



## EUROPEAN COMMISSION

*Brussels, 11.1.2018  
C(2018) 38 final*

*Dear President,*

*The Commission would like to thank the Senát for its Opinion on the proposal for a Regulation of the European Parliament and of the Council establishing the European Defence Industrial Development Programme {COM (2017) 294 final} and on the Commission Communication 'Launching the European Defence Fund' {COM (2017) 295 final}.*

*The Commission is pleased that the Senát shares the view about paramount importance of strengthening the European defence capacity in the context of emerging challenges and in the context of persisting low level of investments and major fragmentation of the sector.*

*Against this backdrop, the objective of the European Defence Industrial Development Programme is to leverage the competitiveness of the sector by incentivising and supporting collaboration between enterprises and Member States. It should mitigate the existing inefficiency resulting from a significant fragmentation of the market, which, together with falling spending on defence hamper the competitiveness of the European defence industry as well as render the Union more vulnerable to both internal and external threats.*

*The Commission believes that the initiatives outlined in the Communication at the European Union level would contribute to addressing significant obstacles preventing the European defence industry from being more competitive and enabling the European Union to face in a more efficient manner emerging challenges and threats.*

*The Commission would like to reassure the Senát that the redeployment of funds from the European Global Navigation Satellite Systems (GNSS), Copernicus and the Connecting Europe Facility (CEF) programmes will not negatively affect the current development of the programmes and their capacity to produce planned deliverables and to reach their objectives. The redeployments represent very limited shares of the total envelopes of the programmes - 1.8% for GNSS, 0.34% for Copernicus and 0.4% for CEF – and are mainly made available because of previous savings and important reserves being present.*

*Mr Milan ŠTĚCH  
President of the Senát  
Valdštejnské náměstí 17/4,  
CZ – 118 01 PRAGUE 1*

*The Commission welcomes and shares the view expressed in the Opinion of the Senát that the European Defence Industrial Development Programme should be inclusive, should provide equal opportunities for all companies in the European Union, irrespective of their size and location, and should provide a specific emphasis on actions enabling the cross-border participation of small and medium-sized enterprises. The Commission would also like to reassure the Senát that on the basis of the proposal for a Regulation establishing the European Defence Industrial Development Programme the possibilities for funding are open to universities and research organisations.*

*The Commission would like to draw the attention of the Senát to the fact that, following the adoption of the proposal, the Estonian Presidency has set up a 'Friends of Presidency' Council Group to discuss the proposal and to prepare a common position. The proposal is also currently being examined by the relevant Committees of the European Parliament.*

*The Commission hopes that these clarifications address the issues raised by the Senát and looks forward to continuing the political dialogue in the future.*

*Yours faithfully,*

*Frans Timmermans  
First Vice-President*

*Elżbieta Bieńkowska  
Member of the Commission*