

# Defence procurement. Green Paper

2005/2030(INI) - 23/09/2004 - Non-legislative basic document

This Green Paper is one of the measures announced by the European Commission in its Communication “Towards a European Union defence equipment policy”, adopted on 11 March 2003. Through these measures, the Commission intends to contribute to the gradual creation of a European defence equipment market (EDEM) which is more transparent and open between Member States and which, whilst respecting the sector’s specific nature, would increase economic efficiency.

Moving towards a truly European market is crucial for strengthening the competitiveness of European industry, improving the allocation of defence resources and supporting the development of the Union's military capabilities under the European Security and Defence Policy (ESDP).

The establishment of the European Defence Agency with its responsibilities in the field of defence capabilities, research, acquisition and armaments, makes the development of such a market even more important.

Creating an EDEM would require a set of complementary initiatives, including the establishment of an appropriate regulatory framework for the procurement of defence equipment. The opening up of defence markets, which are currently fragmented along national lines, would increase the commercial opportunities for European companies in the sector, including SMEs, and contribute to their growth and increase their competitiveness.

The purpose of this Green Paper is to develop the debate on these issues, bearing in mind the principle of subsidiarity. For this purpose the Commission set up two working parties consisting of representatives of the Member States and European industry to contribute to the preparatory stages of the Green Paper.

In the first part, the Green Paper identifies the reasons for specific action by giving a summary of the current state of defence procurement markets, their numerous special characteristics and the existing regulatory framework.

In the second part, on the basis of this analysis, it considers possible lines of action following the identification of a number of obstacles limiting the access of European industries to Member States’ defence markets and hence restricting their growth opportunities.

The Commission therefore proposes pursuing the debate on the case for Community action in the field of defence procurement. So far the Commission has identified two possible instruments, one limited to clarifying the existing legal framework and the other aimed at establishing specific rules in the field of defence, taking into account the sector’s specific characteristics.

These instruments would not prejudice any complementary measures taken by the Member States in the appropriate fora. Indeed, they could not provide exhaustive answers to all the specific aspects of defence markets. This is the case in particular for security of supply, a concept bound to change with the growing convergence of national security interests in the context of European foreign, security and defence policy. The gradual development of a common approach in this field could facilitate application of Community instruments. Equally, these instruments would constitute a useful tool for the success of cooperation between Member States.

This Green Paper marked the start of an official consultation process lasting four months from its date of publication (i.e. 23/01/2005 deadline for contributions from interested parties).

