European Defence Industry Programme and framework of measures to ensure the timely availability and supply of defence products (‘EDIP’)

2024/0061(COD) - 30/04/2025 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Security and Defence and the Committee on Industry, Research and Energy adopted a report by Raphaël GLUCKSMANN (S&D, FR) and François-Xavier BELLAMY (EPP, FR) on the proposal for a regulation of the European Parliament and of the Council establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products (‘EDIP’).

The competent committee recommended that the European Parliament adopt its position at first reading by amending the Commission's proposal as follows:

Subject Matter and objectives

The proposed Regulation aims to enhance the **technological leadership, innovation, readiness, long-term competitiveness, resilience, integration and preparedness** of the European Defence Technological and Industrial Base (EDTIB), leading to a more sovereign Union, ensuring the timely availability and supply of defence products and contributing to the recovery, reconstruction and modernisation of the Ukrainian Defence Technological and Industrial Base (Ukrainian DTIB).

The EDIP aims to increase the competitiveness, productivity and readiness of the EDTIB in particular through, *inter alia*:

- **initiating and speeding up** the adjustment of industry to the rapid structural changes imposed by the evolving security environment, in particular the strategic necessity for Member States to be able to deploy capabilities without control or restriction by non-associated third countries or entities, including through: (i) the creation, **adaptation, modernisation** and ramp-up of its manufacturing capacities of **defence and crisis-relevant products** throughout the Union; (ii) the improvement and acceleration of the capacity of adaptation of supply chains for crisis-relevant products, the creation of manufacturing capacities or their ramp-up, and a reduction of their lead time for production and delivery of defence products throughout the Union, including through stockpiling.

- increasing **cross-border cooperation** in defence procurement in order to contribute to solidarity, in particular to ensure that **stockpiling** will be located near or in the Member States with the highest exposure to the risk of materialisation of conventional military threats, prevent crowding-out effects, increase the effectiveness of public spending and reduce excessive fragmentation, ultimately leading to an increase in the standardisation of defence systems and greater interoperability and interchangeability, and ensuring the fulfilment of Member States’ needs in terms of quality, availability and cost of defence products.

Military support for Ukraine

As part of the proposed EDIP regulation, Members proposed a **Ukraine Support Instrument** (USI) to contribute to the recovery, reconstruction and modernisation of the Ukrainian DTIB and support the

country in manufacturing most critical capacities in quantities needed to respond to current military threats against its sovereignty and territorial integrity.

The budget for implementing the Ukraine Support Instrument for actions to strengthen the Ukrainian DTIB would consist of at least **EUR 5 billion** in additional contributions provided by Member States, subject to the conclusion of a framework agreement with Ukraine for the implementation of the actions set out in the Regulation.

Financial envelope

A budget of **EUR 1.5 billion** is allocated for the period from 2025 to 2027. This financial envelope is sharply constrained by the current multiannual financial framework (MFF) ceilings and **additional financial resources** should therefore be made available, both for its EDTIB component and for the Ukraine Support Instrument, including through including through at least **EUR 15 billion** in additional contributions from Member States.

Eligibility of funds

A European Defence Project of Common Interest should involve at least **six Member States or at least four Member States** that face high exposure to the risk of materialisation of conventional military threats. All Member States and associated countries should be given a genuine opportunity to participate in a project.

Furthermore, the defence products subject to actions supported by the Programme should not be subject to control or restriction by a non-associated third country or a non-associated third country entity, the design authority for such products should be an entity that is eligible for funding under the Programme, to ensure that the defence products can be adapted and used without any restrictions from third-countries, and the cost of components originating from Member States or associated countries should not be lower than **70 %** of the estimated value of the end product.

European military sales mechanism and catalogue

A Military Sales Mechanism (MSM) is established consisting of a single, centralised, up to date **catalogue** of defence products and services developed by the EDTIB in order to bolster an EU-wide aggregated demand.

Mapping and monitoring

In light of the complexities of defence supply chains and the risk of **shortages** in a foreseeable future, the proposed Regulation should provide instruments for a coordinated approach to **mapping and monitoring** of the supply chains of certain defence products and effectively tackling possible market disruptions in a proportionate manner.

National competent authorities should alert the **Defence Industrial Readiness Board** if they become aware of a risk of serious disruption in the supply of crisis relevant products or have concrete and reliable information of any other relevant risk factor or event materialising.