



**2022/0219(COD)**

18.1.2023

**\*\*\*I**

## **DRAFT REPORT**

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)0349 – C9-0287/2022 – 2022/0219(COD))

Committee on Foreign Affairs  
Committee on Industry, Research and Energy

Rapporteurs: Michael Gahler, Zdzisław Krasnodębski

(Joint committee procedure – Rule 58 of the Rules of Procedure)

### ***Symbols for procedures***

- \* Consultation procedure
- \*\*\* Consent procedure
- \*\*\*I Ordinary legislative procedure (first reading)
- \*\*\*II Ordinary legislative procedure (second reading)
- \*\*\*III Ordinary legislative procedure (third reading)

(The type of procedure depends on the legal basis proposed by the draft act.)

### ***Amendments to a draft act***

#### **Amendments by Parliament set out in two columns**

Deletions are indicated in ***bold italics*** in the left-hand column. Replacements are indicated in ***bold italics*** in both columns. New text is indicated in ***bold italics*** in the right-hand column.

The first and second lines of the header of each amendment identify the relevant part of the draft act under consideration. If an amendment pertains to an existing act that the draft act is seeking to amend, the amendment heading includes a third line identifying the existing act and a fourth line identifying the provision in that act that Parliament wishes to amend.

#### **Amendments by Parliament in the form of a consolidated text**

New text is highlighted in ***bold italics***. Deletions are indicated using either the **■** symbol or ~~strikeout~~. Replacements are indicated by highlighting the new text in ***bold italics*** and by deleting or striking out the text that has been replaced.

By way of exception, purely technical changes made by the drafting departments in preparing the final text are not highlighted.

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## DRAFT EUROPEAN PARLIAMENT LEGISLATIVE RESOLUTION

**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)0349 – C9-0287/2022 – 2022/0219(COD))**

**(Ordinary legislative procedure: first reading)**

*The European Parliament,*

- having regard to the Commission proposal to Parliament and the Council (COM(2022)0349),
  - having regard to Article 294(2) and Article 173(3) of the Treaty on the Functioning of the European Union, pursuant to which the Commission submitted the proposal to Parliament (C9-0287/2022),
  - having regard to Article 294(3) of the Treaty on the Functioning of the European Union,
  - having regard to the opinion of the European Economic and Social Committee of 21 September 2022<sup>1</sup>,
  - having regard to Rule 59 of its Rules of Procedure,
  - having regard to the opinion of the Committee on Budgets, the position in the form of amendments of the Committee on Budgetary Control and the opinion of the Committee on the Internal Market and Consumer Protection,
  - having regard to the report of the Committee on Foreign Affairs and the Committee on Industry, Research and Energy (A9-0000/2023),
1. Adopts its position at first reading hereinafter set out;
  2. Calls on the Commission to refer the matter to Parliament again if it replaces, substantially amends or intends to substantially amend its proposal;
  3. Instructs its President to forward its position to the Council, the Commission and the national parliaments.

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<sup>1</sup> OJ C 486 of 21.12.2022, p. 168.

## Amendment 1

### Proposal for a regulation Recital 1

*Text proposed by the Commission*

(1) The EU Heads of State or Government, meeting in Versailles on 11 March, committed to “bolster European defence capabilities” in light of the Russian military aggression against Ukraine. They agreed to increase defence expenditures, step up cooperation through joint projects, and common procurement of defence capabilities, close shortfalls, boost innovation and strengthen and develop the EU defence industry.

*Amendment*

(1) The EU Heads of State or Government, meeting in Versailles on 11 March, committed to “bolster European defence capabilities” in light of the Russian military aggression against Ukraine. They agreed to increase defence expenditures, step up cooperation through joint projects, and common procurement of defence capabilities, close shortfalls, boost innovation and strengthen and develop the EU defence industry, ***which is a crucial player that should contribute to the security of Member States by providing new capabilities in a timely manner in order to keep pace with the changing security environment.***

Or. en

## Amendment 2

### Proposal for a regulation Recital 2

*Text proposed by the Commission*

(2) The unjustified invasion of Ukraine by the Russian Federation on 24 February 2022 and the ongoing armed conflict in Ukraine has made it clear that it is critical to act now to address the existing shortfalls. It has led to the return of high-intensity warfare and territorial conflict in Europe, ***requiring*** a significant increase in the capacity of Member States to fill the most urgent and critical gaps, especially those exacerbated by the transfer of defence products to Ukraine.

