

Implementation of Directive 2009/81/EC, concerning procurement in the fields of defence and security, and of Directive 2009/43/EC, concerning the transfer of defence-related products

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The Committee on the Internal Market and Consumer Protection adopted an own-initiative report by Andreas SCHWAB (EPP, DE) on the implementation of Directive 2009/81/EC, concerning procurement in the fields of defence and security, and of Directive 2009/43/EC, concerning the transfer of defence-related products. The report takes stock of the state of implementation of the two directives in order to allow the plenary to draw conclusions and make recommendations for concrete actions to be taken, both in terms of improving implementation and proposing possible legislative revisions.

Improving the functioning of the internal market for defence products through better implementation and enforcement of the defence package

Members reiterated their support for the ambitions of the defence package directives and stressed that the effective implementation of the directives is a step towards the EU's ambition of strategic autonomy and a European Defence Union. They pointed out, however, that a very high volume of procurement expenditure is still incurred outside the directive and that an overwhelming percentage of contracts are still awarded nationally.

Members considered that the effective implementation and enforcement of the Defence Procurement Directive remains a top priority and that, to this end, Member States should ensure equal treatment, transparency, competition and access to public procurement contracts.

The report also stressed the importance of having a genuine internal market for intra-EU transfers of defence-related products. It noted that take-up of the new tools, including general transfer licences (GTLs), is relatively low compared to individual transfer licences, which were to be replaced by the new tools.

The Commission is called on to be firm in its enforcement, including by making greater use of the right to initiate infringement proceedings, for example in the case of systematic use of exclusions.

Member States are asked for more systematic and comprehensive reporting of consistent, accurate and comparable data concerning their use of exemptions in order to improve scrutiny over and the implementation of the relevant Commission guidelines.

Tackling market fragmentation and increasing SME participation

The report noted that the level of SME participation in the defence market remains low. It called on Member States to follow the Commission's recommendation on access to cross-border defence markets for sub-suppliers and SMEs, in particular regarding the quality of information requirements, the division

of contracts into lots or the alleviation of the administrative burden arising from the procurement procedure. The Commission is invited to improve SMEs' access to finance and to thoroughly examine the reasons why SMEs are not fully integrated into the single market for defence products.

Towards a European defence equipment market (EDEM)

Members considered that better implementation of the directives would enhance the effectiveness of defence initiatives launched in recent years, including the Permanent Structured Cooperation (PESCO), the Coordinated Annual Review of Defence (CARD), the EDF and the Capability Development Plan (CDP). They called on Member States to strengthen the EDEM by cooperating on projects under the PESCO and the EDF.

The Commission is invited to take specific actions to strengthen confidence between Member States in the field of defence and security in order to enhance their cooperation and create a genuine single market for defence products.

Member States are called upon to demonstrate political will by strengthening intra-EU defence procurement and research and development cooperation, as well as to use common procurement and research projects to boost interoperability between their militaries.

The report called for a more coherent implementation of the EU common position on arms exports and stresses the need for the Commission to present a strategy for a comprehensive EU-wide security of supply regime strategy, in order to establish a reliable and comprehensive European defence equipment market and an efficient defence sector.