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AMENDMENTS

45 - 272

Draft opinion

Anneleen Van Bossuyt

Establishing the European Defence Industrial Development Programme aiming at supporting the competitiveness and innovative capacity of the EU defence industry

Proposal for a regulation

(COM(2017)0294 – C8-0180/2017 – 2017/0125(COD))

AM_Com_LegOpinion

Amendment 45

Igor Šoltes

Proposal for a regulation

Title 1

Text proposed by the Commission

Amendment

Proposal for a
REGULATION OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL
establishing the European Defence
Industrial Development Programme
*aiming at supporting the competitiveness
and innovative capacity of the EU defence
industry*

Proposal for a
REGULATION OF THE EUROPEAN
PARLIAMENT AND OF THE COUNCIL
establishing the European Defence
Industrial Development **Cooperation**
Programme *for an efficient* defence sector

Or. en

Justification

The European Defence Agency (EDA) has until today not been able to Europeanise defence research, development and procurement projects of Member States. In order to boost efficient cooperation between Member States on defence capabilities, the European Commission should be entrusted to ensure that efficient European cooperation is made possible, and offer its administrative capacities for establishing and maintaining a cooperation mechanism between Member States and with undertakings.

Amendment 46

Igor Šoltes

Proposal for a regulation

Recital 1

Text proposed by the Commission

Amendment

(1) In the European Defence Action Plan, adopted on 30 November 2016, the Commission committed to complement, leverage and consolidate collaborative efforts by Member States in developing defence capabilities to respond to security challenges, as well as to foster *a competitive and innovative* European defence industry. *It* proposed in particular

(1) In the European Defence Action Plan, adopted on 30 November 2016, *the Commission described the numerous structural problems in the European defence sector which hamper the efficient use of national resources for making available the defence capabilities needed for an effective Common Security and Defence Policy (CSDP). The Commission*

to launch *a European Defence Fund to support investment* in joint research and the joint development of defence equipment and technologies. *The Fund would support cooperation during the whole cycle of defence product and technology development.*

underlined in particular that duplications, fragmentation, and other structural problems have led to a sector which generates only 15% of capabilities compared to the same investment by the United States of America. The highly inefficient structures and mechanism, coupled with a very low rate of collaborative projects lead to a loss of EUR 25 to 100 billion annually. This is why in the European Defence Action Plan, the Commission committed to complement, leverage and consolidate collaborative efforts by Member States in developing defence capabilities to respond to security challenges, as well as to foster *an efficient* European defence industry. *To realise these objectives it is therefore necessary to enhance, at the level of the Union, the institutional framework for cooperation of Member States and undertakings in the defence industrial development sector. In addition, the Commission* proposed in particular to launch *efficient cooperation actions that would lead to investments by the Member States* in joint research and the joint development of defence equipment and technologies.

Or. en

Amendment 47

Virginie Rozière, Pina Picierno, Nicola Danti, Sergio Gutiérrez Prieto

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) In the European Defence Action Plan, adopted on 30 November 2016, the Commission committed to complement, leverage and consolidate collaborative efforts by Member States in developing defence capabilities to respond to security

Amendment

(1) *Despite the Union being the second largest global defence spender, the lack of economies of scale in the defence industry translates into a reduced quality and quantity of the defence output. 80% of defence procurement in Europe is still*

challenges, as well as to foster a competitive and innovative European defence industry. It proposed in particular to launch a European Defence Fund to support investment in joint research and the joint development of defence equipment and technologies. The Fund would support cooperation during the whole cycle of defence product and technology development.

done nationally. An integrated European defence market must cater for all the different security needs of all Member States simultaneously and affordably. In the European Defence Action Plan, adopted on 30 November 2016, the Commission committed to complement, leverage and consolidate collaborative efforts by Member States in developing defence capabilities to respond to security challenges, as well as to foster a competitive and innovative European defence industry. It proposed in particular to launch a European Defence Fund to support investment in joint research and the joint development of defence equipment and technologies. The Fund would support cooperation during the whole cycle of defence product and technology development.

Or. en

Amendment 48
Antonio López-Istúriz White

Proposal for a regulation
Recital 1

Text proposed by the Commission

(1) In the European Defence Action Plan, adopted on 30 November 2016, the Commission committed to complement, leverage and consolidate collaborative efforts by Member States in developing defence capabilities to respond to security challenges, as well as to foster a competitive and innovative European defence industry. It proposed in particular to launch a European Defence Fund to support investment in joint research and the joint development of defence equipment and technologies. The Fund would support cooperation during the whole cycle of defence product and

Amendment

(1) In the European Defence Action Plan, adopted on 30 November 2016, the Commission committed to complement, leverage and consolidate collaborative efforts by Member States in developing defence capabilities to respond to security challenges, as well as to foster a competitive and innovative European defence industry. It proposed in particular to launch a European Defence Fund to support investment in joint research and the joint development of defence equipment and technologies. ***The Fund should complement national defence budgets and serve to encourage Member***

technology development.

States to invest more in defence. The Fund would support cooperation during the whole cycle of defence product and technology development.

Or. es

Amendment 49

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) In the European Defence Action Plan, adopted on 30 November 2016, the Commission committed to complement, leverage and consolidate collaborative efforts by Member States in developing defence capabilities to respond to security challenges, as well as to foster a competitive and innovative European defence industry. It proposed in particular to launch a European Defence Fund to support investment in joint research and the joint development of defence equipment and technologies. The Fund would support cooperation during the whole cycle of defence product and technology development.

Amendment

(1) In the European Defence Action Plan, adopted on 30 November 2016, the Commission committed to complement, leverage and consolidate collaborative efforts by Member States in developing defence capabilities to respond to security challenges, as well as to foster a competitive and innovative European defence industry. It proposed in particular to launch a European Defence Fund to support investment in joint research and the joint development of defence equipment and technologies. The Fund would support cooperation during the whole cycle of defence product and technology development, ***as well as undertakings in the scope of conversion from military to civilian production.***

Or. en

Amendment 50

Jasenko Selimovic, Dita Charanzová

Proposal for a regulation

Recital 1

Text proposed by the Commission

(1) In the European Defence Action Plan, adopted on 30 November 2016, the Commission committed to complement, leverage and consolidate collaborative efforts by Member States in developing defence capabilities to respond to security challenges, as well as to foster a competitive and innovative European defence industry. It proposed in particular to launch a European Defence Fund to support investment in joint research and the joint development of defence equipment and technologies. The Fund would support cooperation during the whole cycle of defence product and technology development.

Amendment

(1) In the European Defence Action Plan, adopted on 30 November 2016, the Commission committed to complement, leverage and consolidate collaborative efforts by Member States in developing defence capabilities to respond to security challenges, as well as to foster a competitive and innovative European defence industry ***and to encourage the creation of a genuine and integrated European defence market***. It proposed in particular to launch a European Defence Fund to support investment in joint research and the joint development of defence equipment and technologies. The Fund would support cooperation during the whole cycle of defence product and technology development.

Or. en

Amendment 51

Igor Šoltes

Proposal for a regulation

Recital 1 a (new)

Text proposed by the Commission

Amendment

(1a) It is of crucial importance for the establishment of an efficient European Defence Equipment Market, including for the European Defence Industrial Programme to have a real impact, to make sure that the key regulatory preconditions are fulfilled. It should be noted in this regard that the Directive on procurement was adopted eight years ago with a view to improve the functioning of the defence market and increasing competition. If fully applied, that Directive could still significantly contribute to the achievement of an integrated open and competitive

European Defence Equipment Market. However, the evaluations of that Directive identified a number of shortcomings. In particular, despite a more than twofold increase in the value of the contracts published Union-wide, a very significant share of defence procurement is still done outside Union public procurement rules leaving a significant untapped potential to generate further public savings. Furthermore, public authorities still use, to some extent, offsets/industrial return requirements which can lead to uncertainties for the industry. Finally, the provisions on subcontracting of that Directive, which enable procurement authorities to require the successful tenderer to subcontract a share of the contract to third parties via competitive tendering, are rarely applied. After eight years of inactivity, it is now time for the effective implementation of that Directive, including through enforcement by the Commission.

