Basic information

2022/0219(COD) COD - Ordinary legislative procedure (ex-codecision procedure) Regulation	Procedure completed
European Defence Industry Reinforcement through common Procurement Act (EDIRPA) **Subject** 3.40.09 Defence and arms industry 6.10.02 Common security and defence policy (CSDP); WEU, NATO **Legislative priorities** Joint Declaration 2022 Joint Declaration 2023-24	

Key players

European Parliament

Joint committee responsible	Rapporteur	Appointed
AFET Foreign Affairs	GAHLER Michael (EPP)	08/12/2022
ITRE Industry, Research and Energy	KRASNODĘBSKI Zdzisław (ECR)	08/12/2022
	Shadow rapporteur SKYTTEDAL Sara (EPP) YONCHEVA Elena (S&D) ZORRINHO Carlos (S&D) TUDORACHE Dragoş (Renew) RIQUET Dominique (Renew) NEUMANN Hannah (Greens/EFA) DALUNDE Jakop G. (Greens/EFA) KRASNODĘBSKI Zdzisław (ECR) MARIANI Thierry (ID) BONFRISCO Anna (ID) BOTENGA Marc (The Left) WALLACE Mick (The Left)	

Committee for opinion	Rapporteur for opinion	Appointed
BUDG Budgets	RESSLER Karlo (EPP)	13/09/2022
CONT Budgetary Control	HOHLMEIER Monika (EPP)	11/10/2022
IMCO Internal Market and Consumer Protection (Associated committee)	IJABS Ivars (Renew)	29/11/2022

Council of the European Union

European Commission

Commission DG	Commissioner
Defence Industry and Space	BRETON Thierry

European Economic and Social Committee

Key events

Date	Event	Reference	Summary
19/07/2022	Legislative proposal published	COM(2022)0349	Summary
12/09/2022	Committee referral announced in Parliament, 1st reading		
15/12/2022	Referral to associated committees announced in Parliament		
19/01/2023	Referral to joint committee announced in Parliament		
25/04/2023	Vote in committee, 1st reading		
25/04/2023	Committee decision to open interinstitutional negotiations with report adopted in committee		
28/04/2023	Committee report tabled for plenary, 1st reading	A9-0161/2023	Summary
08/05/2023	Committee decision to enter into interinstitutional negotiations announced in plenary (Rule 72)		
10/05/2023	Committee decision to enter into interinstitutional negotiations confirmed by plenary (Rule 72)		
18/07/2023	Approval in committee of the text agreed at 1st reading interinstitutional negotiations	PE751.750 GEDA/A/(2023)004484	
11/09/2023	Debate in Parliament		
12/09/2023	Decision by Parliament, 1st reading	T9-0301/2023	Summary
12/09/2023	Results of vote in Parliament		
09/10/2023	Act adopted by Council after Parliament's 1st reading		
17/10/2023	End of procedure in Parliament		
18/10/2023	Final act signed		

26/10/2023	Final act published in Official Journal		

Technical information	
Procedure reference	2022/0219(COD)
Procedure type	COD - Ordinary legislative procedure (ex-codecision procedure)
Procedure subtype	Legislation
Legislative instrument	Regulation
Legal basis	Rules of Procedure EP 57_o Rules of Procedure EP 59 Treaty on the Functioning of the European Union TFEU 173-p3
Mandatory consultation of other institutions	European Economic and Social Committee
Stage reached in procedure	Procedure completed
Committee dossier	CJ42/9/11064

Documentation gateway

European Parliament

Document type	Committee	Reference	Date	Summary
Committee draft report		PE740.720	18/01/2023	
Amendments tabled in committee		PE742.484	13/02/2023	
Committee opinion	BUDG	PE740.810	28/03/2023	
Committee opinion	CONT	PE742.403	28/03/2023	
Committee opinion	IMCO	PE739.842	29/03/2023	
Committee report tabled for plenary, 1st reading/single reading		A9-0161/2023	28/04/2023	Summary
Text agreed during interinstitutional negotiations		PE751.750	05/07/2023	
Text adopted by Parliament, 1st reading/single reading		T9-0301/2023	12/09/2023	Summary