*Amendment*

(2) The unjustified invasion of Ukraine by the Russian Federation on 24 February 2022 and the ongoing armed conflict in Ukraine has made it clear that it is critical to act now to address the existing shortfalls. It has led to the return of high-intensity warfare and territorial conflict in Europe, ***with a direct impact on Member States and the daily life of their citizens. It requires*** a significant increase in the capacity of Member States to fill the most urgent and critical gaps, especially those exacerbated by the transfer of defence products to Ukraine, ***in particular in the Member States in its close***

*neighbourhood.*

Or. en

### Amendment 3

#### Proposal for a regulation Recital 2 a (new)

*Text proposed by the Commission*

*Amendment*

***(2a) Furthermore, the Russian military aggression against Ukraine has placed some Member States in the direct neighbourhood of a war zone, with all the difficulties that the proximity to the war front implies, including accidental civilian casualties in the border area, massive movement of people fleeing the war, organisation of shipment of military and humanitarian aid, but also a pressing need to prepare themselves militarily for a potential escalation of the armed conflict to their own territories.***

Or. en

### Amendment 4

#### Proposal for a regulation Recital 3

*Text proposed by the Commission*

*Amendment*

(3) The Commission and the High Representative presented a Joint Communication on “The Defence Investment Gaps Analysis and Way Forward” on 18 May 2022. The Communication highlighted the existence, within the EU, of defence financial, industrial and capability gaps.

(3) The Commission and the High Representative presented a Joint Communication on “The Defence Investment Gaps Analysis and Way Forward” on 18 May 2022. The Communication highlighted the existence, within the EU, of defence financial, industrial and capability gaps ***and, in particular specified that the return of warfare to Europe has underlined the effects of years of defence underspending, which has led to an accumulation of gaps and shortfalls in the collective military inventories as well as reduced industrial production capacity. In addition to***

*correcting this situation, increased defence expenditure should also urgently address the short-term need to replenish and expand defence stocks to compensate for the military assistance to Ukraine, to replace Soviet era legacy systems and to reinforce strategic capabilities.*

Or. en

## Amendment 5

### Proposal for a regulation Recital 5

*Text proposed by the Commission*

(5) Such a new instrument will contribute to reinforce common defence procurement and, through the associated Union financing, to strengthen EU defence industrial capabilities.

*Amendment*

(5) Such a new instrument will contribute to reinforce common defence procurement, *especially with regard to achieving Member States' ambition of achieving 35% of total equipment spending for European collaborative defence equipment procurement, which only reached 18% in 2021* and, through the associated Union financing, to strengthen EU defence industrial capabilities.

Or. en

## Amendment 6

### Proposal for a regulation Recital 7

*Text proposed by the Commission*

(7) In the current defence market context, marked by an increased security threat and the realistic perspective of a high intensity conflict, Member States are rapidly increasing their defence budgets and aiming at similar purchases. This results in an amount of demand which exceeds European Defence Technological and Industrial Base manufacturing capacities, currently tailored for peace

*Amendment*

(7) In the current defence market context, marked by an increased security threat and the realistic perspective of a high intensity conflict, Member States are rapidly increasing their defence budgets and aiming at similar purchases. *In fact, twenty-one Member States are committed to allocating 2% of GDP to defence spending, while simultaneously having a collective benchmark of 20 % of their respective defence spending dedicated to*



time.

**equipment procurement.** This results in an amount of demand which exceeds European Defence Technological and Industrial Base manufacturing capacities, currently tailored for peace time.

Or. en

## Amendment 7

### Proposal for a regulation

#### Recital 8

##### *Text proposed by the Commission*

(8) As a result, strong price inflation can be anticipated, as well as longer delays in delivery time, potentially harming the security of the Union and its Member States. Defence industries need to secure the production capacity necessary to process orders, as well as critical raw materials and sub-components. In this context producers might privilege major orders, potentially leaving exposed the most vulnerable countries, lacking the critical size and financial means to ensure large orders.

