
EU defence: deal on joint procurement of defence products

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- EU countries to be supported in rebuilding and modernising their military equipment
 - The new tool will have a 300 million euro budget until 2025
 - Commission to evaluate its effectiveness and identify critical dependencies
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On Tuesday evening, Parliament and Council reached a deal on new rules to incentivise EU countries to jointly procure defence products and support the EU's defence industry.

The new regulation, informally agreed by the two EU legislators, will establish a short-term instrument to boost the European defence industry through common procurement (EDIRPA), until 31 December 2025. The tool should help member states fill their most urgent and critical defence needs, especially exacerbated by their transfers of defence products to Ukraine, in a voluntary and collaborative way.

It should also help to foster the competitiveness and efficiency of the European Defence Technological and industrial base (EDTIB), including SMEs and mid-capitalisation companies, by ramping up manufacturing and opening supply chains to cross-border cooperation. At least three member states are needed to activate common procurement, which will cover defence products as defined in [Article 2 of Directive 2009/81/EC](#).

Budget and role of associated countries

Parliament and Council negotiators agreed on a budget of 300 million euro to finance the implementation of the instrument. The EU will contribute up to 20% to each purchase of the estimated value of the common procurement contract, for each consortium of member states

and associated countries.

To benefit from these funds, entities with common procurement contracts will have to be established in the EU or in associated countries (including EFTA members of the European Economic Area - i.e. Iceland, Liechtenstein and Norway).

During the talks, MEPs obtained that member states engaging in a joint procurement may also agree to purchase defence products together with Ukraine and Moldova.

Monitoring and reporting

The Commission will evaluate the impact and effectiveness of the actions taken under the EDIRPA upon the termination of the programme. It will identify possible shortfalls and critical dependencies on non associated third countries on raw materials, components and production capacities and propose mitigating measures.

Quotes

[Michael Gahler](#) (EPP, DE), rapporteur for the Foreign Affairs Committee and Security and Defence Subcommittee, said: "If Russia's brutal war against Ukraine taught us one thing, it is that we are not prepared to defend ourselves. We can no longer afford to ignore that and we need to remedy that situation together as we should have done already much earlier. Therefore, the agreement on EDIRPA, despite its rather small budget, marks an important step towards a real Common Security and Defence Policy of the EU."

[Zdzisław Krasnodębski](#) (ECR, PL), rapporteur for the Industry, Research and Energy Committee, said: "We reached a reasonable compromise on this important file: the EP managed to achieve its main objectives, including securing a higher budget for the instrument, while preserving the financing of the equally important Act in Support of Ammunition Production. Such outcome guarantees that both programmes will ultimately meet the expectations attached to them in the difficult geopolitical circumstances we are currently facing."

Next steps

This informal agreement will now have to be endorsed by both Parliament and Council to come into law.

Background

The EDIRPA will complement the [European Peace Facility](#), which supports member states' decision to supply defence equipment to Ukraine and improves coordination as agreed in the [Strategic Compass](#) for security and defence, approved by Council in 2022.

Further information

Procedure file
Committee on Industry, Research and Energy
Committee on Foreign Affairs
Subcommittee on Security and Defence
EP Research service - Briefing on European defence industry
reinforcement through common procurement (17.05.2023)
European Commission proposal

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