Council of the EU

Document type	Reference	Date	Summary
Coreper letter confirming interinstitutional agreement	GEDA/A/(2023)004484	05/07/2023	
Draft final act	00040/2023/LEX	18/10/2023	

European Commission

Document type	Reference	Date	Summary
Legislative proposal	COM(2022)0349	19/07/2022	Summary
Commission response to text adopted in plenary	SP(2023)525	19/12/2023	

National parliaments

Document type	Parliament /Chamber	Reference	Date	Summary
Contribution	ES_PARLIAMENT	COM(2022)0349	10/10/2022	
Contribution	SE_PARLIAMENT	COM(2022)0349	17/10/2022	
Contribution	RO_SENATE	COM(2022)0349	04/11/2022	
Contribution	PT_PARLIAMENT	COM(2022)0349	21/12/2022	

Other institutions and bodies

Institution/body	Document type	Reference	Date	Summary
EESC	Economic and Social Committee: opinion, report	CES3971/2022	21/09/2022	

Additional information

Source	Document	Date
European Commission	EUR-Lex	

Meetings with interest representatives published in line with the Rules of Procedure

Rapporteurs, Shadow Rapporteurs and Committee Chairs

Transparency

Name	Role	Committee	Date	Interest representatives
SKYTTEDAL Sara	Shadow rapporteur	ITRE	30/06/2023	OperationAid
TUDORACHE Dragoş	Shadow rapporteur	AFET	14/06/2023	SAFRAN
GAHLER Michael	Rapporteur	AFET	17/03/2023	Permanent Representation of Sweden to the EU
GAHLER Michael	Rapporteur	AFET	09/03/2023	Bundesverband der Deutschen Industrie e.V.
GAHLER Michael	Rapporteur	AFET	13/02/2023	EUTOP Europe GmbH
IJABS Ivars	Rapporteur	IMCO	08/02/2023	UK Mission to the EU
GAHLER Michael	Rapporteur	AFET	07/02/2023	Avio Aero GE Aviation
GAHLER Michael	Rapporteur	AFET	06/02/2023	SAFRAN
ZORRINHO Carlos	Shadow rapporteur	ITRE	02/02/2023	Sweden's Presidency of the Council
GAHLER Michael	Rapporteur	AFET	01/02/2023	American Chamber of Commerce to the European Union
GAHLER Michael	Rapporteur	AFET	01/02/2023	Rheinmetall Group

KRASNODĘBSKI Zdzisław	Rapporteur	ITRE	01/02/2023	Mission of the United Kingdom to the EU
KRASNODĘBSKI Zdzisław	Rapporteur	ITRE	30/01/2023	MBDA
GAHLER Michael	Rapporteur	AFET	30/01/2023	C&V DEFENCE
SKYTTEDAL Sara	Shadow rapporteur	ITRE	26/01/2023	FN Herstal
KRASNODĘBSKI Zdzisław	Rapporteur	ITRE	26/01/2023	Permanent Representation of Sweden
IJABS Ivars	Rapporteur	IMCO	25/01/2023	NATO
GAHLER Michael	Rapporteur	AFET	25/01/2023	NATO
RIQUET Dominique	Shadow rapporteur	ITRE	25/01/2023	Défense Conseil International
KRASNODĘBSKI Zdzisław	Rapporteur	ITRE	25/01/2023	NATO
ZORRINHO Carlos	Shadow rapporteur	ITRE	25/01/2023	C&V DEFENCE
GAHLER Michael	Rapporteur	AFET	23/01/2023	Permanent Representation of Sweden to the EU
KRASNODĘBSKI Zdzisław	Rapporteur	ITRE	20/01/2023	General Electric Company
GAHLER Michael	Rapporteur	AFET	18/01/2023	Mission of the United Kingdom to the EU
SKYTTEDAL Sara	Shadow rapporteur	ITRE	12/01/2023	AmCham
IJABS Ivars	Rapporteur	IMCO	12/01/2023	Boeing Belgium SRL AmCham Brussels GE Aerospace
KRASNODĘBSKI Zdzisław	Rapporteur	ITRE	23/12/2022	Polish Armament Agency Ministry of Defence of Poland
GAHLER Michael	Rapporteur	AFET	14/12/2022	Bundesverband der Deutschen Industrie e.V.
KRASNODĘBSKI Zdzisław	Rapporteur	ITRE	12/12/2022	Permanent Representation of Estonia to the EU
GAHLER Michael	Rapporteur	AFET	09/12/2022	Permanent Representation of Germany to the EU
SKYTTEDAL Sara	Shadow rapporteur	ITRE	07/12/2022	Saab AB
KRASNODĘBSKI Zdzisław	Rapporteur	ITRE	07/12/2022	European Defence Agency
KRASNODĘBSKI Zdzisław	Rapporteur	ITRE	07/12/2022	Permanent Representation of Poland to the EU
GAHLER Michael	Rapporteur	AFET	06/12/2022	DG DEFIS
KRASNODĘBSKI Zdzisław	Rapporteur	ITRE	06/12/2022	European Commission
KRASNODĘBSKI Zdzisław	Rapporteur	ITRE	05/12/2022	Defence Joint Procurement Task Force
KRASNODĘBSKI Zdzisław	Rapporteur	ITRE	10/11/2022	Aerospace, Security and Defence Industries Association of Europe
SKYTTEDAL Sara	Shadow rapporteur	ITRE	08/11/2022	Saab AB
RIQUET Dominique	Shadow rapporteur	ITRE	07/11/2022	SAFRAN
SKYTTEDAL Sara	Shadow rapporteur	ITRE	01/11/2022	Säkerhets- och försvarsföretagen (SOFF)
KRASNODĘBSKI Zdzisław	Rapporteur	ITRE	19/10/2022	European Commission

