



## **IDSAs PRIORITIES & AGENDA**

In terms of industry and research collaboration, Government recognises the ongoing requirement to examine new and innovative means of improving capabilities in the security and defence domain to enable the Defence Organisation to undertake the roles assigned by Government.<sup>1</sup> Government should continue to acknowledge the critical need to engage with industry to deliver capability for governmental ambitions and on account of industrial strategy developments taking place at EU level. As the Irish National Defence Industry Association (NDIA), IDSA has identified the below obstacles and opportunities for industry which the Government should address to facilitate its ambitions. The defence industry ecosystem comprises large companies, SMEs, start-ups, knowledge providers, research institutes and universities.

### **Capability Development processes & stronger engagement with industry**

Assessment is taking place of all capability needs and suitable procurement models. IDSA identifies that there is a need for government stakeholders to:

- Enhance communication in advance about government plans; which capability will be prioritised; and which procurement models will be applied for specific capability needs, including what this will mean for foreign and local suppliers. There is a need to better prepare the market on substance and timelines to facilitate their preparation.
- Until a defined industrial participation policy is put in place and while this continues to be determined on a case by case basis for each capability, industry needs advance notice about the specific requirements depending on the capability and which conditions will apply.
- Industry should be part of the capability development process as good practice. Engagement with industry, consultation and transparency is essential, especially at this stage of the national capability development process. IDSA can facilitate this structured consultation.
- These procurements provide an opportunity for Ireland's indigenous "dual use" SMEs and security focused research institutes to partner with large global providers to deliver capability for Ireland, while opening export, R&D and research opportunities for local SMEs through international partner supply chains. There is an increasingly important need to create these opportunities for local enterprises and other innovators to solve strategic dual-use security and defence challenges, not just in Ireland, but also for EU and international partners. This is especially pertinent in relation to the composition of Irish enterprises in this market, namely SMEs and the high tech sector. This is further underlined by the EU's growing emphasis on fostering the potential of SMEs and technological innovation as laid out in the EU Defence Industrial Strategy 2024. EU Member States similarly identify these needs to make use of the innovative capability of national companies and knowledge institutes.

-Establish frameworks to efficiently place contracts (e.g. ASTRID framework for scientific and technical R&D/analysis and the Serapis framework for capabilities).

### **A need for defined Industry Strategy**

In order to support Ireland's national defence responsibilities and contributions to both global and European security, IDSA identifies that there is a need for government stakeholders to:

- Develop the nation's defence industry strategy and thereby determine a defined industrial participation policy in defence procurement (in compliance with national/EU regulation).
- Provide assurance to Irish enterprises, foreign suppliers and the nation's neighbours. The development of long-term capability roadmaps and modernised national security policies and architecture would provide necessary confidence to support strategic investment.
- Determine the vital interests of national security and identify what knowledge and capabilities are needed from the business community and knowledge institutes to protect the vital interests of national security.

### **A need for defined Industrial Participation Policy**

In light of government concern about availability and supply, industrial participation policy in defence procurement is one means for the development and sustainment of capabilities. Given Ireland's capability development planning objectives, it is notable that other EU Member States often pursue a policy of so-called 'industrial participation' in accordance with national regulations and any contract-specific requirements. Industrial participation is understood as a means for securing technology of critical importance to key security interests and acquiring timely expertise for national companies, research institutes, higher education institutions and defence forces to ensure that industry and other operators can also continue to produce critical products and services for defence forces in emergency conditions. In order to support Ireland's national defence responsibilities and contributions to both global and European security, IDSA identifies the need to:

- Better communicate what need is currently identified for industrial participation within existing national security or security of supply frameworks under all procurement processes. These include expedited acquisitions through Government to Government endeavours (plus consequent industry contracts) and other Equipment Development Plan projects (i.e. under G2G; Joint procurement; and traditional national procurement competitions).
- Develop a defined industrial participation policy.

### **The important role of the DTIB and defence innovation**



An ambition for supply chain resilience and security of supply has become increasingly apparent through recent global geopolitical and geoeconomic developments. These include the invasion of Ukraine and Covid-19 global pandemic. IDSA identifies the need for government stakeholders to:

-Raise high level public and cross-party political understanding on the important role of industry and the defence community to deliver on national defence capability ambitions.

-Raise awareness of the increasing importance of the Irish defence-related industry in terms of employment, R&D, and exports.

-Raise awareness that the defence and security industry is needed to be able to support Defence, as a reliable partner, in the performance of its tasks and to ensure a certain level of autonomy.

### **Foster Irish enterprises, SMEs, innovation & R&D opportunities**

There is a growing EU emphasis on fostering the potential of SMEs and technological innovation. IDSA identifies the need for government stakeholders to:

-Collaborate with IDSA to better understand the composition of Irish enterprises in this market, namely SMEs and the high tech sector. This includes civilian capability with potential defence applications.

-This is important to be prepared for European Defence Fund (EDF) bids and to inform current and future work programmes. The EDF has for some time highlighted the ambition to strengthen security of supply and improve cross-border market access for SMEs. Additional ambitions include the promotion of synergy between defence and civil policy areas (such as satellite communication; cyber; aviation and maritime security).

-There are currently very few Irish companies in EU calls for research and within the EDF programme. This needs to be addressed, including by adapting structures to be ready for the next EDF calls.

-Support innovative start-ups and SMEs to be integrated into supply chains nationally and internationally.

-Address practical obstacles that continue to hinder the engagement of SMEs and start-ups in national or European initiatives.

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<sup>1</sup> <https://www.military.ie/en/public-information/defence-research,-technology-and-innovation-rti-unit/industry-and-research-collaboration/>

(a) Irish procurement approaches are too difficult for SME involvement with barriers such as turnover levels or insurance. This means that they cannot themselves reach these thresholds. Other jurisdictions have created solutions to overcome such barriers which can be emulated.

(b) Assist smaller companies by overcoming obstacles on practical matters such as excessive paperwork/administrative burdens. Tools such as the 'SME unite tool', which have been developed in other jurisdictions, can be adapted.

-The lack of a security clearance regime for personnel and facilities clearance remains a critical obstacle for Irish industry. This requires urgent attention.

-Create an environment for Irish companies to show practical applications of their products to facilitate their ability to avail of future opportunities.

-Enhance the drive of defence innovation against challenge areas.

-Support future 'national champions' to avail of EU and global opportunities.

-Create opportunities to showcase Irish enterprises globally through for example engagement in trade shows and by creating trade opportunities with active engagement by Enterprise Ireland globally and its trade attachés or by creating trade missions. Many Irish enterprises currently rely on assistance from other European countries with no Irish assistance provided. Foster bilateral opportunities with individual EU Member States and third countries.

### **EU Defence Industrial Strategy & Irish industry**

The first EU Defence Industrial Strategy aims to progress a collaborative approach to defence capability development and procurement. IDSA identifies the need for government stakeholders to:

-Clarify how Ireland will position itself, with particular focus on consulting with industry on the meaning of European defence procurement trends for the Irish defence industry.

-Determine how Ireland will enhance and incentivise defence industry capacity in line with EU ambitions.