Or. en

Amendment 52

Virginie Rozière, Pina Picierno, Nicola Danti, Sergio Gutiérrez Prieto, Arndt Kohn

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) In order to contribute to the enhancement of the competitiveness and innovation capacity of the Union's defence industry, a European Defence Industrial Development Programme (hereinafter referred to as the Programme) should be established. The Programme should aim at enhancing the competitiveness of the Union's defence industry inter alia cyber defence by supporting the cooperation between undertakings in the development

Amendment

(2) In order to contribute to the enhancement of the competitiveness and innovation capacity of the Union's defence industry, a European Defence Industrial Development Programme (hereinafter referred to as the Programme) should be established. The Programme should aim at enhancing the competitiveness of the Union's defence industry, inter alia ***the cyber defence industry, which is a priority of the defence industry, taking into***

phase of defence products and technologies. The development phase, which follows the research and technology phase, entails significant risks and costs that hamper the further exploitation of the results of research and adversely impact the competitiveness of the Union's defence industry. By supporting the development phase, the Programme would contribute to a better exploitation of the results of defence research and it would help to cover the gap between research and production as well as to promote all forms of innovation. The Programme should complement activities carried out in accordance with Article 182 TFEU and it does not cover the production of defence products and technologies.

account developments in the speed and sophistication of cyber-attacks, by supporting the cooperation between undertakings in the development phase of defence products and technologies. The development phase, which follows the research and technology phase, entails significant risks and costs that hamper the further exploitation of the results of research and adversely impact the competitiveness of the Union's defence industry. By supporting the development phase, the Programme would contribute to a better exploitation of the results of defence research and it would help to cover the gap between research and production as well as to promote all forms of innovation. The Programme should complement activities carried out in accordance with Article 182 TFEU and it does not cover the production of defence products and technologies.

Or. en

Amendment 53

Philippe Juvin

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) In order to contribute to the enhancement of the competitiveness and innovation capacity of the Union's defence industry, a European Defence Industrial Development Programme (hereinafter referred to as the Programme) should be established. The Programme should aim at enhancing the competitiveness of the Union's defence industry inter alia cyber defence by supporting the cooperation between undertakings in the development phase of defence products and technologies. The development phase,

Amendment

(2) In order to contribute to the enhancement of the competitiveness and innovation capacity of the Union's defence industry *and to consolidate the Union's strategic autonomy and technological non-dependence in matters of defence*, a European Defence Industrial Development Programme (hereinafter referred to as the Programme) should be established. The Programme should aim at enhancing the competitiveness *and performance* of the Union's defence industry inter alia cyber defence by supporting the cooperation

which follows the research and technology phase, entails significant risks and costs that hamper the further exploitation of the results of research and adversely impact the competitiveness of the Union's defence industry. By supporting the development phase, the Programme would contribute to a better exploitation of the results of defence research and it would help to cover the gap between research and production as well as to promote all forms of innovation. The Programme should complement activities carried out in accordance with Article 182 TFEU and it does not cover the production of defence products and technologies.

between undertakings in the development phase of defence products and technologies. The development phase, which follows the research and technology phase, entails significant risks and costs that hamper the further exploitation of the results of research and adversely impact the competitiveness of the Union's defence industry. By supporting the development phase, the Programme would contribute to a better exploitation of the results of defence research and it would help to cover the gap between research and production as well as to promote all forms of innovation. The Programme should complement activities carried out in accordance with Article 182 TFEU and it does not cover the production of defence products and technologies.

Or. fr

Justification

Technological “non-dependence” is a reference to the European Defence Agency, which has drawn up a list of 39 strategic technologies, mainly in the field of space and defence. ‘Performance’ - this term is defined in Article 10, paragraph 1.

Amendment 54

Antonio López-Istúriz White

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) In order to contribute to the enhancement of the competitiveness and innovation capacity of the Union's defence industry, a European Defence Industrial Development Programme (hereinafter referred to as the Programme) should be established. The Programme should aim at enhancing the competitiveness of the Union's defence industry inter alia cyber defence by supporting the cooperation

Amendment

(2) In order to contribute to the enhancement of the competitiveness and innovation capacity of the Union's defence industry **and to consolidate the Union's strategic defence autonomy**, a European Defence Industrial Development Programme (hereinafter referred to as the Programme) should be established. The Programme should aim at enhancing the competitiveness of the Union's defence

between undertakings in the development phase of defence products and technologies. The development phase, which follows the research and technology phase, entails significant risks and costs that hamper the further exploitation of the results of research and adversely impact the competitiveness of the Union's defence industry. By supporting the development phase, the Programme would contribute to a better exploitation of the results of defence research and it would help to cover the gap between research and production as well as to promote all forms of innovation. The Programme should complement activities carried out in accordance with Article 182 TFEU and it does not cover the production of defence products and technologies.

industry *inter alia* cyber defence by supporting the cooperation between undertakings in the development phase of defence products and technologies. The development phase, which follows the research and technology phase, entails significant risks and costs that hamper the further exploitation of the results of research and adversely impact the competitiveness of the Union's defence industry. By supporting the development phase, the Programme would contribute to a better exploitation of the results of defence research and it would help to cover the gap between research and production as well as to promote all forms of innovation. The Programme should complement activities carried out in accordance with Article 182 TFEU and it does not cover the production of defence products and technologies.

Or. es

Amendment 55

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) In order to contribute to the enhancement of the competitiveness and innovation capacity of the Union's defence industry, a European Defence Industrial Development Programme (hereinafter referred to as the Programme) should be established. The Programme should aim at enhancing the competitiveness of the Union's defence industry *inter alia* cyber defence by supporting the cooperation between undertakings in the development phase of defence products and technologies. The development phase,

Amendment

(2) In order to contribute to the enhancement of the competitiveness and innovation capacity of the Union's defence industry, a European Defence Industrial Development Programme (hereinafter referred to as the Programme) should be established. The Programme should aim at enhancing the competitiveness of the Union's defence industry, *in particular the* cyber defence *industry*, by supporting the cooperation between undertakings in the development phase of defence products and technologies. *The Programme should*

which follows the research and technology phase, entails significant risks and costs that hamper the further exploitation of the results of research and adversely impact the competitiveness of the Union's defence industry. By supporting the development phase, the Programme would contribute to a better exploitation of the results of defence research and it would help to cover the gap between research and production as well as to promote all forms of innovation. The Programme should complement activities carried out in accordance with Article 182 TFEU and it does not cover the production of defence products and technologies.

lead to efficiency gains enabling the reduction of the overall defence spending in the Union. The development phase, which follows the research and technology phase, entails significant risks and costs that hamper the further exploitation of the results of research and adversely impact the competitiveness of the Union's defence industry. By supporting the development phase, the Programme would contribute to a better exploitation of the results of defence research and it would help to cover the gap between research and production as well as to promote all forms of innovation. The Programme should complement activities carried out in accordance with Article 182 TFEU and it does not cover the production of defence products and technologies.

Or. en

Amendment 56

Igor Šoltes

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) In order to contribute to the ***enhancement of the competitiveness and innovation capacity*** of the Union's defence industry, a European Defence Industrial Development Programme (hereinafter referred to as the Programme) should be established. The Programme should ***aim at enhancing the competitiveness of the Union's defence industry inter alia cyber defence by supporting the*** cooperation between undertakings ***in*** the development phase of defence products and technologies. ***The development phase,*** which follows the research and technology phase, entails significant risks and costs that hamper the further exploitation of the

Amendment

(2) In order to contribute to the ***efficiency*** of the Union's defence industry, a European Defence Industrial Development ***Cooperation*** Programme (hereinafter referred to as the Programme) should be established ***jointly by the Member States and the Commission.*** The Programme should ***consist of a*** cooperation ***mechanism*** between ***Member States, the Commission and*** undertakings ***and address*** the development phase of defence products and technologies which follows the research and technology phase, ***and which*** entails significant risks and costs that hamper the further exploitation of the results of research. ***By addressing the***

results of research *and adversely impact the competitiveness of the Union's defence industry*. By supporting the development phase, the Programme would contribute to a better exploitation of the results of defence research and it would help to cover the gap between research and production as well as to promote all forms of innovation. The Programme should complement activities carried out in accordance with Article 182 TFEU and it does not cover the production of defence products and technologies.

development phase, the Programme would contribute to a better exploitation of the results of defence research and it would help to cover the gap between research and production as well as to promote all forms of innovation. The Programme should complement activities carried out in accordance with Article 182 *of the* TFEU and it does not cover the production of defence products and technologies.