Other Members

Transparency		
Name	**Date**	**Interest representatives**
VANDENKENDELAERE Tom	07/02/2023	C&V DEFENCE John Cockerill Defense
GRUDLER Christophe	27/10/2022	DASSAULT AVIATION

Final act	
Regulation 2023/2418 OJ L 000 26.10.2023, p. 0000	Summary

European Defence Industry Reinforcement through common Procurement Act (EDIRPA)

2022/0219(COD) - 19/07/2022 - Legislative proposal

PURPOSE: to establish the European defence industry reinforcement through common procurement act.

PROPOSED ACT: Regulation of the European Parliament and of the Council.

ROLE OF THE EUROPEAN PARLIAMENT: the European Parliament decides in accordance with the ordinary legislative procedure and on an equal footing with the Council.

BACKGROUND: the invasion of Ukraine by Russia on 24 February 2022 and the ongoing armed conflict in Ukraine has led to the **return of high-intensity warfare and territorial conflict in Europe**, requiring a significant increase in the capacity of Member States to fill the most urgent and critical gaps, especially those exacerbated by the transfer of defence products to Ukraine.

The EU Heads of State or Government, meeting in Versailles on 11 March, committed to 'bolster European defence capabilities' in light of the Russian military aggression against Ukraine. **The Versailles declaration** notably states that Member States should: (i) increase defence expenditures; (ii) step up cooperation through joint projects; (iii) close shortfalls and meet capability objectives; (iv) boost innovation including through civil/military synergies; (v) strengthen and develop the EU defence industry, including SMEs.

While cooperation presents several obvious advantages (increased interoperability, reduced unit and maintenance costs) **EU Member States continue to procure defence systems in a mostly national manner**. According to European Defence Agency Data for 2020, EU Member States invested only EUR 4.1 billion in collaborative defence equipment procurement (11% of their total spending), a 13% decrease compared to 2019. This is far below the 35% benchmark to which Member States committed. Fragmentation of the demand side of the defence market results into a series of problems and inefficiencies, including on the supply side, while increasing maintenance costs of a plethora of different systems.

Incentivising joint procurement is therefore a necessity. The current situation requires a policy intervention at EU level to improve the level of cooperation by incentivising financial cooperation between Member States in the defence procurement process.

CONTENT: the proposal aims at **establishing a short-term instrument to enhance Member States' collaboration in the defence procurement phase**. It will incentivise Member States to pursue collaborative actions and in particular, when they procure in order to fill these gaps, to do so jointly, increasing the level of interoperability and strengthening and reforming their defence industrial capabilities.

