



EUROPEAN COMMISSION

*Brussels, 4.1.2023
C(2023) 181 final*

*Mr. Andreas Norlén
Speaker of the Riksdag
SE - 100 12 Stockholm*

Dear President,

The Commission would like to thank the Riksdag for its Opinion 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 {COM(2022) 349 final}.

The Commission has carefully analysed the points raised in the reasoned Opinion and would like to provide the following clarifications.

The absence of impact assessment is explained by the context in which the proposal was adopted. The proposal follows the publication of the Joint Communication on the Defence Investment Gaps Analysis and Way Forward¹, a follow-up to the Versailles Declaration of the EU Heads of State and Government on 11 March 2022. Member States had called upon the Commission to assess such an investment gap and put forward any further initiative to strengthen the European Defence Technological and Industrial Base, in particular to develop further incentives to stimulate Member States' collaborative investments in joint projects and joint procurement of defence capabilities. Given the urgency of adopting a short-term instrument, in the context of Russia's unjustified aggression against Ukraine, the Commission followed extraordinary procedures for decision-making, notably deciding not to include an impact assessment accompanying the proposal. This allowed a rapid approval of the proposal by the College on 19 July 2022, only two months after the publication of the Joint Communication on defence investment gaps, allowing co-legislators to swiftly start their negotiations of the proposal.

On the references to competition and consolidation, the Commission would like to clarify that the proposal is based on Article 173 of the Treaty on the Functioning of the European Union, which directly entails references to market-based terms and conditions. Through the proposal, the Commission aims at ensuring the competitiveness of the EU's

¹ JOIN(2022) 24 final.

Defence Technological and Industrial Base to allow it to adapt to changed market conditions. Proposals submitted by Member States would be assessed in a competitive manner, based on the award criteria listed in the proposal. Cooperation among Member States pursuant to the proposal would have to comply with the Defence procurement directive² when it comes to common procurement procedures.

The criteria mentioned in the proposal include both quantitative and qualitative elements. While assessing a proposal based on the number of Member States participating in the common procurement allows achieving the consolidation of demand, it is also essential to ensure that the proposal supports the EU's Defence Technological and Industrial Base in adapting to market changes, facilitating the development of manufacturing capacities. The work programme will set out the funding priorities in line with the needs referred to in Article 3 paragraph 2 of the proposal.

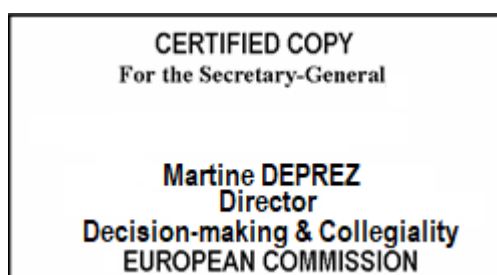
The points made above are based on the initial proposal presented by the Commission, which is currently in the legislative process involving both the European Parliament and the Council. The Riksdag's reasoned Opinion has been made available to the Commission's representatives in the ongoing negotiations of the co-legislators and will inform these discussions.

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

Yours faithfully,

*Maroš Šefčovič
Vice-President*

*Thierry Breton
Member of the Commission*



² [Directive 2009/81/EC](#) of the European Parliament and of the Council of 13 July 2009. on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC.