

ROMANIA
PRESIDENT

Romanian Parliament
Chamber of Deputies

1/4483/V8
23.12.2013

OPINION
on the Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions

Towards a more competitive and efficient defence and security sector

COM (2013) 542

Having regard to the Treaty of Lisbon and, in particular, Articles 5 and 12 TEU and Protocols 1 and 2 annexed to the Treaty,

Having regard to the Romanian Constitution, republished, and in particular Article 148 thereof,

Having regard to Decision No 11/2011 of the Chamber of Deputies,

Taking into account the draft opinion adopted by the Committee on Defence, Public Order and National Security at its meeting of 15 October 2013,

Taking into account the draft opinion adopted by the Committee on Foreign Policy at its meeting of 9 October 2013,

Taking into account the draft opinion adopted by the Committee on Industry and Services at its meeting of 16 October 2013,

Taking into account the draft opinion adopted by the Committee on Information Technology and Communications at its meeting of 24 October 2013,

Taking into account the draft opinion adopted by the Committee on the Budget, Finance and Banking at its meeting of 9 October 2013,

Taking into account the draft opinion adopted by the Committee on European Affairs at its meeting of 20 November 2013,

Having regard to the approval given by the Permanent Office of the Chamber of Deputies on 16 December 2013,

The Chamber of Deputies, acting in accordance with Article 40 of its Decision No 11/2011 of 19 April 2011, hereby adopts this **opinion**:

The Chamber of Deputies welcomes the Communication for the following reasons:

1. it concerns specific proposals designed to strengthen European defence in order to face the challenges of the 21st century;
2. it develops and consolidates the *acquis communautaire* and aims to exploit possible synergies and cross-fertilisation which come from the blurring of the boundaries between defence and security, and those which can occur between civil and military;
3. it supports the identification of solutions for developing military capabilities while reducing the existing fragmentation at European Union level and the resulting duplication of capabilities and organisations;
4. it proposes that common civil-military standards be adopted, leading to common certification of equipment and growth in civil-military synergies;
5. it supports small and medium-sized enterprises through the creation of "regional clusters of excellence" to be incorporated into the supply chain with beneficial effects for small and medium-sized Member States, also in terms of strengthening the European defence equipment market.

The Chamber of Deputies welcomes the key aspects addressed in the Communication, particularly in the following areas:

A. Strengthening the internal market for defence

1. The Chamber considers that it would be useful to put in place a mechanism for monitoring the application of Directive 2009/81/EC, having particular regard to the specific characteristics of the defence equipment market, which in some cases is closely linked with national sovereignty.
2. It considers that, when making procurements, Member States could avoid using specific exclusions from the scope of application of Directive 2009/81/EC in a way that affects its proper application if the Commission were to draw up some clarifications and guidance both on the conditions under which states may invoke Article 346 TFEU and on the other specific exclusions expressly provided for by said Directive.
3. It considers that clarifications are necessary with regard to the types of products, services and work which will be the subject of centralised procurements at European Union Level.
4. It endorses the European Commission's view concerning the need to repeal or review national legislation on offset operations and takes the view that, on a case to case basis, the offset concept can be applied in the context of defence and security procurement in third countries.

B. Promoting a more competitive defence industry

1. The Chamber proposes, as an alternative to the European Commission's initiative, the elaboration of hybrid civil-military standards, involving the adoption by the Commission of existing NATO technical and material standards that would meet the standardisation requirements for the fields in question.
2. It takes the view that the new "hybrid standards" will be effective only if their application in the civil area does not lead to a departure from the provisions of NATO's standards.
3. It considers that a common approach to certification plays a key role in reducing life-cycle costs and in speeding up the market placement and commissioning of hardware and software systems developed by the defence industry.
4. It takes the view that the integration of the European defence industry should not take place to the detriment of that in certain states, it being desirable to integrate small and medium-sized enterprises into the supply chain.
5. It takes the view that the Commission's strategies will have to be regional in scope in order to permit the growth of regional industrial cooperation, and industrial consolidation has to take account of the specific characteristics and unique nature of the defence equipment market.

C. Exploiting dual-use potential of research and reinforcing innovation

1. The Chamber of Deputies supports the Commission's proposal regarding a pre-commercial procurement scheme to procure prototypes, but takes the view that clear participation criteria are required for the development of prototypes and the sharing of results.
2. It notes that the launching by the Commission of a preparatory action for research in the defence area dovetails with efforts to achieve the objectives of the EDTIP in support of the CSDP.
3. It considers that it is necessary for the European Commission to provide financial support for defence-related scientific research at least in key areas, in accordance with the EDRT strategy drawn up by the EDA, given the trend of defence budget reductions which is having a major impact on the financing of research in the field.
4. It considers that the creation of "Sector Skills Alliances" and "Knowledge Alliances" should lead over the long term to such a close alignment with the procurement programmes of European armed forces that the defence industries of each Member State will become involved in the development of the military systems to be procured and operated.

D. Application of EU energy policies and support instruments in the defence sector

1. The Chamber considers that the Commission's setting up of a consultation mechanism with Member States' experts will enable the EDA to provide

the framework required to promote European energy policies for the defence sector, including in terms of energy efficiency and a review of energy-intensive technologies, which will attract structural funds for projects in this area.

2. It takes the view that it would be useful to prepare a guidance document on the implementation of Directive 2012/27/EU in the defence sector.

The Chamber is in favour of the following aspects:

- the creation of a single defence market on the basis of European armed forces' identified medium and long-term procurement requirements, clustering and harnessing the skills of Member States' defence industries in line with their capabilities, technological level and economic efficiency;
- the construction of a European technological and industrial base that is more integrated, sustainable, innovative and competitive, by assessing the scope for developing dual-use capabilities, which may in certain security areas complement national capabilities and become effective and cost-efficient force multipliers;
- the networking of CSDP-related research and the integration of Member States according to their capabilities into the framework of regional defence strategies, through a European network of defence-related regions.

The Chamber of Deputies supports the Romanian Ministry of National Defence's practice of providing ongoing support to economic operators in the defence industry sector (including SMEs) by:

- involving them, as product subcontractors, in the implementation of military-equipment procurement and modernisation programmes;
- encouraging their participation in the implementation of strategically important procurement programmes that are to be initiated;
- supporting participation in the implementation of offset operations concerning procurement contracts, in accordance with the legislation in force;
- supporting the competent ministry in the process of drawing up strategies and legislative acts concerning SMEs.

This opinion is addressed to the Presidents of the European Parliament, the Council and the European Commission, and to the Romanian Government.

PRESIDENT
Valeriu Ștefan ZGONEA