Or. en

Amendment 57

Mylène Troszczynski

Proposal for a regulation

Recital 2

Text proposed by the Commission

(2) In order to contribute to the enhancement of the competitiveness and innovation *capacity* of the *Union's* defence industry, a European Defence Industrial Development Programme (hereinafter referred to as the Programme) should be established. The Programme should aim at enhancing the competitiveness of the *Union's* defence industry inter alia cyber defence by supporting the cooperation between undertakings in the development phase of defence products and technologies. The development phase, which follows the research and technology phase, entails significant risks and costs that hamper the further exploitation of the results of research and adversely impact the competitiveness of the *Union's* defence industry. By supporting the development phase, the Programme would contribute to a better exploitation of the results of defence research and it would help to cover

Amendment

(2) In order to contribute to the enhancement of the competitiveness and innovation *capabilities* of the defence industry *in Europe*, a European Defence Industrial Development Programme (hereinafter referred to as the Programme) should be established. The Programme should aim at enhancing the competitiveness of the defence industry *in Europe* inter alia cyber defence by supporting the cooperation between undertakings in the development phase of defence products and technologies. The development phase, which follows the research and technology phase, entails significant risks and costs that hamper the further exploitation of the results of research and adversely impact the competitiveness of the defence industry *in Europe*. By supporting the development phase, the Programme would contribute to a better exploitation of the results of

the gap between research and production as well as to promote all forms of innovation. The Programme should complement activities carried out in accordance with Article 182 TFEU and it does not cover the production of defence products and technologies.

defence research and it would help to cover the gap between research and production as well as to promote all forms of innovation. The Programme should complement activities carried out in accordance with Article 182 TFEU and it does not cover the production of defence products and technologies.

Or. fr

Amendment 58

Jasenko Selimovic, Dita Charanzová

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) To better exploit economies of scale in the defence industry, the Programme should support the cooperation between undertakings in the development of defence products and technologies.

Amendment

(3) ***The lack of cooperation between Member States in the field of defence and security and the fragmentation of the European defence industry have led to inefficient spending due to duplications, to a lack of interoperability and to technological gaps. Therefore, in order to better exploit economies of scale in the defence industry, the Programme should support the cooperation between undertakings in the development of defence products and technologies, resulting in the strengthening of the single market for defence and the promotion of a more competitive defence industry.***

Or. en

Amendment 59

Maria Grapini

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) To better exploit economies of scale in the defence industry, the Programme should support the cooperation between undertakings in the development of defence products and technologies.

Amendment

(3) To better exploit economies of scale in the defence industry, the Programme should support the cooperation between undertakings in the ***research and*** development of defence products and technologies, ***and a framework should be created that would also make it possible to quantify the gains and technological progress made in the field of defence in certain Member States for the benefit of the entire European Union.***

Or. ro

Amendment 60

Antonio López-Istúriz White

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) To better exploit economies of scale in the defence industry, the Programme should support the cooperation between undertakings in the development of defence products and technologies.

Amendment

(3) To better exploit economies of scale in the defence industry, the Programme should support the cooperation between undertakings in the development of defence products and technologies, ***promoting a more integrated market, making investment profitable and avoiding duplication of capacities and spending.***

Or. es

Amendment 61

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) To better exploit economies of scale in the defence industry, the Programme should support the cooperation between undertakings in the development of defence products and technologies.

Amendment

(3) ***The Programme should not lead to an armament of the European Union.*** To better exploit economies of scale in the defence industry, the Programme should support the cooperation between undertakings in the development of defence products and technologies.

Or. en

Amendment 62

Virginie Rozière, Pina Picierno, Nicola Danti, Sergio Gutiérrez Prieto

Proposal for a regulation

Recital 3

Text proposed by the Commission

(3) To better exploit economies of scale in the defence industry, the Programme should support the cooperation between undertakings in the development of defence products and technologies.

Amendment

(3) To better exploit economies of scale in the defence industry ***and reinforce the single market for defence***, the Programme should support the cooperation between undertakings in the development of defence products and technologies.

Or. en

Amendment 63

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Recital 3 a (new)

Text proposed by the Commission

Amendment

(3a) To alleviate any potential negative effects of the integration in the European defence market, the Programme should support actions aimed at converting military into civilian technologies and production lines.

Amendment 64

Igor Šoltes

Proposal for a regulation

Recital 4

Text proposed by the Commission

(4) The Programme should cover a two year period from 1 January 2019 to 31 December 2020 *whereas the amount for the implementation of the Programme should be determined for this period.*

Amendment

(4) The Programme should cover a two year period from 1 January 2019 to 31 December 2020.

Amendment 65

Virginie Rozière, Pina Picierno, Sergio Gutiérrez Prieto, Liisa Jaakonsaari

Proposal for a regulation

Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) The budget of the Programme should not affect negatively the implementation of the programmes from which redeployments are taken and should therefore primarily be funded from the Global Margin for Commitments, the Global Margin for Payments, and the Flexibility Instrument.

Amendment 66

Maria Grapini

Proposal for a regulation

Recital 4 a (new)

Text proposed by the Commission

Amendment

(4a) The Programme should, however, not be limited to the period from 1 January 2019 to 31 December 2020 but should also be improved and developed in the future, based on the results recorded in this period.

Or. ro

Amendment 67

Igor Šoltes

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) The Programme should be implemented in full compliance with Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁶. ***Funding may take in particular the form of grants. Financial instruments or public procurement may be used where appropriate.***

⁶ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

Amendment

(5) The Programme should be implemented in full compliance with Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁶.

⁶ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

Or. en

Amendment 68

Virginie Rozière, Sergio Gutiérrez Prieto, Liisa Jaakonsaari

Proposal for a regulation

Recital 5

Text proposed by the Commission

(5) The Programme should be implemented in full compliance with Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁶. Funding may take in particular the form of grants. Financial instruments or public procurement may be used where appropriate.

⁶ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

Amendment

(5) The Programme should be implemented in full compliance with Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council⁶. Funding may take in particular the form of grants. Financial instruments or public procurement, ***in full respect of the requirements of the Directive 2009/81/EC on defence and security procurement***, may be used where appropriate.

⁶ Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council of 25 October 2012 on the financial rules applicable to the general budget of the Union and repealing Council Regulation (EC, Euratom) No 1605/2002 (OJ L 298, 26.10.2012, p. 1).

Or. en

Amendment 69

Virginie Rozière, Sergio Gutiérrez Prieto

Proposal for a regulation

Recital 5 a (new)

Text proposed by the Commission

Amendment

(5a) In line with the objective of fostering the strategic autonomy of the Union, when financial support of the Union is provided through the Programme, priority should be given to the products and technologies developed through the Programme when Member States intend to acquire products or technologies available on the European market.

Or. en

Amendment 70
Mylène Troszczynski

Proposal for a regulation
Recital 6

Text proposed by the Commission

Amendment

(6) *The Commission may entrust part of the implementation of the programme to entities referred to in Article 58(1) (c) of Regulation (EU, Euratom) N°966/2012. In view of its expertise, the Commission may entrust the European Defence Agency with such a role.* **deleted**

Or. fr

Amendment 71
Igor Šoltes

Proposal for a regulation
Recital 6

Text proposed by the Commission

Amendment

(6) *The Commission may entrust part of the implementation of the programme to entities referred to in Article 58(1) (c) of Regulation (EU, Euratom) N°966/2012. In view of its expertise, the Commission may entrust the European Defence Agency with such a role.* **deleted**

Or. en

Amendment 72
Mylène Troszczynski

Proposal for a regulation
Recital 7

Text proposed by the Commission

(7) In view of the specificities of the sector, in practice no collaborative project between undertakings will be launched if the Member States have not first agreed to support such projects. After having defined ***common defence capability priorities at Union-level and also taking into account where appropriate collaborative initiatives on a regional basis***, Member States ***identify and consolidate military requirements and define*** the technical specifications of the project. They may also appoint a project manager in charge of leading the work related to the development of a collaborative project.

Amendment

(7) In view of the specificities of the sector, in practice no collaborative project between ***European*** undertakings will be launched if the Member States have not first agreed to support such projects. After having defined collaborative initiatives, Member States ***specify*** the technical specifications of the project. They may also appoint a project manager in charge of leading the work related to the development of a collaborative project.

Or. fr

Amendment 73

Igor Šoltes

Proposal for a regulation

Recital 7

Text proposed by the Commission

(7) In view of the specificities of the sector, ***in practice*** no collaborative project between undertakings ***will*** be launched if the Member States have not first agreed to support such projects. After having defined common defence capability priorities ***at Union-level and also taking into account where appropriate collaborative initiatives on a regional basis***, Member States identify and consolidate military requirements and define the technical specifications of the project. They may also appoint a project manager in charge of leading the work related to the development of a collaborative project.

Amendment

(7) In view of the specificities of the sector, no collaborative project between undertakings ***should*** be launched if the Member States have not first agreed to support such projects. After having defined common defence capability priorities ***via the Capability Development Plan in the context of the Common Security and Defence Policy (CSDP)***, Member States identify and consolidate military requirements and define the technical specifications of the project. They may also appoint a project manager in charge of leading the work related to the development of a collaborative project.

Or. en

Amendment 74
Antonio López-Istúriz White

Proposal for a regulation
Recital 7

Text proposed by the Commission

(7) In view of the specificities of the sector, in practice no collaborative project between undertakings will be launched if the Member States have not first agreed to support such projects. After having defined common defence capability priorities at Union-level and also taking into account where appropriate collaborative initiatives on a regional basis, Member States identify and consolidate *military* requirements and define the technical specifications of the project. They *may* also appoint a project manager in charge of leading the work related to the development of a collaborative project.

Amendment

(7) In view of the specificities of the sector, in practice no collaborative project between undertakings will be launched if the Member States have not first agreed to support such projects. After having defined common defence capability priorities at Union-level and also taking into account where appropriate collaborative initiatives on a regional basis, Member States identify and consolidate *defence* requirements and define the technical specifications of the project. They *should* also appoint a project manager in charge of leading the work related to the development of a collaborative project.

Or. es

Amendment 75
Maria Grapini

Proposal for a regulation
Recital 7 a (new)

Text proposed by the Commission

Amendment

(7a) An additional explanation is also required with regard to the status of third parties, including the criteria for drawing up projects and the countries that may or may not be involved, and including a differentiation between countries that are members of NATO but not of the EU and other third countries, setting award criteria that comply with proportionality in relation to the situation and the wider

context surrounding the domestic situation of each Member State, and the contribution to the general common effort in the field of defence.

Or. ro

Amendment 76

Igor Šoltes

Proposal for a regulation

Recital 8

Text proposed by the Commission

Amendment

(8) In case an action supported by the Programme is managed by a project manager appointed by Member States, the Commission should inform the project manager prior to executing the payment to the beneficiary of the eligible action so that the project manager can ensure that the time-frames are respected by the beneficiaries.

deleted

Or. en

Amendment 77

Antonio López-Istúriz White

Proposal for a regulation

Recital 8

Text proposed by the Commission

Amendment

(8) In case an action supported by the Programme is managed by a project manager appointed by Member States, the Commission should *inform* the project manager prior to executing the payment to the beneficiary of the eligible action so that the project manager can ensure that the time-frames are respected by the beneficiaries.

(8) In case an action supported by the Programme is managed by a project manager appointed by Member States, the Commission should *consult* the project manager *on the progress made on the action* prior to executing the payment to the beneficiary of the eligible action so that the project manager can ensure that the time-frames are respected by the

beneficiaries.

Or. es

Amendment 78

Igor Šoltes

Proposal for a regulation

Recital 8 a (new)

Text proposed by the Commission

Amendment

(8a) The Union financial contribution to be drawn from existing administrative budget of the Union, should be available exclusively to support actions of administrative and organisational nature, necessary for establishing the appropriate cooperation mechanisms and leading to the development and the implementation of the Programme. Actions implemented under the Programme should be fully financed by the Member States and as appropriate by the ATHENA Mechanism.

Or. en

Amendment 79

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Recital 9

Text proposed by the Commission

Amendment

(9) The Union financial support should not affect the export of products, equipment or technologies, and it should not affect the discretion of Member States regarding policy on the export of defence related products. The Union financial support should not affect Member States' export policies on defence related

deleted

products.

Or. en

Amendment 80

Igor Šoltes

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) The *Union financial support* should *not affect the export of products, equipment or technologies, and it should not affect the discretion of Member States regarding policy on the export of defence related products. The Union financial support should not affect Member States' export policies on defence related products.*

Amendment

(9) The *military or dual-use technology supported by the Programme* should *only be exported to NATO allies and friendly nations which fully comply with the provisions of the Arms Trade Treaty (ATT).*

Or. en

Amendment 81

Mylène Troszczynski

Proposal for a regulation

Recital 9

Text proposed by the Commission

(9) The Union financial support *should* not affect the export of products, equipment or technologies, and it should not affect the discretion of Member States regarding policy on the export of defence related products. The Union financial support *should* not affect Member States' export policies on defence related products.

Amendment

(9) The Union financial support *must* not affect the export of products, equipment or technologies, and it should not affect the discretion of Member States regarding policy on the export of defence related products. The Union financial support *must* not affect Member States' export policies on defence related products.

Or. fr

Amendment 82
Philippe Juvin

Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) As the objective of the Programme is to support the competitiveness of the Union defence industry by de-risking the development phase of cooperative projects, actions related to the development of a defence product or technology, namely definition of common technical specifications, design, prototyping, testing, qualification, certification as well feasibility studies and other supporting measures, should be eligible to benefit from it. This will also apply to the upgrade of existing defence products and technologies.

Amendment

(10) As the objective of the Programme is to support the competitiveness of the Union defence industry by de-risking the development phase of cooperative projects, actions related to the development of a defence product or technology, namely definition of common technical specifications, design, prototyping, testing, qualification, certification as well feasibility studies and other supporting measures, should be eligible to benefit from it. This will also apply to the upgrade of existing defence products and technologies ***developed in the Union and held by Member States as well as more generally technologies recognised as strategic by the European Defence Agency.***

Or. fr

Justification

The strategic autonomy of European defence.

Amendment 83
Virginie Rozière, Pina Picierno, Nicola Danti, Sergio Gutiérrez Prieto

Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) As the objective of the Programme is to support the competitiveness of the Union defence industry by de-risking the development phase of cooperative projects, actions related to the development of a defence product or technology, namely

Amendment

(10) As the objective of the Programme is to support the competitiveness ***and integration*** of the Union defence industry by de-risking the development phase of cooperative projects, actions related to the development of a defence product or

definition of common technical specifications, design, prototyping, testing, qualification, certification as well feasibility studies and other supporting measures, should be eligible to benefit from it. This will also apply to the upgrade of existing defence products and technologies.

technology, namely definition of common technical specifications, ***standards***, design, prototyping, testing, qualification, certification as well feasibility studies and other supporting measures, should be eligible to benefit from it. This will also apply to the upgrade of existing defence products and technologies, ***as well as actions aimed at the skills development of workers of the defence industry.***

Or. en

Amendment 84

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Recital 10

Text proposed by the Commission

(10) As the objective of the Programme is to support the ***competitiveness*** of the Union defence industry by ***de-risking*** the development phase of cooperative projects, actions related to the development of a defence product or technology, namely definition of common technical specifications, design, prototyping, testing, qualification, certification as well feasibility studies and other supporting measures, should be eligible to benefit from it. This will also apply to the upgrade of existing defence products and technologies.

Amendment

(10) As the objective of the Programme is to support the ***integration*** of the Union defence industry by ***bearing some of the risk of*** the development phase of cooperative projects, actions related to the development of a defence product or technology, namely definition of common technical specifications, design, prototyping, testing, qualification, certification as well feasibility studies and other supporting measures ***as well as actions aimed at converting military production lines into civilian production lines***, should be eligible to benefit from it. This will also apply to the upgrade of existing defence products and technologies.

Or. en

Amendment 85

Igor Šoltes

Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) As the objective of the Programme is to ***support the competitiveness of the Union defence industry by*** de-risking the development phase of cooperative projects, actions related to the development of a defence product or technology, namely definition of common technical specifications, design, prototyping, testing, qualification, certification ***as well feasibility studies and other supporting measures***, should be ***eligible to benefit from it***. This will also apply to the upgrade of existing defence products and technologies.

Amendment

(10) As the objective of the Programme is to ***increase the level of efficiency of cooperation between Member States and*** de-risking the development phase of cooperative ***defence industry*** projects, actions related to the development of a defence product or technology, namely definition of common technical specifications, design, prototyping, testing, qualification, certification should be ***considered under the Programme***. This will also apply to the upgrade of existing defence products and technologies.

Or. en

Amendment 86
Maria Grapini

Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) As the objective of the Programme is to support the competitiveness of the Union defence industry by de-risking the development phase of cooperative projects, actions related to the development of a defence product or technology, namely definition of common technical specifications, design, prototyping, testing, qualification, certification as well feasibility studies and other supporting measures, should be eligible to benefit from it. This will also apply to the upgrade of existing defence products and technologies.

Amendment

(10) As the objective of the Programme is to support the competitiveness of the Union defence industry by de-risking the development phase of cooperative projects, actions related to the development of a defence product or technology, namely definition of common technical specifications, design, prototyping, testing, qualification, certification as well feasibility studies and other supporting measures ***that subsequently play a part in technological development***, should be eligible to benefit from it. This will also apply to the upgrade of existing defence products and technologies.

Amendment 87
Jasenکو Selimovic

Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) As the objective of the Programme is to support the competitiveness of the Union defence industry by de-risking the development phase of cooperative projects, actions related to the development of a defence product or technology, namely definition of common technical specifications, design, prototyping, testing, qualification, certification as well feasibility studies and other supporting measures, should be eligible to benefit from it. ***This will also apply to the upgrade of existing defence products and technologies.***

Amendment

(10) As the objective of the Programme is to support the competitiveness of the Union defence industry by de-risking the development phase of cooperative projects, actions related to the development of a ***new*** defence product or technology, namely definition of common technical specifications, design, prototyping, testing, qualification, certification as well feasibility studies and other supporting measures, should be eligible to benefit from it.

Amendment 88
Mylène Troszczynski

Proposal for a regulation
Recital 10

Text proposed by the Commission

(10) As the objective of the Programme is to support the competitiveness of the ***Union*** defence industry by de-risking the development phase of cooperative projects, actions related to the development of a defence product or technology, namely definition of common technical specifications, design, prototyping, testing, qualification, certification as well feasibility studies and other supporting

Amendment

(10) As the objective of the Programme is to support the competitiveness of the defence industry ***in the Union*** by de-risking the development phase of cooperative projects, actions related to the development of a defence product or technology, namely definition of common technical specifications, design, prototyping, testing, qualification, certification as well feasibility studies and

measures, should be eligible to benefit from it. This will also apply to the upgrade of existing defence products and technologies.

other supporting measures, should be eligible to benefit from it. This will also apply to the upgrade of existing defence products and technologies.

Or. fr

Amendment 89
Jasenکو Selimovic

Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) Given that the Programme aims particularly at enhancing cooperation between undertakings across Member States, an action should be eligible for funding under the Programme only if it is undertaken by a cooperation of at least three undertakings based in at least **two** different Member States.

Amendment

(11) Given that the Programme aims particularly at enhancing cooperation between **public or private** undertakings across Member States, an action should be eligible for funding under the Programme only if it is undertaken by a cooperation of at least three undertakings based in at least **three** different Member States.

Or. en

Amendment 90
Arndt Kohn, Jens Geier, Constanze Krehl

Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) Given that the Programme aims particularly at enhancing cooperation between undertakings across Member States, an action should be eligible for funding under the Programme only if it is undertaken by a cooperation of at least **three** undertakings based in at least **two** different Member States.

Amendment

(11) Given that the Programme aims particularly at enhancing cooperation between undertakings across Member States, an action should be eligible for funding under the Programme only if it is undertaken by a cooperation of at least **four** undertakings based in at least **three** different Member States.

Or. en

Amendment 91
Nicola Danti

Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) Given that the Programme aims particularly at enhancing cooperation between undertakings across Member States, an action should be eligible for funding under the Programme only if it is undertaken by a cooperation of at least **three** undertakings based in at least **two** different Member States.

Amendment

(11) Given that the Programme aims particularly at enhancing cooperation between undertakings across Member States, an action should be eligible for funding under the Programme only if it is undertaken by a cooperation of at least **four** undertakings based in at least **four** different Member States.

Or. en

Amendment 92
Lara Comi

Proposal for a regulation
Recital 11

Text proposed by the Commission

(11) Given that the Programme aims particularly at enhancing cooperation between undertakings across Member States, an action should be eligible for funding under the Programme only if it is undertaken by a cooperation of at least three undertakings based in at least **two** different Member States.

Amendment

(11) Given that the Programme aims particularly at enhancing cooperation between undertakings across Member States, an action should be eligible for funding under the Programme only if it is undertaken by a cooperation of at least three undertakings based in at least **three** different Member States.

Or. en

Justification

EU budget should be invested in order to incentivise cooperation models which do not exist yet or which are not sufficiently exploited. In fact, bi-lateral defence projects are already an established practice in European defence cooperation, while the most successful products of

European multilateral endeavours (i.e. Eurofighter Typhoon, Panavia Tornado, etc.) are approaching their decommissioning period.

Therefore a minimum of three Member States should be required.

Amendment 93

Igor Šoltes

Proposal for a regulation

Recital 11

Text proposed by the Commission

(11) Given that the Programme aims particularly at enhancing cooperation between undertakings across Member States, an action should be ***eligible for funding*** under the Programme only if it is undertaken by a cooperation of at least three undertakings based in at least two different Member States.

Amendment

(11) Given that the Programme aims particularly at enhancing cooperation between undertakings across ***and between*** Member States, an action should be ***considered*** under the Programme only if it is undertaken by a cooperation of at least three undertakings based in at least two different Member States.

Or. en

Amendment 94

Virginie Rozière, Pina Picierno, Sergio Gutiérrez Prieto, Liisa Jaakonsaari

Proposal for a regulation

Recital 12

Text proposed by the Commission

(12) Cross-border collaboration in the development of defence products and technologies has often been hampered by the difficulty to agree on common technical specifications. The absence or limited level of common technical specifications have led to increased complexity, delays and inflated costs in the development phase. The agreement on common technical specifications should be a condition in order to benefit from the Union's support under this Programme. Actions aiming at supporting the creation

Amendment

(12) Cross-border collaboration in the development of defence products and technologies has often been hampered by the difficulty to agree on common technical specifications ***and/or standards***. The absence or limited level of common technical specifications ***and/or standards*** have led to increased complexity, delays and inflated costs in the development phase. The agreement on common technical specifications ***and/or standards*** should be a condition in order to benefit from the Union's support under this

of a common definition of technical specifications should also be eligible for support under the Programme.

Programme. Actions aiming at supporting the creation of a common definition of technical specifications **and/or standards** should also be eligible for support under the Programme.

Or. en

Amendment 95
Antonio López-Istúriz White

Proposal for a regulation
Recital 12

Text proposed by the Commission

(12) Cross-border collaboration in the development of defence products and technologies has often been hampered by the difficulty to agree on common technical specifications. The absence or limited level of common technical specifications have led to increased complexity, delays and inflated costs in the development phase. The agreement on common technical specifications should be a condition in order to benefit from the Union's support under this Programme. Actions aiming at supporting the creation of a common definition of technical specifications should also be eligible for support under the Programme.

Amendment

(12) Cross-border collaboration in the development of defence products and technologies has often been hampered by the difficulty to agree on common technical specifications **which promote interoperability**. The absence or limited level of common technical specifications have led to increased complexity, delays and inflated costs in the development phase. The agreement on common technical specifications should be a condition in order to benefit from the Union's support under this Programme. Actions aiming at supporting the creation of a common definition of technical specifications should also be eligible for support under the Programme.

