
MEPs vote to strengthen EU defence industry through common procurement

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- A €300 million budget until the end of 2025 to enhance defence capabilities
 - There should be at least three EU member states in the consortium to benefit from EU funding
 - EU budget will finance the procurement up to 15% or 20% if SMEs or midcaps are involved
 - Instrument will allow more support to Ukraine and Moldova
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MEPs backed the European Defence Industry Reinforcement through common Procurement Act (EDIRPA) on Tuesday.

The regulation, [already agreed with the Council on 27 June 2023](#), establishes a short-term instrument for the reinforcement of the European defence industry through common procurement until 31 December 2025. It will help member states to fill their most urgent and critical defence needs, which have been exacerbated by transfers of defence products to Ukraine, in a voluntary and collaborative way.

At least three EU countries per consortium and EU-based contractors

A 300 million euros budget will finance the instrument. Joint purchases will have to involve at least three member states, and should be open to the participation of members of the [European Free trade Association](#) which are members of the [European Economic Area](#) (associated countries).

Contractors and subcontractors must be established in the EU or in an associated country, and not be subject to control by a non-associated third country or entity. The cost of components originating in the EU or associated countries shall not be lower than 65% of the estimated value of the end product.

Bonuses for projects supporting Ukraine, Moldova and SMEs

The EU financial contribution to each action will be capped at 15% of the estimated value of the common procurement contract per consortium. This ceiling may be raised to 20% if Ukraine or Moldova are recipients of additional quantities of defence products, or if at least 15% of the estimated value of the common procurement contract is allocated to SMEs or mid-capitalisation companies (those with a medium market capitalisation, known as midcaps), as contractors or subcontractors.

Quotes

“Today's vote marks a historic moment for EU defence, establishing the first EU instrument for joint procurement by member states. It will help them to refill their stocks, increase interoperability among our armed forces, strengthen our industry and contribute to our unwavering support for Ukraine. However, facing a historical crisis, EDIRPA can only be a starting point for a far more ambitious common defence agenda,” co-rapporteur for Foreign Affairs committee [Michael Gahler](#) (EPP, DE) said after the vote.

“We have reached a reasonable compromise that will make EDIRPA complementary to another regulation important for the defence sector: the Act in Support of Ammunition Production. We managed to defend the Parliament's priorities, including for projects that will support Ukraine or Moldova. Most importantly, by intensifying the joint procurement of military equipment, EDIRPA will help to strengthen member states' defence capabilities,” co-rapporteur for Industry, Research and Energy committee [Zdzisław Krasnodębski](#) (ECR, Poland) said.

Next steps

The legislation was adopted with 530 votes to 66, with 32 abstentions. It now requires the Council's formal approval in order to become law.

Background

Russia's war of aggression against Ukraine has dramatically underlined the need to adapt the European defence industrial and technological base (EDTIB) to structural changes: ramp up EU military R&D, modernise military equipment, and strengthen cooperation between Member States in the framework of procurement in the field of defence, in order to make the Union a relevant global player.

Further information

Subcommittee on Security and Defence
Committee on Industry, Research and Energy
Committee on Foreign Affairs
Procedure file

The adopted report will be available here (12.9.2023)

Profile of rapporteur Michael Gahler (EPP, DE)

Profile of rapporteur Zdzislaw Krasnodębski (ECR, Poland)

European Parliament Research Service - European defence industry reinforcement through common procurement act (EDIRPA) (6.9.2023)

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