for targeting education initiatives at universities within STEM subjects which are identified as critical for the defence industry.

### **Initiative 2.3. Potential establishment of a National Defence Technological Center**

Aalborg University and the Technical University of Denmark has, together with University of Southern Denmark and the IT-University, proposed to establish a National Defence Technological Center, that aims to support researchers, research institutions, and companies to engage in projects under the Defence Fund. The Center is meant to strengthen coordination and facilitate collaboration between researchers, research institutions, companies, and the Danish Defence departing from the needs of the Danish Defence. This proposal will be handled in the context of the advisory group with the aim of uncovering the needs and potential models for such a center such that a sound decision can be made with respect to its purpose, tasks, and potential financing among other things.





Consortia must prove that costs that are not covered by the EU are covered by other sources

## 3. Co-financing

Consortia must prove that costs for concrete projects that are not covered by the EU are covered by other sources. It is necessary that Denmark provides co-financing in instances where project costs are not fully covered by the EU to secure yield and further Danish interests.

### **Initiative 3.1: Co-Financing through the co-financing fund of the Ministry of Defence**

The Ministry of Defence will investigate to what extent the Co-Financing Fund can target Danish participation in projects under the Defence Fund. The Co-Financing Fund is a fund with around 3 million euro annually which will be strengthened towards 2023 as specified in the Defence Agreement 2018-2023. Furthermore, it will be investigated to what extent projects can be identified to match the acquisition needs of the Danish Defence and can be co-financed through the Capacity Acquisition Plan of the Danish defence.



**Initiative 3.2: Investigation of co-financing opportunities through research financing funds**

Representatives of the Innovation Fund Denmark, Danish National Research Foundation, and Independent Research Fund Denmark are invited to participate in the reference group for the Defence Fund. The purpose is to investigate whether these funds are relevant to and interested in engaging in projects under the Defence Fund to secure Danish yield from the Defence Fund.

**Initiativ 3.3: Initiative 3.3: Investigation of co-financing opportunities through industrial corporation**

The Ministry of Industry, Business, and Financial Affairs will investigate the co-financing opportunities associated with foreign companies' obligations under the Danish industrial corporation system.

**Initiative 3.4: Investigation of Cco-financing opportunities through companies and funds**

The industry organisations will investigate the co-financing opportunities through companies in their membership circle. Industry organisations will furthermore approach national funds and pension funds with project proposals to advocate for national finance options with respect to the Defence Fund in close dialogue with the Ministry of Defence and the Ministry of Industry, Business, and Financial Affairs.





The dialogue within the EU that occurs between authorities, industry, and research institutions is central as a foundation for defence industrial partnerships

## 4. International cooperation

It is important that Danish companies and research institutions promote Danish interests through cross border activities which are supported by Danish authorities. In order to be eligible for funding, consortia must demonstrate that a minimum of two member states have the intention of buying the developed product or using the technology. To this end, Denmark must strengthen international cooperation between authorities. Moreover, given that the final framework of the Defence Fund has not been settled yet, Danish authorities will seek to influence the programming of the Defence Fund continuously. This can influence the Defence Fund to align with Danish interests and competitive advantages.

#### **Initiative 4.1: International cooperation in the defence sphere**

The Ministry of Defence seeks to influence the structure and priorities of the Defence Fund up until 2021 through its dialogue with the European Commission and through the preparatory programme committee supported by the Ministry of Industry, Business, and Financial Affairs. The Ministry of Defence will also make use of other international fora and partnerships. For example, the Ministry of Defence will use parts of the NORDEFCO-partnership in 2020 to focus on the Defence Fund in order to identify common interest and explore areas of collaboration in the Nordic region. Finally, the Ministry of Defence aims to strengthen the dialogue on the capacity needs of the Danish Defence with relevant authorities in order to identify potential common projects.

#### **Initiative 4.2: Promoting Danish positions and interest in EU-negotiations on the Defence Fund**

The Ministry of Industry, Business, and Financial Affairs negotiates the regulation on the Defence Fund on behalf of Denmark supported by the Ministry of Defence. In this process, the Ministry of Industry, Business, and Financial Affairs and the Ministry of Defence will aim to influence the framework and content of the Defence Fund in line with Danish interests by continuously communicating Danish priorities to the European Commission and by participating in the programme committee that seeks to support the European Commission's implementation of the Defence Fund. In this context, the Ministry of Defence and the Ministry of Industry, Business, and Financial Affairs will include members of the Danish reference group related to the Defence Fund in order to develop input to the formatting of the Defence Funds future work programmes. The Ministry of Industry, Business, and Financial Affairs and the Ministry of Defence are already engaging with other EU member states on how to maximise influence with regards to the implementation of the Defence Fund. The Ministry of Industry, Business, and Financial Affairs and the Ministry of Defence will continue this work. Once the regulation has been finalised the Ministry of Industry, Business, and Financial Affairs will support the Ministry of Defence in the efforts to influence the

Commission's implementation of future work programmes of the Defence Fund.

#### **Initiative 4.3: Presentation of Danish positions with respect to the Defence Fund**

The Ministry of Foreign Affairs will use its presence in and outside of the EU to inform relevant stakeholders of the official positions of Denmark with respect to the Defence Fund. The Ministry of Foreign Affairs can present official Danish positions with respect to European and transatlantic cooperation opportunities for host nations.