##### *Amendment*

(8) As a result, strong price inflation can be anticipated, as well as longer delays in delivery time, potentially harming the security of the Union and its Member States. Defence industries need to secure the production capacity necessary to process orders, as well as critical raw materials and sub-components. In this context producers might privilege major orders, potentially leaving exposed the most vulnerable countries, lacking the critical size and financial means to ensure large orders. ***Further, to restore deterrence in the Euro-Atlantic region, export licensing processes and technology transfer policies should be loosened.***

Or. en

## Amendment 8

### Proposal for a regulation

#### Recital 13

##### *Text proposed by the Commission*

(13) The Short Term Instrument should offset the complexity and risks associated with such joint actions while allowing economies of scale in the actions undertaken by Member States to reinforce and modernise the ***European Technological and Industrial Base***, increasing thereby the Union's capacity

##### *Amendment*

(13) The Short Term Instrument should offset the complexity and risks associated with such joint actions while allowing economies of scale in the actions undertaken by Member States to reinforce and modernise the ***EDTIB***, increasing thereby the Union's capacity resilience and security of supply. Incentivizing common

resilience and security of supply. Incentivizing common procurement would also result into diminished costs in terms of exploitation, maintenance and withdrawal of the systems.

procurement would also result into diminished costs in terms of exploitation, maintenance and withdrawal of the systems. ***While using economies of scale, the Instrument should be accompanied by efforts to preserve a level playing field for suppliers from all Member States.***

Or. en

## Amendment 9

### Proposal for a regulation Recital 14

#### *Text proposed by the Commission*

(14) This Instrument will build on and take into account the work of the Defence Joint Procurement Task Force established by the Commission and the High Representative/Head of Agency, in line with the Joint Communication ‘Defence Investment Gaps Analysis and Way Forward’, to coordinate very short-term defence procurement needs and engage with Member States and EU defence manufacturers to support joint procurement to replenish stocks, notably in light of the support provided to Ukraine.

#### *Amendment*

(14) This Instrument will build on and take into account the work of the Defence Joint Procurement Task Force established by the Commission and the High Representative/Head of Agency, in line with the Joint Communication ‘Defence Investment Gaps Analysis and Way Forward’, to coordinate very short-term defence procurement needs and engage with Member States and EU defence manufacturers to support joint procurement to replenish stocks ***with technologically sophisticated and rapidly deployable equipment***, notably in light of the support provided to Ukraine, ***in particular by the Member States in its close neighbourhood.***

Or. en

## Amendment 10

### Proposal for a regulation Recital 15

#### *Text proposed by the Commission*

(15) The Instrument ***is coherent*** with existing collaborative EU defence-related initiatives such as in the European Defence Fund as well as the Permanent Structured Cooperation (PESCO), and generates

#### *Amendment*

(15) The Instrument ***should preserve coherence*** with existing collaborative EU defence-related initiatives such as in the European Defence Fund (***EDF***) as well as the Permanent Structured Cooperation

synergies with other EU programmes. The Instrument is fully coherent with the ambition of the Strategic Compass.

(PESCO), and generates synergies with other EU programmes. The Instrument is fully coherent with the ambition of the Strategic Compass ***and the goals and priorities of North Atlantic Treaty Organization (NATO), which remains the foundation of the collective defence of its members.***

Or. en

## **Amendment 11**

### **Proposal for a regulation Recital 15 a (new)**

*Text proposed by the Commission*

*Amendment*

***(15a) Member States that participate in the common procurement of defence products under the Instrument should have a right to invite Ukraine and Moldova to participate in the action. To this end, the Member States should authorise a procurement agent to enter into an agreement for procuring additional quantities of the defence product with those third countries. Such an agreement would benefit the EDTIB as those countries' participation would provide better economies of scale and scope, higher demand and interoperability at the technical level, common training, cross-servicing and maintenance, which would provide a foundation for the later inclusion of their defence industries in the EDTIB. It would also strengthen the two countries' defence capabilities in light of Russia's aggression and threats. The possibility to participate on the invitation of the Member States in the procurement agreement should be open to Georgia as soon as the European Council grants it the status of candidate country, once the priorities specified in the Commission's opinion on Georgia's membership application have been addressed.***

Or. en

## Amendment 12

### Proposal for a regulation Recital 20

*Text proposed by the Commission*

(20) Where the Union grant takes the form of financing not linked to costs, the Commission should determine in the work programme the funding conditions for each action, in particular (a) a description of action involving cooperation for common procurement with a view to addressing the most urgent and critical capacity needs, (b) the milestones for the implementation of the action, (c) the rough order of magnitude expected from the common procurement and (d) the maximum Union contribution available.

