



EUROPEAN COMMISSION

*Brussels, 24.1.2019
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Dear President,

The Commission would like to thank the Senát for its Opinion on the proposal for a Regulation of the European Parliament and the Council establishing the European Defence Fund {COM (2017) 476}.

The Commission welcomes the support expressed in the Opinion and is pleased that the Senát shares the view about the importance of supporting the competitiveness and innovative capacity of the European defence industry by stimulating cooperation in defence research and in the development of defence products and technologies in the European Union.

Against this backdrop, the objective of the European Defence Fund 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 systems, products and technologies remain the property of those who developed them. They will not be the property of the Union.

The Commission shares the view that the implementation of common research and development defence projects will boost the Union's competitiveness in the defence area.. The European Defence Fund should build upon academic, research and industrial competences. It should provide equal opportunities for all companies in the European Union and support actions throughout the entire supply chain, whilst encouraging participation of small and medium-sized enterprises and middle capitalization companies.

Moreover, the proposal foresees a strong system incentivising the cross border participation of small and medium-sized enterprises and mid-caps, and further measures can be implemented at the level of the work programme, such as the organisation of calls for proposals specifically targeting small and medium-sized enterprises.

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Discussions between the co-legislators, the European Parliament and the Council, concerning the proposal are now underway and the Commission remains hopeful that an agreement will be reached in the near future.

The Commission looks forward to continuing the political dialogue with the Senát in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Elżbieta Bienkowska
Member of the Commission*