Critical technologies for security and defence: state-of-play and future challenges

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The European Parliament adopted by 520 votes to 76, with 31 abstentions, a resolution on Critical technologies for security and defence: state of play and future challenges.

Member States have set a target of 35% for collaborative defence investment, but their political will to reach this target has tended to diminish, with only 11% in 2020 and a historic low of 8% in 2021. Russia's war of aggression against Ukraine has shown that Europe urgently needs to invest in its defence and security technologies. The proposal to adopt a coordinated EU-wide strategic approach to critical security and defence technologies from the outset is the right way forward.

Better coordination of efforts

Welcoming the Commission's roadmap on critical technologies for security and defence, Parliament stressed that the worsening security situation in Europe, especially in countries with external borders, following Russia's war of aggression against Ukraine, requires the Union and its Member States to **intensify and better coordinate their efforts** to invest in and supply critical security and defence technologies to the widest possible extent and to develop a European defence equipment market.

Members regretted the fact that the combined defence research and technology spending of the Member States in 2020 amounted to only 1.2 % of their total defence spending, which falls far below the 2 % benchmark agreed on under the EDA framework.

Critical Technology Observatory

Parliament welcomed the Commission’s establishment of an observatory of critical technologies. It called on the Commission to fully integrate the findings of the observatory into its classified report to the Member States on critical technologies and risks associated with strategic dependencies affecting security, space and defence.

Members stressed the need for the Commission, in cooperation with the EDA, to further coordinate, promote and **facilitate cooperation and resource pooling among the Member States** to address the existing and future gaps in technology, reduce the duplication of projects and increase the effectiveness and efficiency of spending. The Commission should keep Parliament duly informed of the main outputs of this observatory.

Reducing dependencies

Noting the risk of dependency for the supply of critical materials and of overstretched supply chains, Members called on the Commission to promote circularity and to assess how to increase research on new materials for critical technologies in the critical raw materials act, so as to minimise the EU’s dependency on non-EU countries.

The resolution stressed the need for close coordination with associated and like-minded partners such as the US and NATO, while stressing the need for the EU to build an open strategic autonomy with a special focus on investment in European technologies.

Foster investments

Members are concerned about the lack of investment in new, **disruptive technologies** in the defence and security industries despite the existence of the European Defence Fund Regulation. They called on the Commission to **clarify strategic guidelines** and regulations to foster investment in the defence industry and to establish the necessary cooperative tools and measures to encourage the defence and security industries to invest more in technological innovation in critical technologies for security and defence, in addition to producing existing weapon systems. They stressed the important role of SMEs and start-ups in innovation and development and called for them to be included in specific programme

Cooperate for development capacity

Parliament stressed the need for closer cooperation between Member States on capability development to boost innovation in critical security and defence technologies. It called on the relevant EU bodies to give priority to **joint EU-funded and co-financed projects** in the field of innovation in critical security and defence technologies and to act as catalysts and accelerators to encourage Member States to effectively coordinate their capability development programmes. It also called on the Commission and Member States to consider the creation of a European mechanism for pooling national resources for defence and security R&D, with the active involvement of Parliament, where appropriate, in its implementation.

Members stressed that EU-financed and co-financed innovation and development in critical and disruptive defence technologies should lead to a higher degree of interoperability and common procurement of defence equipment by the Member States once the technologies developed have reached an appropriate technological readiness level.

Increased funding

Members are concerned about the insufficient level of financing for defence and security from the EU funds and deplores the record low collaboration rate of the Member States on defence procurement. They regretted the fact that the EDF's budget was cut by approximately 40 % relative to the Commission's proposal for the 2021-2027 multiannual financial framework (MFF), and the fact that the military mobility programme's budget was reduced by 75 %.

The resolution pointed out that the current MFF will not be able to provide sufficient financial resources to boost EU defence collaboration to an appropriate level. It called on Member States to consider pooling at EU level a considerable part of their rising national defence budgets in order to jointly replenish depleted ammunition stocks and to jointly procure weapons systems, including the most complex and expensive ones such as fighter jets, warships and tanks.

Parliament emphasised the need for better dual-use of existing civilian technologies and for cross-fertilisation among civilian, military and dual-use innovation in the field of critical technologies for security and defence. It encouraged innovation based on increased resource efficiency, the development of new materials, the promotion of secondary raw materials and more sustainable joint public procurement and the use of environmentally sustainable technology solutions.

Lastly, Members stressed the need to strengthen investment in **'green' defence** by dedicating a higher share of EU-funded R&D to carbon-neutral fuels and propulsion systems for military vehicles.