*Amendment*

(20) Where the Union grant takes the form of financing not linked to costs, the Commission should determine in the ***multiannual*** work programme the funding conditions for each action ***leading to common procurement of defence products as identified in Communication “The Defence Investment Gaps Analysis and Way Forward”***, in particular (a) a description of action involving cooperation for common procurement with a view to addressing the most urgent and critical capacity needs, (b) the milestones for the implementation of the action, (c) the rough order of magnitude expected from the common procurement and (d) the maximum Union contribution available. ***Furthermore, it should determine the procedure for evaluation and selection of the proposals, as well as for monitoring and disbursement process throughout the implementation of the respective action.***

Or. en

## Amendment 13

### Proposal for a regulation Recital 21

*Text proposed by the Commission*

(21) To generate the incentive effect, the level of Union contribution may be differentiated based on factors such as (a) the complexity of the common procurement, for which a proportion of the anticipated size of the procurement contract, based on experience gained in similar actions, may serve as an initial

*Amendment*

(21) To generate the incentive effect, the level of Union contribution may be differentiated based on factors such as (a) the complexity of the common procurement, for which a proportion of the anticipated size of the procurement contract, based on experience gained in similar actions, may serve as an initial

proxy, (b) the characteristics of the cooperation, such as joint usage, stockpiling, ownership or maintenance, which are likely to induce stronger interoperability outcomes and long-term investment signals to industry, and (c) the number of participating Member States or associated countries or the inclusion of additional Member States or associated countries to existing cooperations.

proxy, (b) the characteristics of the cooperation, such as joint usage, stockpiling, ownership or maintenance, ***as well as replacement of stockpiles of Soviet-era legacy defence systems with European solutions***, which are likely to induce stronger interoperability outcomes and long-term investment signals to industry, and (c) the number of participating Member States or associated countries or the inclusion of additional Member States or associated countries to existing cooperations.

Or. en

## Amendment 14

### Proposal for a regulation Recital 21 a (new)

*Text proposed by the Commission*

*Amendment*

***(21a) Russia's brutal and unprovoked war of aggression against Ukraine became a turning point for European security, and in particular for Bulgaria, Estonia, Hungary, Latvia, Lithuania, , Poland, Romania, Slovakia and Finland that are bordering Russia and Ukraine or have their territorial waters or Exclusive Economic Zones adjacent to those of Ukraine. Those Member States have become the target of threatening rhetoric and hostile actions by Russia, supported by Belarus. Despite facing fundamental threats to their own security, they continue to support Ukraine in providing assistance, including military assistance, thus significantly depleting their own stockpiles. The Instrument should therefore provide incentives for the participation of those Member States by granting higher Union contribution to actions where at least two such Member States participate. In addition, such a higher Union contribution should also apply for actions in which Member States decide to authorise the procurement agent***

*to procure additional quantities of the respective defence product for Ukraine and Moldova. Given that those countries are partially occupied by Russia or its proxies, and are the targets of Russia's military aggression or are under threat of a direct Russian military intervention, further support for Ukraine and Moldova, which are Union candidate countries, would substantially contribute to European security, while strengthening the EDTIB and fostering cooperation in defence procurement.*

Or. en

## Amendment 15

### Proposal for a regulation Recital 23

*Text proposed by the Commission*

(23) In accordance with Article 193(2) of the Financial Regulation, a grant may be awarded for an action which has already begun, provided that the applicant can demonstrate the need for starting the action prior to signature of the grant agreement. However, financial contribution should not cover a period prior to the date of submission of the grant application, except in duly justified exceptional cases. In order to avoid any disruption in Union support which could be prejudicial to the interests of the Union, it should be possible to provide in the financing decision for financial contributions to actions ***that cover a period from the 24 February 2022***, even if they have started before the grant application was submitted.