The Instrument will help to **reinforce and develop the Union defence industrial base** to allow it to address the industrial gaps relative to the most urgent and critical defence products needs especially those revealed or exacerbated by the response to the Russian aggression against Ukraine.

The proposed Instrument will complement existing EU programmes such as the European Defence Industrial Development Programme and the **European Defence Fund** as well as EU defence initiatives such as the Permanent Structured Cooperation (PESCO). It will also generate synergies with the implementation of the Strategic Compass for Security and Defence and other EU programmes. In order to benefit from the instrument, common procurement contracts will need to be placed with legal entities which are established in the Union or in associated countries and are not subject to control by non-associated third countries or by non-associated third-country entities.

The Instrument also takes up the European Defence Fund's approach when it comes to forbidding support for goods or services, which are prohibited by applicable international law, or lethal autonomous weapons without the possibility for meaningful human control over selection and engagement decisions when carrying out strikes against humans.

The financial envelope for the implementation of the Instrument for the period from period from the entry into force to 31 December 2024 shall be **EUR 500 million** in current prices.

European Defence Industry Reinforcement through common Procurement Act (EDIRPA)

2022/0219(COD) - 26/10/2023 - Final act

PURPOSE: to encourage common procurement in the European defence industry.

LEGISLATIVE ACT: Regulation (EU) 2023/2418 of the European Parliament and of the Council on establishing an instrument for the reinforcement of the European defence industry through common procurement (EDIRPA).

CONTENT: the Regulation establishes a **short-term instrument** for the reinforcement of the European defence industry through common procurement , for the period from 27 October 2023 to 31 December 2025.

Objectives

The Instrument has the following objectives:

- to **foster the competitiveness and efficiency of the European Defence Technological and Industrial Base** (EDTIB), including SMEs and mid-caps, for a more resilient and secure Union, in particular by speeding up, in a collaborative manner, the adjustment of industry to structural changes, including through the creation and ramp-up of its manufacturing capacities and the opening of the supply chains for cross-border cooperation throughout the Union;

- to **foster cooperation in defence procurement processes** between participating Member States in order to contribute to solidarity, 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.

The objectives will be pursued with an emphasis on strengthening and developing the EDTIB throughout the Union to allow it to address, in particular, the most urgent and critical defence product needs, especially those revealed or exacerbated by the response to the Russian war of aggression against Ukraine, such as the shipment of defence products to Ukraine.

Budget

The financial envelope for the implementation of the Instrument for the period from 27 October 2023 to 31 December 2025 shall be **EUR 300 million** in current prices.

With the new instrument, a partial reimbursement from the EU budget will be available to member states where joint purchases involve a **consortia of at least three Member States**.

Use of financing not linked to costs

Grants will take the form of financing not linked to costs. The level of the EU contribution for each action may be differentiated according to factors such as:

- the complexity of the common procurement;

- the characteristics of the cooperation which are likely to give rise to greater interoperability outcomes and long-term investment signals to industry; or

- the number of participating Member States and associated countries or the inclusion of additional Member States or associated countries in existing cooperations.

The Union's financial contribution to each action will not exceed **15%** of the instrument's overall budget and will be capped at 15% of the estimated value of the common procurement contract per consortium of Member States and associated countries.

This ceiling may be increased to **20%** of the total budget envelope and 20% of the estimated value of the common procurement contract per consortium of Member States and associated countries:

- where **Ukraine or Moldova** is one of the recipients of additional quantities of defence products in the procurement action, or

- where at least 15% of the estimated value of the common procurement contract is allocated to **SMEs** or mid-cap companies as contractors or sub-contractors.

Eligibility conditions

Given that the instrument aims to strengthen the competitiveness and efficiency of the EU defence industry, in order to be eligible, joint procurement contracts must be concluded with contractors or subcontractors who are established in the EU or in associated countries and **who are not controlled by non-associated third countries**. In addition, at least **65%** of the components of the final products must come from the EU or an associated country.

ENTRY INTO FORCE: 27.10.2023.

European Defence Industry Reinforcement through common Procurement Act (EDIRPA)

2022/0219(COD) - 12/09/2023 - Text adopted by Parliament, 1st reading/single reading

The European Parliament adopted by 530 votes to 66, with 32 abstentions, a legislative resolution on the proposal for a regulation of the European Parliament and of the Council on establishing the European defence industry Reinforcement through common Procurement Act.

