

MEPs support first ever EU programme on defence industry | News

In a vote on an opinion for the lead Industry committee, drafted by the rapporteur [Ioan Mircea Paşcu](#) (S&D, RO), foreign affairs MEPs welcomed the proposal to set up a European Defence Industrial Development Programme (EDIDP), hoping it will strengthen the technological independence of the EU and its strategic autonomy.

Reducing defence market overlaps

MEPs note that the development phase of the defence products, which follows the research phase, entails significant risks and costs and adversely impact the competitiveness of Union's defence industry. They hope the programme could cover the gap between research and production, develop the modern capabilities necessary for the armed forces of the member states, [reduce the overlaps in the defence market](#) and increase its integration as well as to improve the cooperation amongst member states.

Unification of technical specifications, the development of a critical or a breakthrough technology, greater efficiency and lower cost in the European defence industry are some of the award criteria MEPs want to see being applied when selecting the successful projects.

Only EU companies to benefit

They also suggest to better fine tune EU's support eligibility criteria, so to avoid the development of the defence products to fall under the control or restrictions by non-EU countries or companies.

Not only companies, but also their subcontractors, need to be established in the EU and controlled by member states or their nationals to benefit from EDIDP. In addition the infrastructure and assets used by the beneficiaries in actions funded under the programme shall not be located on the territory of non-EU member state during the entire duration of the action. However by way of derogation products, assets or technologies not located in the Union may be used by beneficiaries if no Union equivalent alternative exists and it does not go against EU's security and defence interests, MEPs say.

Foreign affairs MEPs advocate the widest possible cooperation amongst member states, therefore they suggest to set a criteria that each eligible project should be

developed by at least three companies, established in at least three member states.

Committee MEPs also suggests to exclude certain defence products from EU support scheme, such as weapons of mass destruction or fully autonomous weapons that enable strikes to be carried out without human control, or small arms produced mainly for export.

Funding rates

MEPs want to increase the level of EU's co-funding for prototyping of defence products from 20 percent proposed by the Commission to 30 percent, while leaving it open for other types of actions, such as feasibility studies, testing or certification of a defence product, to be covered fully.

The projects undertaken under the Permanent Structure Cooperation might get a bonus of additional 10 percent co-funding, they add, hinting that the involvement of the SMEs under certain conditions might generate another up to 10 percent co-funding bonus.

Next steps

The opinion of the Foreign Affairs committee drafted by the rapporteur [Ioan Mircea Paşcu](#) (S&D, RO) was voted by 40 votes to 15. It will be forwarded to the lead Industry, Research and Energy committee, which is expected to vote on a final text by the end of February.

Quick facts

The European Defence Industrial Development Programme is one of the [European defence fund](#) pillars, launched in 2017. The programme aims to complement, leverage and consolidate cooperation among Member States to jointly develop defence equipment and technologies. It foresees to co-finance the joint Member States projects with a total budget of €500 million for 2019 and 2020.