*Amendment*

(23) In accordance with Article 193(2) of the Financial Regulation, a grant may be awarded for an action which has already begun, provided that the applicant can demonstrate the need for starting the action prior to signature of the grant agreement. However, financial contribution should not cover a period prior to the date of submission of the grant application, except in duly justified exceptional cases. In order to avoid any disruption in Union support which could be prejudicial to the interests of the Union, it should be possible to provide in the financing decision for financial contributions to actions, even if they have started before the grant application was submitted. ***Thus, by way of derogation from Article 193(2) of the Financial Regulation, cooperation between Member States established between the 24 February 2022 and the entry into force of the current Regulation, and addressing the most urgent and critical defence product needs, should be retroactively eligible for funding for as long as it can be demonstrated that the***

*perspective of Union funding has provided an incentive for cooperation and that they contribute to the objectives of the Regulation and comply with its requirements.*

Or. en

## **Amendment 16**

### **Proposal for a regulation**

#### **Article 2 – paragraph 1 – point 5**

*Text proposed by the Commission*

(5) ‘procurement agent’ means a contracting authority established in a Member State or an associated country designated by at least three Member States to conduct a common procurement on their behalf, ***including Union bodies or international organisations;***

*Amendment*

(5) ‘procurement agent’ means a contracting authority established in a Member State or an associated country, ***the European Defence Agency or an international organisation,*** designated by at least three Member States to conduct a common procurement on their behalf;

Or. en

## **Amendment 17**

### **Proposal for a regulation**

#### **Article 2 – paragraph 1 – point 5 a (new)**

*Text proposed by the Commission*

*Amendment*

***(5a) ‘defence products’ mean products awarded in the fields of defence and security, within the meaning of Article 2 of Directive 2009/81/EC, as well as medical supplies and medical support equipment in order to replenish, and, if considered to be necessary in light of the changed security situation, to expand stockpiles depleted as a result of the response to the Russian military aggression against Ukraine;***

Or. en



## Amendment 18

### Proposal for a regulation

#### Article 3 – paragraph 1 – point a

*Text proposed by the Commission*

(a) to foster the competitiveness and efficiency of the European Defence Technological and Industrial Base (EDTIB) for a more resilient Union, in particular by speeding up, in a collaborative manner, the adjustment of industry to structural changes, including ramp-up of *its* manufacturing capacities;

*Amendment*

(a) to foster the competitiveness and efficiency of the European Defence Technological and Industrial Base (EDTIB), ***including SMEs and mid-capitalisation companies (mid-caps)***, for a more resilient Union, in particular by speeding up, in a collaborative manner, the adjustment of industry to structural changes, including ramp-up of manufacturing capacities ***and the opening of the supply chains with cross-border engagement throughout the Union, thereby enhancing the EDTIB's capacities to provide the defence products needed by Member States;***

Or. en

## Amendment 19

### Proposal for a regulation

#### Article 3 – paragraph 1 – point b

*Text proposed by the Commission*

(b) to foster cooperation in defence procurement process between ***participating*** Member States ***contributing*** to solidarity, interoperability, prevention of crowding-out effects, ***avoiding*** fragmentation and ***increasing*** the effectiveness of public spending.

*Amendment*

(b) to foster cooperation in defence procurement process between Member States ***in order to contribute*** to solidarity, interoperability, ***and*** prevention of crowding-out effects, ***as well as to reduce*** fragmentation and ***to increase*** the effectiveness of public spending.

Or. en

## Amendment 20

### Proposal for a regulation

#### Article 3 – paragraph 2



*Text proposed by the Commission*

2. The objectives shall be pursued with an emphasis on strengthening and developing the Union ***defence industrial base*** to allow it to address in particular the most urgent and critical defence products needs, especially those revealed or exacerbated by the response to the Russian aggression against Ukraine, taking into account the work of the Defence Joint Procurement Task Force.

*Amendment*

2. The objectives shall be pursued with an emphasis on strengthening and developing ***EDTIB throughout*** the Union to allow it to address in particular the most urgent and critical defence products needs, especially those revealed or exacerbated by the response to the Russian aggression against Ukraine, taking into account the ***Joint Communication JOIN(2022) 24 final of the Commission and the High Representative of 18 May 2022 on the Defence Investment Gaps Analysis and Way Forward*** and the work of the Defence Joint Procurement Task Force. ***This can be achieved through the replenishment of stockpiles, including with the equipment immediately available on the market, as well as through the replacement of obsolete ones, especially post-Soviet equipment, and reinforcement of overall defence capabilities.***

Or. en

**Amendment 21**

**Proposal for a regulation  
Article 4 – paragraph 1**

*Text proposed by the Commission*

1. The financial envelope for the implementation of the Instrument for the period from the entry into force of this Regulation to 31 December 2024 shall be EUR ***500 million*** in current prices.