Parliament's position adopted at first reading following the ordinary legislative procedure amended the Commission proposal as follows:

Subject matter

Members stated that this Regulation establishes a short-term instrument for the reinforcement of the European defence industry through common procurement for the period stemming from the date of entry into force of this Regulation to **31 December 2025**.

Objectives

The Instrument has the following objectives:

- to **foster the competitiveness and efficiency of the European Defence Technological and Industrial Base (EDTIB)**, including SMEs and mid-caps, for a more resilient and secure Union, in particular by speeding up, in a collaborative manner, the adjustment of industry to structural changes, including through the creation and ramp-up of its manufacturing capacities and the opening of the supply chains for cross-border cooperation throughout the Union, thereby allowing the EDTIB to provide the defence products needed by Member States;

- to **foster cooperation in defence procurement processes between participating Member States** in order to contribute to solidarity, 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 between Member States' capabilities, while preserving the competitiveness and diversity of products available to Member States and in the supply chain.

The objectives should be pursued with an emphasis on strengthening and developing the EDTIB throughout the Union to allow it to **address, in particular, the most urgent and critical defence product needs**, especially those revealed or exacerbated by the response to the Russian war of aggression against Ukraine, such as the shipment of defence products to Ukraine, taking into account the objectives of the Strategic Compass for Security and Defence and considering the work of the Defence Joint Procurement Task Force. This may be achieved through the replenishment of stockpiles which are depleted as a result of defence-product transfers to Ukraine, including with equipment available on the market, as well as through the replacement of obsolete equipment and the reinforcement of capabilities.

Budget

The financial envelope for the implementation of the Instrument should be **EUR 300 million** in current prices from the period from the date of entry into force of this Regulation to 31 December 2025.

Associated countries

The Instrument should be open to the participation of those members of the European Free Trade Association which are members of the European Economic Area.

Use of financing not linked to costs

Grants should take the form of financing not linked to costs, pursuant to the Financial Regulation.

The level of the Union contribution attributed to each action may be defined on the basis of factors such as: the complexity of the common procurement, for which a proportion of the estimated value of the common procurement contract and the experience gained in similar actions may serve as an initial proxy; the characteristics of the cooperation which are likely to give rise to greater interoperability outcomes and long-term investment signals to industry; or the number of participating Member States and associated countries or the inclusion of additional Member States or associated countries in existing cooperations.

The Union financial contribution to each action should **not exceed 15 %** of the financial envelope for the implementation of the Instrument and should be capped at 15 % of the estimated value of the common procurement contract per consortium of Member States and associated countries.

This amount should be **capped at 20 %** of the financial envelope and at 20 % of the estimated value of the common procurement contract where at least one of the following conditions is met: (i) Ukraine or Moldova are one of the recipients of additional quantities of defence products in the procurement action; (ii) at least 15 % of the estimated value of the common procurement contract is allocated to SMEs or midcaps as contractors or subcontractors.

Award criteria

The Commission should evaluate proposals on the basis of the following criteria for the awarding of the grants:

- the number of Member States or associated countries participating in each common procurement;

- the estimated value of the common procurement;

- a demonstration of the action's contribution to the strengthening of the competitiveness and to the adaptation, modernisation and development of the EDTIB;

- a demonstration of the action’s contribution to the replenishment of stockpiles, including those depleted as a result of the response to Russia’s war of aggression against Ukraine, to the replacement of obsolete equipment, and to the reinforcement of capabilities;

- the action’s contribution to overcoming obstacles to common procurement;

- the extent of the action’s contribution to the competitiveness and adaptation of the EDTIB to structural changes, including technological changes;

- the participation of SMEs and mid-caps;

- the creation of new cross-border cooperation between contractors and subcontractors in the supply chains throughout the Union.

Member States should determine among themselves the arrangements applicable to the **protection of classified information** for the purposes of the common procurements.

