Council of the European Union
General Secretariat

PUBLIC

Brussels, 24 July 2025

WK 10222/2025 INIT

LIMITE

INDEF	**ENV**
FIN	**COPS**
TELECOM	**POLMIL**
CYBER	**TRANS**
COMPET	**SOC**
RECH	**ECOFIN**
CLIMA	**COH**

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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Working Party on defence industry (DIWP)
Subject:	European Competitiveness Fund: Presentation by the Commission

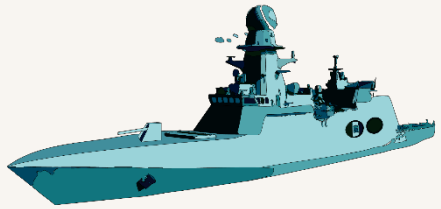
Delegations will find enclosed the presentation on the European Competitiveness Fund given by the Commission during the DIWP meeting held on 22 July 2025.

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European Competitiveness Fund

DIWP

22/07/2025



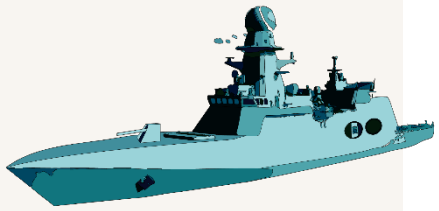
1) Why ECF ?

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- **NOW:** limited coordinated strategic focus
- **FUTURE:**
  - Focus on a set of commonly agreed strategic funding priorities
  - Predictability, while ensuring flexibility to adapt to new emerging priorities

- **NOW**: lack of funding continuity on investment journey
- **FUTURE**:
  - accompany projects along the entire investment journey (from research up until manufacturing and deployment), support entire value chains (from critical raw material until final products)

- **NOW**: untapped potential to mobilise private capital
- **FUTURE:**
  - Mobilise the full financial toolbox (grants, loans, equity and procurement)
  - Improve access to funding for scaling up companies and projects



2) ECF structure and budget

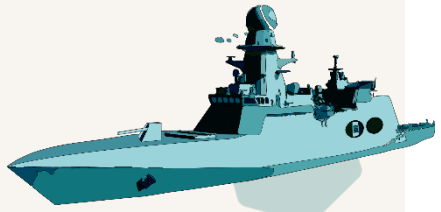
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Clean Transition Industrial decarbonization	Health, Biotech, Agriculture and Bioeconomy	Digital leadership	Resilience and Security, Defence industry and space
€ 26,4 Bn	€ 22,6 Bn	€ 54,8 Bn	€ 130,7 Bn

ECF investEU Instrument

Project advisory, SME collaboration and skills

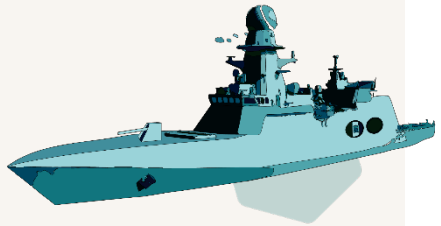
€ 11 Bn



3) Defence : A budget up to the geopolitical context

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- A leapfrog in support of Europe's defence readiness
- To support both the demand and supply sides.
- European cooperation
- Spend European



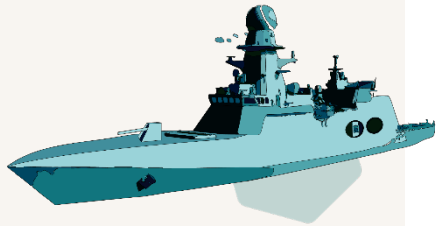
4) Components - Supporting the full life-cycle

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- Collaborative R&D
- Cooperation, aggregation of demand
- Defence industrial responsiveness, scale-up and resilience

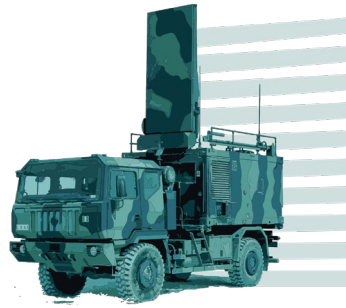
Defence flagships (EDPCIs)

Military logistics enablement and support



→ **Amplifying the intervention logics of the current MFF**

5) Accelerating disruptive innovation and emergence of new entrants



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- *EU Defence Innovation scheme*

Speed and agility, tailored made processes and instruments

Connected to the needs of the armed forces

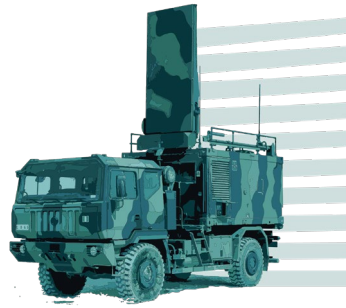
- *European Innovation Council*

In support of risky start-ups

- *InvestEU*

In support of scaling-up

6) Legal certainty – clear set of rules



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EU intervention logic	Focused on EU added-value
Fully associated countries	EEA/EFTA, Ukraine
Eligibility for industry and products	Spend European
Synergies space/defence	Space and Defence advisory board