*Amendment*

1. The financial envelope for the implementation of the Instrument for the period from the entry into force of this Regulation to 31 December 2024 shall be EUR ***1,5 billion*** in current prices.

Or. en

**Amendment 22**

**Proposal for a regulation  
Article 5 – title**

*Text proposed by the Commission*

*Amendment*

Third countries *associated to the Instrument*

*Associated countries and additional arrangements applicable to other third countries*

Or. en

## **Amendment 23**

**Proposal for a regulation**  
**Article 5 – paragraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

*The agreement between the participating Member States and the procurement agent referred to in Article 8(2) of this Regulation may authorise the procurement agent to invite and enter into an agreement for procuring additional quantities of the defence product subject to the common procurement with those third countries such as Ukraine and Moldova, which are candidates for accession to the European Union and whose territory is in immediate proximity or affected by the war on Ukrainian territory and whose territory is occupied by forces supported by the Russian Federation. Such additional procurement arrangements shall be without prejudice to the applicable provisions of Union law and any relevant international obligations of the participating Member States.*

Or. en

## **Amendment 24**

**Proposal for a regulation**  
**Article 6 – paragraph 3**

*Text proposed by the Commission*

*Amendment*

3. Where necessary for the implementation of an action, financial contributions may cover *a period* prior to

3. Where necessary for the implementation of an action, financial contributions may cover *actions started*

the date of the request for financial contributions for that action, provided that the action has not started prior to the 24 February 2022.

prior to the date of the request for financial contributions for that action, provided that the action has not started prior to the 24 February 2022 ***and have not been completed before the signature of the grant agreement.***

Or. en

## **Amendment 25**

### **Proposal for a regulation Article 6 – paragraph 3 a (new)**

*Text proposed by the Commission*

*Amendment*

***3a. The Union financial contribution to each action shall not exceed 15 % of the amount referred to in Article 4(1) and shall be capped at 20 % of the estimated value of the common procurement contract per consortium of Member States and associated countries.***

***By way of derogation from the first subparagraph, the Union financial contribution to each action shall not be lower than 20 % of the amount referred to in Article 4(1) and shall be capped at 25 % of the estimated value of the common procurements contract, where one or both of the following conditions is met:***

***(a) at least two members of a consortium of Member States and associated countries have a common border with Russia or with countries aggressed by Russia, or have their territorial waters or exclusive economic zones adjacent to those of the countries aggressed by Russia;***

***(b) one of the third countries referred to in Article 5(1a) is a recipient of additional quantities in the procurement action in accordance with that paragraph.***

Or. en

## Amendment 26

### Proposal for a regulation Article 11 – paragraph 1

*Text proposed by the Commission*

1. The Instrument shall be implemented through a work programme as referred to in Article 110 of the Financial Regulation.

*Amendment*

1. The Instrument shall be implemented through a **multiannual** work programme as referred to in Article 110 of the Financial Regulation.

Or. en

## Amendment 27

### Proposal for a regulation Article 11 – paragraph 2

*Text proposed by the Commission*

2. The Commission shall, by means of an implementing act, adopt the work programme referred to in paragraph 1. The implementing act shall be adopted in accordance with the examination procedure referred to in Article 14 paragraph 3.

*Amendment*

2. The Commission, **assisted by the Committee as referred to in Article 14**, shall, by means of an implementing act, adopt the work programme referred to in paragraph 1. The implementing act shall be adopted in accordance with the examination procedure referred to in Article 14 paragraph 3.

Or. en

## Amendment 28

### Proposal for a regulation Article 11 – paragraph 3

*Text proposed by the Commission*

3. The work programme shall set out the minimum financial size of the joint procurement actions and determine the indicative amount of financial support for actions carried out by the minimum number of Member States as referred to in point c) of Article 7 paragraph 1 as well as incentives for **procurement of higher value and** inclusion of additional Member

*Amendment*

3. **In accordance with Article 6(3)**, the work programme shall set out the minimum financial size of the joint procurement actions and determine the indicative amount of financial support for actions carried out by the minimum number of Member States as referred to in point c) of Article 7 paragraph 1 as well as incentives for inclusion of additional Member States, associated countries **or**

States *or* associated countries.