#### **Initiative 4.4: Promoting the interest of the industry and research institutions with respect to the Defence Fund**

Danish interest organisation will strengthen the ties to European and transatlantic sister organisations, project organisations and clusters in and outside of the EU with respect to the Defence Fund. Similarly, Danish research institutions will utilise existing partnerships in order to uncover potential common interest with respect to the Defence Fund. The aim is to influence the target of the Defence Fund to be in line with the interests and competitive advantages of Danish industry and research institutions through cross-border cooperation.





Danish companies and research institutions must have access to advisory and counseling with respect to the Defence Fund to secure most yield possible.

## 5. Advice and information

It is important that Danish companies and research institutions are well positioned when partnerships are being formed and the initial lessons are learned with respect to consortium formation. The aim of these initiatives is to secure that companies get the necessary advice on how to make most use of the Defence Fund. This area furthermore seeks to secure that knowledge, lessons learned, and areas of caution with respect to the Defence Fund are shared among Danish stakeholders.

### **Initiative 5.1: Increase support and information through the Ministry of Defence**

The Ministry of Defence will investigate how the ministry can support companies, authorities and research institutions in Bruxelles and other relevant capitals with respect to the Defence Fund. The Ministry of Defence will furthermore investigate the opportunity for expert-contributions to support companies and research institutions in the application processes for the Defence Fund. Finally, it will be investigated to what extent other research support mechanisms of the Ministry of Defence can be used to promote Danish interests with respect to the Defence Fund.



### **Initiative 5.2: Advisory on the Defence Fund through the Ministry of Industry, Business, and Financial Affairs**

The Ministry of Industry, Business, and Financial Affairs will continuously counsel and provide information on Danish opportunities related to the Defence Fund. Among other things, this will take the form of supplying information material, setting up meetings, arranging talks at seminars and conferences etc. The aim will be to shed light on the possibilities vested in the established Danish defence industry as well as the possibilities vested in other companies that have technologies of relevance for the Defence Fund and the defence area more broadly.

### **Initiative 5.3: Clarification of the legal framework for the Danish opt-out through the Ministry of Foreign Affairs**

It is important that Danish companies and research institutions know the legal framework of the Danish defence opt-out. In this context the Ministry of Foreign Affairs will conduct legal assessments, including assessments of the Danish defence opt-out for Danish stakeholders in regard to the Defence Fund when these have broad relevance for Danish participation in the Defence Fund.

### **Initiative 5.4: Sharing information on the opportunities and challenges associated with the Defence Fund**

Danish research institutions and interest organisations will contribute to share information on the Defence fund by increasing knowledge sharing activities among its members and relevant researchers through workshops, talks, articles in newsletters etc. In order to create an overview of the Danish industry's engagement under the Defence Fund, IDA will develop an analysis among managers in Danish SMEs. The analysis will, among other things, shed light on the familiarity with the Defence Fund, uncover lessons learned and opinions towards applying for EU-funds, as well as the experiences with creating partnerships

with universities. The analysis also seeks to shed light on what barriers may discourage Danish companies from applying for the Defence Fund.

### **Initiative 5.5: Danish experts to the expert pool of the European Commission**

The Ministry of Defence will aim to increase the information sharing on the opportunity for independent Danish experts to be part of the European Commission's pool of experts that evaluate project proposals for the Defence Fund. The Ministry of Industry, Business, and Financial Affairs will equally encourage Danish experts from Danish companies to be part of the European Commission's pool of experts as well as share knowledge on the general workings of the Defence Fund, which the independent experts acquire, in order to improve the understanding of the Defence Fund among Danish actors.

### **Initiative 5.6: Secondment of Danish National Experts**

All involved authorities will generally seek to second Danish national experts (SNEs) to the coming Directorate-General for Defence Industry and Space.





# Follow-up and reporting

The National Action Plan is developed for a two-year period and constitutes the advisory group's collective effort to promote Danish defence, commercial, and research interests with respect to the Defence Fund.

A reference group will be set up the 1st of January 2020 which is identical to the advisory group's working group format and thus replaces the working group. The aim is to secure the optimal implementation of the National Action Plan's initiatives and continuously adjust the activities of the National Action Plan to fit the Defence Fund's final form. The reference group will furthermore refine Danish priorities with respect to the Defence Fund and, departing from these priorities, continue to influence the configuration of the Defence Fund and the work in the European Commission's programme committee. In this context, members of the reference group will continuously inform their respective stakeholders about the developments in the thematic programmes and correspondingly receive contributions with relevant input. The Ministry of Defence will provide the secretariat of the reference group with support from the Ministry of Industry, Business, and Financial Affairs and the Ministry of Higher Education and Science.

The reference group will report the status of the implementation of the National Action Plan to the steering group before the end of the third quarter of 2020. The intention is both to secure that the initiatives are completed and also to adjust forth going activities and potentially initiate new activities based on lessons learned through the initiatives of the National Action Plan and the EU test programmes. A responsible stakeholder is identified for each activity in order to secure full and optimal implementation of every activity in the activity plan.

In addition to the reporting of the status for the activities of the National Plan, the reference group will have a 'follow up workshop' in 2021. The aim is to measure the total yield from the Defence Fund as a result of the National Action Plan. The workshop will be developed and driven by the Ministry of Defence with the support of Ministry of Industry, Business, and Financial Affairs and the Ministry of Higher Education and Science. At the workshop each and every member of the working group will present a status report for its members' yield as a result of the National Action Plan.

The reference group will collect and consolidate those input to a complete report over Denmark's provisional yield of the Defence Fund as a product of the National Action Plan. The report will be presented to the steering group as decision making material for future actions.



