



EUROPEAN COMMISSION

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Dear President,

The Commission would like to thank the Senat for its Opinion on the Joint Communication on the Defence Investment Gaps Analysis and Way Forward {JOIN(2022) 24 final}.

The European defence landscape, its capability development, operational aspects and defence planning are framed by various instruments and processes at European level. Starting in 2017, an EU-wide framework for cross-border defence research and development cooperation has been created through Preparatory Action on Defence Research, the European Defence Industrial Development Programme and now the European Defence Fund (EDF). All these programmes have in-built measures to encourage participation of various sized industrial entities across all Member States, including Romania.

The creation of the EDF makes it possible to coordinate, supplement and amplify Member States' investments in defence resources and encourage cooperation between defence industries across the Union in the production of cutting-edge, interoperable technology and equipment. The Commission is responsible for the implementation of the Fund, which by the end of 2022 will have invested EUR 1.9 billion in defence research and capability development projects answering Member States' capability needs. The EDF has a real impact and adds value in funding research projects and co-financing capability development projects and thus it contributes to increase EU's strategic autonomy. The EDF supports capabilities research and development up to prototype phase. The EDF cannot support the acquisition of defence capabilities.

Therefore, the Commission has proposed a new regulation establishing the European Defence Industry Reinforcement through the common Procurement Act (EDIRPA) for 2022-2024. The instrument aims at supporting Member States in addressing short-term defence equipment needs through incentivising joint procurement and allowing the European defence industry to respond better these urgent needs. The decision which defence products to procure, how and from whom will remain exclusive national prerogative. The regulation will not restrict Member States procurement of defence products outside the Union. However, procurement from outside European Defence Industrial and Technological base would not be supported by the EU budget. The draft regulation is currently in a process of legislative negotiations.

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By procuring in common, Member States will offer additional visibility to the European defence industry, allowing it to operate the necessary ramp-up of manufacturing capabilities in order to respond to the changed market context, marked by a strong increase of Member States defence spending in order to improve the readiness of their armed forces to the new security context. Uncoordinated spending from Member States would result in increased fragmentation of the demand, reducing interoperability and potentially increasing dependencies on third parties. The effective reduction of dependencies can only succeed with the political will and strong engagement of the Member States, including in the realm of developing defence capabilities and minimising strategic dependencies.

Triggered by the EDF, the EU Defence Innovation Scheme (EUDIS) proposes to implement a series of concrete measures to break down entry barriers and to put in place a wide range of supports to help EU innovative companies to bring their ideas to market.

Through the EUDIS the Commission will identify ideas, technologies and solutions that need support, given their potential or economic challenges they face. It will also support maturity of ideas from a technological perspective or from a market development perspective, as well as integrate ideas into the capability development and support spin-outs to civil sectors. The Commission aims at fostering synergies between civilian, defence and space research and takes action to involve the European defence industry and SMEs. EUDIS offers pathways that European innovative start-ups and SMEs can join to break through traditional entry barriers and bring ideas to market, making a difference for EU security and defence. The Commission will also work with NATO to ensure that we can develop synergies when and where possible.

Regarding the national defence planning and programming, it is worth mentioning the ongoing work of the Defence Joint Procurement Task Force, set up last June and bringing together the Commission, the European Defence Agency and the European External Action Service. The Task Force has started to collect, aggregate and assess Member States' common short term and critical procurement needs. However, the Task Force will prescribe neither procurement solutions nor a distribution of capabilities. EU Member States will remain free to decide what to procure, from whom and how. The procurement and acquisition of defence capabilities remain a national competence. We take note of your support for the exclusion of defence acquisitions from the calculation of the budget deficit.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Senat and looks forward to continuing the political dialogue in the future.

Yours faithfully,

*Maroš Šefčovič
Vice-President*

*Thierry Breton
Member of the Commission*