Or. es

Amendment 96
Jasenکو Selimovic

Proposal for a regulation
Recital 12

Text proposed by the Commission

Amendment

(12) Cross-border collaboration in the development of defence products and technologies has often been hampered by the difficulty to agree on common technical specifications. The absence or limited level of common technical specifications have led to increased complexity, delays and inflated costs in the development phase. The agreement on common technical specifications should be a condition in order to benefit from the Union's support under this Programme. Actions aiming at supporting the creation of a common definition of technical specifications should also be eligible for support under the Programme.

(12) Cross-border collaboration in the development of defence products and technologies has often been hampered by the difficulty to agree on common technical specifications. The absence or limited level of common technical specifications have led to increased complexity, delays and inflated costs in the development phase. The agreement on common technical specifications should be a **primary** condition in order to benefit from the Union's support under this Programme. Actions aiming at supporting the creation of a common definition of technical specifications should also be eligible for support under the Programme.

Or. en

Amendment 97 **Igor Šoltes**

Proposal for a regulation **Recital 12**

Text proposed by the Commission

(12) Cross-border collaboration in the development of defence products and technologies has often been hampered by the difficulty to agree on common technical specifications. The absence or limited level of common technical specifications have led to increased complexity, delays and inflated costs in the development phase. The agreement on common technical specifications should be a condition in order to benefit from the Union's support under this Programme. Actions aiming at supporting the creation of a common definition of technical specifications should also be eligible for support under the Programme.

Amendment

(12) Cross-border collaboration in the development of defence products and technologies has often been hampered by the difficulty to agree on common technical specifications. The absence or limited level of common technical specifications have led to increased complexity, delays and inflated costs in the development phase. The agreement on common technical specifications should be a condition in order to benefit from the Union's **administrative** support under this Programme. Actions aiming at supporting the creation of a common definition of technical specifications should also be eligible for support under the Programme.

Or. en

Amendment 98
Lara Comi

Proposal for a regulation
Recital 13

Text proposed by the Commission

(13) As the Programme aims at enhancing the competitiveness of the Union's defence industry, only entities established in the Union and effectively controlled by Member States or their nationals should be eligible for support. Additionally, in order to ensure the protection of essential security interests of the Union and its Member States, the infrastructure, facilities, assets and resources used by the beneficiaries and subcontractors in actions funded under the Programme, shall not be located on the territory of non-Member States.

Amendment

(13) As the Programme aims at enhancing the competitiveness of the Union's defence industry, only entities established in the Union and effectively controlled by Member States or their nationals should be eligible for support. Additionally, in order to ensure the protection of essential security interests of the Union and its Member States, the infrastructure, facilities, assets and resources used by the beneficiaries and subcontractors in actions funded under the Programme, shall not be located on the territory of non-Member States, ***unless such infrastructure, facilities, assets and resources are not available in the Union and their use does not undermine the security of the Union.***

Or. en

Justification

It could happen that projects need to be developed also in plants which are available only in third countries. This can only occur if the infrastructure in the third country presents unique features, not available in the EU structures or facilities.

Amendment 99
Igor Šoltes

Proposal for a regulation
Recital 13

Text proposed by the Commission

(13) As the Programme aims at enhancing the ***competitiveness*** of the

Amendment

(13) As the Programme aims at enhancing the ***efficiency of the***

Union's defence industry, only entities established in the Union and effectively controlled by Member States or their nationals should be eligible for support. Additionally, in order to ensure the protection of essential security interests of the Union and its Member States, the infrastructure, facilities, assets and resources used by the *beneficiaries* and subcontractors in actions *funded* under the Programme, shall not be located on the territory of non-Member States.

cooperation of the Union's defence industry, only entities established in the Union and effectively controlled by Member States or their nationals should be eligible for support. Additionally, in order to ensure the protection of essential security interests of the Union and its Member States, the infrastructure, facilities, assets and resources used by the *participants* and subcontractors in actions *supported* under the Programme, shall not be located on the territory of non-Member States ***and shall not be subject to control or restrictions by third countries, undertakings or public entities in third countries.***

Or. en

Amendment 100

Philippe Juvin

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) As the Programme aims at enhancing the competitiveness of the Union's defence industry, only entities established in the Union and effectively controlled by Member States or their nationals should be eligible for support. Additionally, in order to ensure the protection of essential security interests of the Union and its Member States, the infrastructure, facilities, *assets* and *resources* used by the beneficiaries and subcontractors in actions funded under the Programme, shall not be located on the territory of non-Member States.

Amendment

(13) As the Programme aims at enhancing the competitiveness of the Union's defence industry ***and consolidating the Union's strategic defence autonomy quite independently of third countries***, only entities established in the Union and effectively controlled by Member States or their nationals should be eligible for support. Additionally, in order to ensure the protection of essential ***defence and*** security interests of the Union and its Member States, the infrastructure, facilities and *assets* used by the beneficiaries and subcontractors in actions funded under the Programme, shall not be located on the territory of non-Member States.

Or. fr

Justification

The strategic autonomy of European defence quite independently of third countries. Some resources are necessarily imported by the European Union.

Amendment 101

Antonio López-Istúriz White

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) As the Programme aims at enhancing the competitiveness of the Union's defence industry, only entities established in the Union and effectively controlled by Member States or their nationals should be eligible for support. Additionally, in order to ensure the protection of essential security interests of the Union and its Member States, the infrastructure, facilities, assets and resources used by the beneficiaries and subcontractors in actions funded under the Programme, shall not be located on the territory of non-Member States.

Amendment

(13) As the Programme aims at enhancing the competitiveness of the Union's defence industry ***and consolidating the Union's strategic defence autonomy***, only entities established in the Union and effectively controlled by Member States or their nationals should be eligible for support. Additionally, in order to ensure the protection of essential security interests of the Union and its Member States, the infrastructure, facilities, assets and resources used by the beneficiaries and subcontractors in actions funded under the Programme, shall not be located on the territory of non-Member States.

Or. es

Amendment 102

Mylène Troszczynski

Proposal for a regulation

Recital 13

Text proposed by the Commission

(13) As the Programme aims at enhancing the competitiveness of the ***Union's*** defence industry, only entities established in the Union and effectively controlled by Member States or their

Amendment

(13) As the Programme aims at enhancing the competitiveness of the defence industry ***in the European Union***, only entities established in the Union and effectively controlled by Member States or

nationals should be eligible for support. Additionally, in order to ensure the protection of essential security interests of the Union and its Member States, the infrastructure, facilities, assets and resources used by the beneficiaries and subcontractors in actions funded under the Programme, shall not be located on the territory of non-Member States.

their nationals should be eligible for support. Additionally, in order to ensure the protection of essential security interests of the Union and its Member States, the infrastructure, facilities, assets and resources used by the beneficiaries and subcontractors in actions funded under the Programme, shall not be located on the territory of non-Member States.

Or. fr

Amendment 103 **Jasenko Selimovic**

Proposal for a regulation **Recital 13**

Text proposed by the Commission

(13) As the Programme aims at enhancing the competitiveness of the Union's defence industry, only entities established in the Union and ***effectively controlled by Member States or*** their ***nationals*** should be eligible for support. Additionally, in order to ensure the protection of essential security interests of the Union and its Member States, the infrastructure, facilities, assets and resources used by the beneficiaries and subcontractors in actions funded under the Programme, shall not be located on the territory of non-Member States.

Amendment

(13) As the Programme aims at enhancing the competitiveness of the Union's defence industry, only entities ***which are*** established in the Union and ***have*** their ***executive management structures there*** should be eligible for support. Additionally, in order to ensure the protection of essential security interests of the Union and its Member States, the infrastructure, facilities, assets and resources used by the beneficiaries and subcontractors in actions funded under the Programme, shall not be located on the territory of non-Member States.