Evaluation report

The Commission should draw up an evaluation report on the instrument and submit it to the European Parliament and the Council by 31 December 2026 at the latest. This report should evaluate the impact and effectiveness of the actions undertaken under the Instrument, while also thinking critically ahead about ways to secure all the components needed in the Union defence supply chain.

Furthermore, the evaluation report should **identify shortfalls and critical dependencies** on non-associated third countries in respect of raw materials, components and production capacities, building on work undertaken in the context of the Observatory of Critical Technologies. The evaluation report should inform the Commission’s work on technology roadmaps, including mitigation measures to address those shortfalls and critical dependencies.

European Defence Industry Reinforcement through common Procurement Act (EDIRPA)

2022/0219(COD) - 28/04/2023 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Foreign Affairs and the Committee on Industry, Research and Energy adopted the joint report by Michael GAHLER (EPP, DE) and Zdzisław KRASNODĘBSKI (ECR, PL) on the proposal for a regulation of the European Parliament and of the Council on establishing the European defence industry Reinforcement through common Procurement Act.

The committee responsible recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the proposal as follows:

Subject matter

The report clarified that the draft Regulation establishes a **short-term instrument** for European Defence Industry Reinforcement through common Procurement Act.

Objectives

The Instrument has the following objectives:

- to foster the **competitiveness and efficiency of the EDTIB**, including SMEs and mid-capitalisation companies (mid-caps), for a more resilient and secure Union, in particular by speeding up, in a collaborative manner, the adjustment of industry, in a cost-efficient way, to structural and technological changes, including enhancing its manufacturing capacities through technological innovation and the opening of the supply chains with cross-border engagement throughout the Union, thereby enhancing the EDTIB’s capacity to provide the most critical and urgent defence products needed by Member States;

- to foster **cooperation in defence procurement** process between Member States in order to contribute to solidarity, interoperability, and the prevention of crowding-out effects, as well as the reduction of fragmentation and the increase of the effectiveness of public spending and to foster a closer convergence of national standards and requirements in the field of the procurement of defence products, whilst preserving the competitiveness and diversity of products available to Member States and in the supply chain.

The objectives should be pursued with an emphasis on strengthening, developing and expanding EDTIB throughout the Union in accordance with the legal basis of the Instrument to allow it to address in particular the **most urgent and critical defence products needs**, especially those revealed or exacerbated by the response to the Russian aggression against Ukraine. This can be achieved through the **replenishment of stockpiles** which are depleted as a result of defence products transfers to Ukraine, including with the equipment available on the market, as well as through the **replacement of obsolete equipment**, in particular military equipment solutions designed and/or produced in the Soviet Union or later military equipment solutions based on them, and the reinforcement of overall defence capabilities.

Budget

The financial envelope for the implementation of the Instrument for the period from the entry into force of this Regulation to 31 December 2024 should be **EUR 1 billion** in current prices. The Union financial contribution to each action should not exceed 15 % of the overall amount and should be **capped at 20 %** of the estimated value of the common procurement contract per consortium of Member States and associated countries.

Participation of third countries

Apart from EU Member States, the instrument should be open to the participation of countries that are both Members of the European Free Trade Association and the European Economic Area - i.e. Iceland, Liechtenstein and Norway. Members stated that Member States that engage in a joint defence product procurement may also agree to procure additional products with Ukraine and Moldova.

Monitoring and reporting

By 31 December 2024, the Commission, in cooperation with the European Defence Agency, should draw up an evaluation report for the Instrument. The report should evaluate the contribution of the Instrument to the:

- creation of new **cross-border cooperation** between Member States and associated countries;

- participation of **SMEs and mid-caps** in the action, as contractors or subcontractors in the supply chain;

- strengthening of the EDTIB throughout the Union and ensuring a level-playing field for suppliers from the Member States;

- replenishment of **stockpiles** that have been depleted due to transfers of defence products to Ukraine;

- replacement of **obsolete military equipment** solutions designed and/or produced in the Soviet Union or later military equipment solutions based on them with Union solutions.

The report should identify the involvement of each Member State and evaluate the potential **bottlenecks** in the functioning of the Instrument.

In addition, the report should identify areas of **critical dependencies and shortfalls** regarding raw materials, components and production capacities of third-country origin, including an assessment of the possibilities for the development of alternatives within the Union.