

EU-Canada: Advancing Defence Industrial Cooperation High-level Event

Summary Report

Ottawa, 1 October 2025

Location: Rideau Club, Ottawa

***Organized by: The Delegation of the European Union to Canada, NATO Association of
Canada (NAOC)***

Participants: 86

Moderator: Robert Baines, President & CEO, NATO Association of Canada

**This report was prepared by the EU-Canada PDSF Team with support of the NAOC
Team**

Overview

The event “EU-Canada - Advancing Defence Industrial Cooperation” took place on October 1, 2025, at the Rideau Club in Ottawa. Hosted by the Delegation of the European Union to Canada in partnership with the NATO Association of Canada (NAOC), the gathering drew 86 participants from government, industry, academia, and the diplomatic community. The discussions centred on strengthening EU-Canada industrial defence cooperation in an era marked by geopolitical instability and accelerating technological change. The session was moderated by Robert Baines, President and CEO of the NATO Association of Canada.

The event unfolded in three main segments: opening keynotes by Canadian and European senior officials, a policy briefing presentation by Dr Raluca Csernaton and Dr J. Craig Stone, and a panel discussion featuring experts from government, industry, and academia. Together, they offered a comprehensive assessment of the current landscape, shared priorities, and pathways toward a more integrated transatlantic defence industrial base.

Opening Remarks: Establishing the Strategic Context

The discussion was inaugurated by **H.E. Geneviève Tuts**, Ambassador of the European Union to Canada, who placed the dialogue within the broader transformation of Europe’s security architecture. She reminded participants that, while defence remains a prerogative of individual member states, the European Union has entered a decisive phase of strategic consolidation. The shock of Russia’s full-scale invasion of Ukraine in 2022 spurred European leaders to acknowledge the need for greater autonomy and collective capability. This realization culminated in the ReArm Europe Plan and the creation of SAFE (Security Action for Europe), a €150-billion instrument designed to stimulate defence investment and cooperation. Ambassador Tuts stressed that Canada, as a trusted partner, is well positioned to participate in joint procurement consortia under SAFE, signalling a shift toward a transatlantic industrial partnership rooted in shared values and mutual trust. She framed defence not merely as expenditure, but as the cornerstone of sovereignty.

Following her intervention, **Natasha Kim**, Associate Deputy Minister at Canada’s Department of National Defence, addressed the urgency of confronting modern security threats—ranging from disinformation to the rapid evolution of military technologies. She introduced Canada’s forthcoming Defence Industrial Strategy (DIS), which will emphasize the designation of sovereign capabilities, reinforcement of supply-chain resilience, and the identification of export opportunities for Canadian firms. Kim underlined that innovation—particularly through partnerships with academia and defence research agencies such as DRDC’s Borealis initiative—must underpin these efforts. She called for a decisive pivot from process-based to outcome-based procurement, ensuring that industrial mobilization effectively translates into operational readiness.

In her remarks, **Sara Wilshaw**, Senior Assistant Deputy Minister for International Trade and Canada’s Chief Trade Commissioner, linked defence industrial cooperation to Canada’s broader trade diversification agenda. She observed that shifting global norms and rising protectionism have underscored the importance of working with trusted partners. Negotiations with the EU under the SAFE framework, she explained, aim to encourage European investment in Canada’s defence sector, deepen supply-chain integration, and

support joint R&D efforts. Such collaboration, she argued, would not only enhance military capability but also sustain industrial capacity and high-value employment.

Kendal Hembroff, Assistant Deputy Minister at Innovation, Science and Economic Development Canada, completed the opening sequence by highlighting Canada's comparative advantages in emerging technologies—particularly in artificial intelligence, quantum computing, and critical minerals. She underscored the need to leverage these strengths alongside Europe's industrial scale to build interoperable and complementary capabilities. The goal, she noted, is to transform Canada and the EU into innovation partners capable of responding swiftly to evolving threats.

Together, these opening statements framed the day's deliberations around a shared strategic imperative: to convert converging interests into practical cooperation that strengthens both security and prosperity on both sides of the Atlantic.

Presentation of the Policy Briefing: From Vision to Implementation

The central portion of the event featured the presentation of the EU-funded study "Advancing Industrial Defence Cooperation Between the EU and Canada: A Strategic Outlook," authored by **Dr Raluca Csernaton**i of the Brussels School of Governance and **Dr J. Craig Stone** of the Canadian Forces College. The study, prepared with the financial support of the European Union through the Policy Dialogues Support Facility, seeks to chart a coherent roadmap for coordinating and complementing the defence industrial efforts of the two partners.

Dr Csernatoni began by situating the study in the contemporary geopolitical context. She noted that the war in Ukraine, growing U.S. political unpredictability, and China's assertive posture have created a strategic environment that rewards those able to innovate and cooperate at speed. The EU-Canada Security and Defence Partnership, signed earlier in 2025, provides the political anchor to move beyond episodic projects toward a structured industrial partnership. She emphasized three guiding themes: resilience, interoperability, and industrial complementarity. The EU, she explained, has launched a suite of instruments—ranging from the European Defence Fund and European Defence Industrial Strategy to SAFE and Readiness 2030—that together can serve as levers for joint action. Canada, for its part, contributes niche technological strengths in artificial intelligence, quantum, cyber, space, and Arctic operations.

Dr Csernaton argued that this moment demands institutionalization. Without formal mechanisms, the promise of cooperation risks dissipating. She proposed the creation of a permanent EU-Canada Defence Innovation Forum, bringing together governments, industry, and academia to align funding cycles, define joint priorities, and coordinate pilot projects. She also underscored the need for investment in human capital through exchange programmes and public-private partnerships, ensuring that innovation ecosystems on both sides of the Atlantic remain vibrant and interconnected.