Or. en

Amendment 104 **Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt**

Proposal for a regulation **Recital 13**

Text proposed by the Commission

(13) As the Programme aims at enhancing the **competitiveness** of the Union's defence industry, only entities established in the Union and effectively controlled by Member States or their nationals should be eligible for support. Additionally, in order to ensure the protection of essential security interests of the Union and its Member States, the infrastructure, facilities, assets and resources used by the beneficiaries and subcontractors in actions funded under the Programme, shall not be located on the territory of non-Member States.

Amendment

(13) As the Programme aims at enhancing the **integration** of the Union's defence industry, only entities established in the Union and effectively controlled by Member States or their nationals should be eligible for support. Additionally, in order to ensure the protection of essential security interests of the Union and its Member States, the infrastructure, facilities, assets and resources used by the beneficiaries and subcontractors in actions funded under the Programme, shall not be located on the territory of non-Member States.

Or. en

Amendment 105

Jasenko Selimovic, Dita Charanzová

Proposal for a regulation

Recital 13 a (new)

Text proposed by the Commission

Amendment

(13a) In order to achieve the objectives of the Programme, beneficiary undertakings should be able to cooperate with undertakings established in third countries, especially if those have a relevant expertise for the project financed. However, those undertakings should not be located in third countries that are not identified in the work programme. Where appropriate, and in particular when the objectives of the Common Security and Defence policy of the Union, or the Union interest as regards intellectual property, are at stake, a more cautious approach should be followed.

Or. en

Amendment 106
Antonio López-Istúriz White

Proposal for a regulation
Recital 14

Text proposed by the Commission

(14) Eligible actions developed in the context of Permanent Structured Cooperation in the institutional framework of the Union would ensure enhanced cooperation between undertakings in the different Member States on a continuous basis and thus directly contribute to the aims of the Programme. Such projects should thus be eligible for an increased funding rate.

Amendment

(14) Eligible actions developed in the context of ***the*** Permanent Structured Cooperation in the institutional framework of the Union ***agreed between the Foreign Affairs Ministers and Defence Ministers of 23 Member States on 13 November 2017*** would ensure enhanced cooperation between undertakings in the different Member States on a continuous basis and thus directly contribute to the aims of the Programme. Such projects should thus be eligible for an increased funding rate.

Or. es

Amendment 107
Igor Šoltes

Proposal for a regulation
Recital 14

Text proposed by the Commission

(14) Eligible actions developed in the context of Permanent Structured Cooperation in the institutional framework of the Union would ensure enhanced cooperation between undertakings in the different Member States on a continuous basis and thus directly contribute to the aims of the Programme. Such projects should thus be eligible for an increased ***funding rate***.

Amendment

(14) Eligible actions developed in the context of Permanent Structured Cooperation in the institutional framework of the Union would ensure enhanced cooperation between undertakings in the different Member States on a continuous basis and thus directly contribute to the aims of the Programme. Such projects should thus be eligible for an increased ***administrative support by the Commission***.

Or. en

Amendment 108
Maria Grapini

Proposal for a regulation
Recital 14 a (new)

Text proposed by the Commission

Amendment

(14a) In order to avoid the emergence of new gaps and widening disparities between defence industries and European Union Member States, it would be useful to identify conditions and modalities that will facilitate and encourage participation in projects by States from different geographical areas.

Or. ro

Amendment 109
Igor Šoltes

Proposal for a regulation
Recital 15

Text proposed by the Commission

Amendment

(15) If a consortium of undertakings wishes to participate in an eligible action under the Programme and financial assistance of the Union is to take form of a grant, the consortium should appoint one of its members as a coordinator who will be the principle point of contact with the Commission.

deleted

Or. en

Amendment 110
Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation
Recital 15

Text proposed by the Commission

(15) If a consortium of undertakings wishes to participate in an eligible action under the Programme and financial assistance of the Union is to take form of a grant, the consortium should appoint one of its members as a coordinator who will be the principle point of contact with the Commission.

Amendment

(15) If a consortium of undertakings wishes to participate in an eligible action under the Programme and financial assistance of the Union is to take form of a grant, the consortium should appoint one of its members as a coordinator who will be the principle point of contact with the Commission ***and who shall regularly report back to the Union institutions on the status of actions funded under the Programme.***

Or. en

Amendment 111

Antonio López-Istúriz White

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) The promotion of innovation and technological development in the Union defence industry should take place in a manner coherent with the security interests of the Union. Accordingly, the action's contribution to those interests and to the defence capability priorities commonly agreed by Member States should serve as an award criterion. Within the Union, common defence capability priorities are identified notably through the Capability Development Plan. Other Union processes such as the Coordinated Annual Review on Defence (CARD) and the Permanent Structured Cooperation will support the implementation of relevant priorities through enhanced cooperation. Where appropriate regional or international cooperative initiatives, such as in the NATO context, and serving the Union security and defence interest, may also be

Amendment

(16) The promotion of innovation and technological development in the Union defence industry should take place in a manner coherent with the security interests of the Union. Accordingly, the action's contribution to those interests and to the defence capability priorities commonly agreed by Member States should serve as an award criterion. Within the Union, common defence capability priorities are identified notably through the Capability Development Plan. ***The European Defence Action Plan published by the Commission on 30 November 2016 highlighted the need to maximise synergies between the civil and military spheres, including in areas such as space policy, cyber security, cyber defence and maritime security.*** Other Union processes such as the Coordinated Annual Review on Defence (CARD) and the Permanent

taken into account.

Structured Cooperation will support the implementation of relevant priorities through enhanced cooperation. Where appropriate regional or international cooperative initiatives, such as in the NATO context, and serving the Union security and defence interest, may also be taken into account.

Or. es

Amendment 112

Liisa Jaakonsaari, Virginie Rozière

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) The promotion of innovation and technological development in the Union defence industry should take place in a manner coherent with the security interests of the Union. Accordingly, the action's contribution to those interests and to the defence capability priorities commonly agreed by Member States should serve as an award criterion. Within the Union, common defence capability priorities are identified notably through the Capability Development Plan. Other Union processes such as the Coordinated Annual Review on Defence (CARD) and the Permanent Structured Cooperation will support the implementation of relevant priorities through enhanced cooperation. Where appropriate regional or international cooperative initiatives, such as in the NATO context, and serving the Union security and defence interest, may also be taken into account.

Amendment

(16) The promotion of innovation and technological development in the Union defence industry should take place in a manner coherent with the security interests of the Union ***and in compliance with international law, also taking into consideration the concerns about Lethal Automated Weapons systems in the context of the UN Convention on Certain Conventional Weapons and the European Parliament's resolution of 27 February 2014 on the use of armed drones.*** Accordingly, the action's contribution to those interests and to the defence capability priorities commonly agreed by Member States should serve as an award criterion. Within the Union, common defence capability priorities are identified notably through the Capability Development Plan. Other Union processes such as the Coordinated Annual Review on Defence (CARD) and the Permanent Structured Cooperation will support the implementation of relevant priorities through enhanced cooperation. Where appropriate regional or international cooperative initiatives, such as in the

NATO context, and serving the Union security and defence interest, may also be taken into account.

Or. en

Amendment 113

Mylène Troszczynski

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) The promotion of innovation and technological development in the **Union** defence industry should take place in a manner coherent with the security interests of the Union. Accordingly, the action's contribution to those interests and to the defence capability priorities commonly agreed by Member States should serve as an award criterion. Within the Union, common defence capability priorities are identified notably through the Capability Development Plan. Other Union processes such as the Coordinated Annual Review on Defence (CARD) and the Permanent Structured Cooperation will support the implementation of relevant priorities through enhanced cooperation. ***Where appropriate regional or international cooperative initiatives, such as in the NATO context, and serving the Union security and defence interest, may also be taken into account.***

Amendment

(16) The promotion of innovation and technological development in the defence industry ***in the Union*** should take place in a manner coherent with the security interests of the Union. Accordingly, the action's contribution to those interests and to the defence capability priorities commonly agreed by Member States should serve as an award criterion. Within the Union, common defence capability priorities are identified notably through the Capability Development Plan. Other Union processes such as the Coordinated Annual Review on Defence (CARD) and the Permanent Structured Cooperation will support the implementation of relevant priorities through enhanced cooperation.