*countries referred to in Article 5(1a).*

Or. en

## Amendment 29

### Proposal for a regulation Article 11 – paragraph 4

#### *Text proposed by the Commission*

4. The work programme shall set out the funding priorities in line with the needs referred to in Article 3 paragraph 2.

#### *Amendment*

4. The work programme shall set out the funding priorities ***for defence products*** in line with the needs referred to in Article 3 paragraph 2, ***which fulfil the requirements of high intensity and long-lasting combat operations and of the related training, and which aim to ensure availability of sufficient quantities of, in particular:***

***(a) all types of ammunition for ground combat, including specific missiles;***

***(b) mid-rang and long-range air to ground ammunitions, in particular precision guided munitions and cruise missiles;***

***(c) air defence-specific effectors, in particular short range air defence and ground-based air defence;***

***(d) logistic supplies and logistic support, transport enablers, military engineering, petrol, oil and lubricants supply;***

***(e) medical supplies and medical support equipment, in the context of which the agreement referred to in Article 8(2) shall contain provisions for close cooperation between the procurement agent and the European medical command;***

***(f) protected combat and combat support equipment;***

***(g) force protection equipment adapted to the operational context;***

***(h) multi-domain Command and***

*control capabilities as well as interoperable communications and information systems;*

*(i) training support equipment and training facilities with regard to points (a) to (h).*

Or. en

## **Amendment 30**

### **Proposal for a regulation**

#### **Article 11 – paragraph 4 a (new)**

*Text proposed by the Commission*

*Amendment*

*4a. The Commission, assisted by the European Defence Agency, shall endeavour to identify components of non-EU origin for which no alternative exists in the Union and take appropriate measures to foster their development in the Union, including through research and development, and in particular, through the European Defence Fund.*

Or. en

## **Amendment 31**

### **Proposal for a regulation**

#### **Article 11 – paragraph 4 b (new)**

*Text proposed by the Commission*

*Amendment*

*4b. The work programme shall set out the procedure for evaluation and selection of the proposals and the description of the monitoring and disbursement process throughout the implementation of the relevant action.*

Or. en

## **Amendment 32**

### **Proposal for a regulation**

#### **Article 12 – paragraph 1**

*Text proposed by the Commission*

1. The Commission shall draw up an evaluation report for the Instrument not later than 31 December **2024** and submit it to the European Parliament and to the Council. The report shall evaluate the impact and effectiveness of the actions taken under the Instrument.

*Amendment*

1. The Commission shall draw up an evaluation report for the Instrument not later than 31 December **2025** and submit it to the European Parliament and to the Council. The report shall evaluate the impact and effectiveness of the actions taken under the Instrument.

Or. en

**Amendment 33**

**Proposal for a regulation**  
**Article 12 – paragraph 2**

*Text proposed by the Commission*

2. The report shall build on consultations of Member States and key stakeholders and shall, ***in particular***, assess the progress made towards the achievement of the objectives set out in Article 3.

*Amendment*

2. The report shall build on consultations of Member States and key stakeholders and shall assess the progress made towards the achievement of the objectives set out in Article 3, ***and shall, in particular, evaluate the contribution of the Instrument to the:***

***(a) creation of new cross-border cooperation between Member States, associated countries or third countries associated to the Instrument;***

***(b) participation of SMEs and mid-caps in the action, as contractors or subcontractors in the supply chain;***

***(c) strengthening of the EDTIB throughout the Union and ensuring a level-playing field for suppliers from the Member States;***

***(d) replenishment of stockpiles that have been depleted as a result of the response to the unprovoked and unjustified military aggression against Ukraine;***

***(e) replacement of Soviet era defence legacy systems still in use with Union solutions.***

**Amendment 34**

**Proposal for a regulation**

**Article 12 – paragraph 2 – subparagraph 1 a (new)**

*Text proposed by the Commission*

*Amendment*

***In addition, the report shall identify, based on considerations of the Union's essential defence capability needs, the most critical components of non-EU origin, including an assessment of the possibilities for the development of alternative components within the Union.***

Or. en