Dr Craig Stone complemented her policy vision with a pragmatic assessment of operational challenges. Canada's defence industry, he observed, remains heavily oriented toward the United States, with roughly two-thirds of exports destined for that market. This dependence constrains diversification and limits exposure to European opportunities. He called for procurement frameworks that transcend electoral cycles and adopt predictable,

multi-year planning, thereby enabling industry to scale production capacity. Stone drew an important distinction between interoperability—the ability of allied forces to work together—and interchangeability—the deeper integration that allows components and systems to be used seamlessly. Achieving the latter, he argued, requires consistent political leadership and clear policy direction.

The presentation concluded with a set of actionable recommendations. Beyond the establishment of the Defence Innovation Forum, the authors urged simplification and harmonization of procurement processes, acceptance of greater risk in early-stage R&D, and the launch of flagship pilot projects in SAFE-identified priority areas such as munitions, AI, quantum technologies, and drone systems. They advocated for stronger public-private partnerships, structured training and exchange programmes, and mechanisms to measure progress—such as shared scorecards tracking SME participation and interoperability gains. Finally, they stressed the importance of building on existing successes, including Canada’s participation in the EU’s Military Mobility PESCO project, as a model for future cooperation.

Panel Discussion: Perspectives and Challenges

The subsequent panel discussion, moderated by **Robert Baines**, featured **Nicolas Todd** (CADSI), **David Hutchison** (Global Affairs Canada), **Philippe Lagassé** (Carleton University), **Alex Salt** (Triple Helix Network), and **Raluca Csernatoni**. The conversation provided a multifaceted exploration of strategic, industrial, and societal dimensions.

From a strategic standpoint, Csernatoni and Hutchison highlighted the EU’s potential role as an enabler of industrial diversification and resilience within Canada’s defence base. They agreed that integrating Canadian firms into European supply chains through SAFE could reduce overreliance on the U.S. market and create mutually reinforcing capabilities. Hutchison emphasized that this collaboration aligns with Canada’s broader trade strategy and supports national sovereignty by embedding Canadian innovation in global value chains.

Lagassé and Todd tackled the perennial question of public value. They argued that defence spending must be reframed as an investment in sovereignty rather than a discretionary cost. For taxpayers to see value, procurement must deliver tangible capabilities and economic returns, supported by transparent decision-making and clear communication of benefits.

Addressing industrial gaps, Todd and Salt identified areas where Canada lags—particularly in mobility platforms, munitions, and drone technologies. European partners, they noted, already possess mature systems that could be integrated quickly, accelerating Canada’s modernization. Salt underscored the importance of dual-use innovation, advocating early engagement of end-users in research to ensure that technologies meet operational needs and reach the field swiftly.

The discussion also turned to supply-chain resilience. Hutchison and Lagassé observed that joint production and co-investment could secure access to critical components and maintenance capacities, insulating both partners from geopolitical disruptions. They pointed to Arctic infrastructure, AI, quantum, and cyber as promising domains for collaboration.

Procurement reform emerged as another focal point. With Canada preparing to launch a new Defence Procurement Agency, Lagassé and Todd debated whether this would streamline or complicate processes. They drew lessons from European joint frameworks, emphasizing the need for harmonized standards and a willingness to accept initial failures inherent in innovation.

The societal dimension was not neglected. Csernatoni and Lagassé insisted that public buy-in is essential for sustaining defence industrial initiatives. Policymakers must communicate the broader economic and societal dividends—job creation, technological spill-overs, and national resilience—to garner bipartisan support and long-term commitment.

Finally, Hutchison elaborated on the economic advantages of engaging with SAFE. Access to large-scale European financing and joint R&D could enable Canada to participate in next-generation programmes while contributing to NATO's collective strength.

Audience Interaction and Reflections

During the Q&A session, participants raised questions about talent development, security clearance processes, and opportunities for SMEs. Industry representatives called for closer ministerial engagement and more streamlined frameworks to enable participation in classified projects. Craig Stone offered a reflective note on governance, questioning whether Canada's Westminster system can provide the sustained strategic leadership required for long-term defence industrial transformation.

Main Themes and Takeaways

Three overarching themes emerged from the day's discussions.

1. Strategic Alignment.

Both Canada and the EU recognize that current geopolitical realities demand deeper cooperation. The EU-Canada Security and Defence Partnership provides the necessary political anchor, while instruments like SAFE and Readiness 2030 offer practical pathways for implementation.

2. Industrial Integration and Innovation.

Canada's niche strengths in AI, quantum, and Arctic technologies complement Europe's scale and funding capacity. Joint initiatives can foster resilient supply chains, accelerate capability development, and enhance NATO interoperability. Institutionalized mechanisms—such as the proposed Defence Innovation Forum—will be crucial for turning ambition into delivery.

3. Public Value and Political Sustainability.

Defence industrial cooperation must be presented as an investment in sovereignty, economic resilience, and technological leadership. Clear communication of benefits, coupled with predictable funding and regulatory alignment, will help secure enduring public and broad political support.

Conclusion

The Ottawa dialogue demonstrated a growing consensus that EU-Canada defence industrial cooperation is both timely and necessary. The confluence of strategic pressures,

technological opportunities, and political will creates a unique window to advance from declarations to action. By institutionalizing collaboration, harmonizing procurement, and launching tangible joint projects, the EU and Canada can build a transatlantic industrial corridor capable of sustaining high-intensity operations, fostering innovation, and safeguarding shared democratic values. The message from the Rideau Club was clear: sovereignty in the twenty-first century will be built not in isolation, but through trusted partnerships grounded in mutual capability and confidence.

Annex 1: Participants' list

Annex 2: Agenda

Annex 3: Presentation