

Implementation of Directive 2009/81/EC, concerning procurement in the fields of defence and security, and of Directive 2009/43/EC, concerning the transfer of defence-related products

2019/2204(INI) - 25/03/2021 - Text adopted by Parliament, single reading

The European Parliament adopted by 470 votes to 96, with 121 abstentions, a resolution on the implementation of Directive 2009/81/EC concerning procurement in the fields of defence and security, and of Directive 2009/43/EC, concerning the transfer of defence-related products.

The Defence Package directives are needed to further develop a common European security and defence culture, based on the Union's shared values and objectives. However, progress is still needed to fully achieve the objectives of these directives: in addition to the usual hurdles to market entry, such as geographical distance, language barriers and lack of knowledge of cross-border markets, SMEs in the defence sector face major difficulties in participating in public procurement.

Improving the functioning of the internal market for defence products through better implementation and enforcement of the defence package

Members reiterated their support for the ambitions of the defence package directives but regretted the continued fragmentation of the EU's internal market for defence products, stressing that a very high volume of procurement expenditure is still incurred outside the directive and that an overwhelming percentage of contracts are still awarded nationally.

The systematic use by the Member States of the provisions relating to exclusion, in particular those laid down in Article 346 of the Treaty on the Functioning of the European Union (TFEU), could undermine the full and proper implementation of the Defence Procurement Directive.

Parliament considered that the effective implementation and enforcement of the Defence Procurement Directive remains a top priority and that, to this end, Member States should ensure equal treatment, transparency, competition and access to public procurement contracts.

As regards the Transfers Directive, the take-up of the new tools, including General Transfer Licences (GTLs), is relatively low compared to individual transfer licences. Lack of knowledge of the tools provided by the Directive, of the possibilities offered in the internal market and of the export control system used by Member States, in addition to the lack of harmonisation in the implementation of GTAs, are major obstacles to the effective application of the Directive.

The Commission is called on to be firm in its enforcement, including by making greater use of the right to initiate infringement proceedings, for example in the case of systematic use of exclusions.

Member States are asked for more systematic and comprehensive reporting of consistent, accurate and comparable data concerning their use of exemptions in order to improve scrutiny over and the implementation of the relevant Commission guidelines.

Tackling market fragmentation and increasing SME participation

Parliament noted that the level of SME participation in the defence market remains low and the certification processes are regarded as costly, lengthy and burdensome, and hence neither accessible nor attractive for SMEs. It called on Member States to follow the Commission's recommendation on access to cross-border defence markets for sub-suppliers and SMEs, in particular regarding the quality of information requirements, the division of contracts into lots or the alleviation of the administrative burden arising from the procurement procedure. The Commission is invited to improve SMEs' access to finance and to thoroughly examine the reasons why SMEs are not fully integrated into the single market for defence products.

The resolution suggests the creation of an updated map of relevant SME data that would allow Member States to identify SMEs with the necessary capacity for a given project.

Towards a European defence equipment market (EDEM)

Members considered that better implementation of the directives would enhance the effectiveness of defence initiatives launched in recent years, including the Permanent Structured Cooperation (PESCO), the Coordinated Annual Review of Defence (CARD), the EDF and the Capability Development Plan (CDP). They called on Member States to strengthen the EDEM by cooperating on projects under the PESCO and the EDF.

The Commission is invited to take specific actions to strengthen confidence between Member States in the field of defence and security. Member States are called upon to demonstrate political will by strengthening intra-EU defence procurement and research and development cooperation, as well as to use common procurement and research projects to boost interoperability between their militaries.

The resolution called for a more coherent implementation of the EU common position on arms exports and stresses the need for the Commission to present a strategy for a comprehensive EU-wide security of supply regime strategy, in order to establish a reliable and comprehensive European defence equipment market and an efficient defence sector.

Lastly, it recommended an appropriate analysis be carried out into what impact Brexit will have on the EU defence equipment market.