

European Defence Fund 2021-2027

2018/0254(COD) - 28/11/2018 - Committee report tabled for plenary, 1st reading/single reading

The Committee on Industry, Research and Energy adopted the report by Zdzisław KRASNOBŹSKI (ECR, PL) on the proposal for a regulation of the European Parliament and of the Council establishing the European Defence Fund.

The Committee on Foreign Affairs, exercising its prerogative as an associated committee in accordance with [Article 54 of the Rules of Procedure](#), also gave its opinion on the report.

The committee recommended that the European Parliament's position adopted at first reading under the ordinary legislative procedure should amend the Commission's proposal as follows.

Subject matter: the proposed Regulation seeks to establish the European Defence Fund. It lays down the objectives of the Fund, the budget for the period 2021-2027, the forms of Union funding and the rules for providing such funding.

Objectives: the general objective of the Fund is to foster the competitiveness, efficiency and innovation capacity of the European defence industry, by supporting collaborative actions and cross-border cooperation between legal entities throughout the Union, including SMEs and mid-caps as well as strengthening and improving the agility of both defence supply and value chains, widening cross-border cooperation between legal entities and fostering the better exploitation of the industrial potential of innovation, research and technological development, at each stage of the life cycle of defence products and technologies.

The Fund shall contribute to the freedom of action of the Union and its strategic autonomy, in particular in technological and industrial terms.

It shall take into account the Action Plan on Military Mobility as part of the next Connecting Europe Facility, European Peace Facility to support, and, inter alia, Common Foreign and Security Policy CFSP/CSDP Missions and efforts to counter Hybrid Threats, that together with the Capability Development Plan (CDP), the coordinated annual review on defence (CARD) and Permanent Structured Cooperation (PESCO) help to coordinate capability planning, development, procurement and operations.

The Fund shall have the following specific objectives:

- support highly efficient collaborative research projects that could significantly boost the performance of European future capabilities, aiming at maximising innovation and introducing new defence products and technologies, including disruptive ones;
- support collaborative European development projects of defence products and technologies consistent with defence capability priorities commonly agreed by Member States within the framework of the Common Foreign and Security Policy.

Budget: the proposed financial envelope for the implementation of the European Defence Fund for the period 2021-2027 shall be EUR 11.5 billion in 2018 prices. The distribution of the amount shall be:

- EUR 3.6 billion for research actions;
- EUR 7.8 billion for development actions.

In order to respond to unforeseen situations or to new developments and needs, the Commission may, within the annual budgetary procedure, deviate from the amounts by a maximum of 10 %.

Members called on the Commission to ensure that administrative procedures are kept as simple as possible and incur a minimum amount of additional expenses.

Work programmes: Members called for the Commission to ensure the coherence of the work programmes throughout the life-cycle management of defence products and technologies.