Or. fr

Amendment 114

Igor Šoltes

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) The promotion of innovation and technological development in the Union defence industry should take place in a manner coherent with the security interests of the Union. Accordingly, the action's contribution to those interests and to the defence capability priorities commonly agreed by Member States should serve as an award criterion. Within the Union, common defence capability priorities are identified notably through the Capability Development Plan. Other Union processes such as the Coordinated Annual Review on Defence (CARD) and the Permanent Structured Cooperation will support the implementation of relevant priorities through enhanced cooperation. ***Where appropriate regional or international cooperative initiatives, such as in the NATO context, and serving the Union security and defence interest, may also be taken into account.***

Amendment

(16) The promotion of innovation and technological development in the Union defence industry should take place in a manner coherent with the security interests of the Union ***as defined objectively within the context of the Common Security and Defence Policy (CSDP)***. Accordingly, the action's contribution to those interests and to the defence capability priorities commonly agreed by Member States ***within the context of CSDP*** should serve as an award criterion. Within the Union, common defence capability priorities are identified notably through the Capability Development Plan. Other Union processes such as the Coordinated Annual Review on Defence (CARD) and the Permanent Structured Cooperation will support the implementation of relevant priorities through enhanced cooperation.

Or. en

Amendment 115

Jasenko Selimovic, Dita Charanzová

Proposal for a regulation

Recital 16

Text proposed by the Commission

(16) The promotion of innovation and technological development in the Union defence industry should take place in a manner coherent with the security interests of the Union. Accordingly, the action's contribution to those interests and to the defence capability priorities commonly agreed by Member States should serve as an award criterion. Within the Union, common defence capability priorities are

Amendment

(16) The promotion of innovation and technological development in the Union defence industry should take place in a manner coherent with the security interests of the Union. Accordingly, the action's contribution to those interests and to the defence capability priorities commonly agreed by Member States should serve as an award criterion. Within the Union, common defence capability priorities are

identified notably through the Capability Development Plan. Other Union processes such as the Coordinated Annual Review on Defence (CARD) and the Permanent Structured Cooperation will support the implementation of relevant priorities through enhanced cooperation. Where appropriate regional or international cooperative initiatives, such as in the *NATO* context, and serving *the* Union security and defence *interest, may* also be taken into account.

identified notably through the Capability Development Plan. Other Union processes such as the Coordinated Annual Review on Defence (CARD) and the Permanent Structured Cooperation will support the implementation of relevant priorities through enhanced cooperation. Where appropriate, regional or international cooperative initiatives, such as *those undertaken* in the context *of NATO*, and serving Union security and defence *interests, should* also be taken into account.

Or. en

Amendment 116 **Igor Šoltes**

Proposal for a regulation **Recital 17**

Text proposed by the Commission

(17) *In order to ensure that the funded actions are viable, the Member States commitment to effectively contribute to the financing of the action should be an award criterion for such actions.*

Amendment

(17) Member States *should consider whether to make use of the already existing intergovernmental ATHENA mechanism of the Common Security and Defence Policy (CSDP) for co-funding actions under the Programme.*

Or. en

Amendment 117 **Igor Šoltes**

Proposal for a regulation **Recital 18**

Text proposed by the Commission

(18) In order to ensure that the *funded* actions *will* contribute to *the competitiveness* of the European defence

Amendment

(18) In order to ensure that the actions contribute to *a higher level of efficiency* of the European defence industry, they should

industry, they should be market-oriented and demand driven. Therefore, the fact that Member States have already committed to jointly produce and procure the final product or technology, possibly in a coordinated way, should be taken into account in the award criteria.

be market-oriented and demand driven. Therefore, the fact that Member States have already committed to jointly produce and procure the final product or technology, possibly in a coordinated way, should be taken into account in the award criteria. ***In order to reduce market distortions in the defence sector, which often hamper efficient projects, it is of crucial importance to exclude subsidising the defence industry via the use of Union funds.***

Or. en

Amendment 118
Antonio López-Istúriz White

Proposal for a regulation
Recital 18

Text proposed by the Commission

(18) In order to ensure that the funded actions will contribute to the competitiveness of the European defence industry, they should be market-oriented and demand driven. Therefore, the fact that Member States have already committed to jointly produce and procure the final product or technology, possibly in a coordinated way, should be taken into account in the award criteria.

Amendment

(18) In order to ensure that the funded actions will contribute to the competitiveness ***and efficiency*** of the European defence industry, they should be market-oriented and demand driven. Therefore, the fact that Member States have already committed to jointly produce and procure the final product or technology, possibly in a coordinated way, should be taken into account in the award criteria.

Or. es

Amendment 119
Jasenko Selimovic, Dita Charanzová

Proposal for a regulation
Recital 18

Text proposed by the Commission

(18) In order to ensure that the funded actions **will** contribute to the competitiveness of the European defence industry, they should be market-oriented and demand driven. Therefore, the fact that Member States have already committed to jointly produce **and** procure the final product or technology, possibly in a coordinated way, should be taken into account in the award criteria.

Amendment

(18) In order to ensure that the funded actions contribute to the competitiveness of the European defence industry, they should be market-oriented and demand driven. Therefore, the fact that Member States have already committed to jointly **develop**, produce **or** procure the final product or technology, possibly in a coordinated way, should be taken into account in the award criteria.

Or. en

Amendment 120

Igor Šoltes

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) The financial assistance of the Union under the Programme should not exceed 20% of the total eligible cost of the action when it relates to prototyping which is often the most costly action in the development phase. The totality of the eligible costs should however be covered for other actions in the development phase.

Amendment

deleted

Or. en

Amendment 121

Maria Grapini

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) The financial assistance of the

Amendment

(19) The financial assistance of the

Union under the Programme should not exceed **20%** of the total eligible cost of the action when it relates to prototyping which is often the most costly action in the development phase. The totality of the eligible costs should however be covered for other actions in the development phase.

Union under the Programme should not exceed *a maximum of 30%* of the total eligible cost of the action when it relates to prototyping which is often the most costly action in the development phase. The totality of the eligible costs should however be covered for other actions in the development phase.

Or. ro

Amendment 122

Jasenko Selimovic, Dita Charanzová

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) The financial assistance of the Union under the Programme should not exceed **20%** of the total eligible cost of the action when it relates to prototyping which is often the most costly action in the development phase. The totality of the eligible costs should however be covered for other actions in the development phase.

Amendment

(19) The financial assistance of the Union under the Programme should not exceed **50%** of the total eligible cost of the action when it relates to prototyping which is often the most costly action in the development phase. The totality of the eligible costs should however be covered for other actions in the development phase.

Or. en

Amendment 123

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Recital 19

Text proposed by the Commission

(19) The financial assistance of the Union under the Programme should not exceed **20%** of the total eligible cost of the action when it relates to prototyping which is often the most costly action in the

Amendment

(19) The financial assistance of the Union under the Programme should not exceed **20%** of the total eligible cost of the action when it relates to prototyping which is often the most costly action in the

development phase. **The totality** of the eligible costs should however be covered for other actions in the development phase.

development phase. **Up to 50%** of the eligible costs should however be covered for other actions in the development phase.

Or. en

Amendment 124
Lara Comi

Proposal for a regulation
Recital 19

Text proposed by the Commission

(19) The financial assistance of the Union under the Programme should not exceed 20% of the total eligible cost of the action when it relates to prototyping which is often the most costly action in the development phase. The totality of the **eligible** costs should however be covered for other actions in the development phase.

Amendment

(19) The financial assistance of the Union under the Programme should not exceed 20% of the total eligible cost of the action when it relates to prototyping which is often the most costly action in the development phase. The totality of the costs should however be covered for other actions in the development phase.

Or. en

Justification

While contradicting Art.11(1) of the same document, where the coverage of ‘total costs’ is explicitly mentioned, the idea of covering only eligible costs also runs against the specificities of the defence sector. The development of military capabilities is a long and risky process, since the success of a project depends exclusively on the final decision on the part of states to eventually acquire and procure the product. For this reasons, regulations put in place by several Member States already offer suitable definitions of total costs and envisage their full reimbursement. This issue has also been tackled by several third countries: the US for example, supports its industries with cost-reimbursement mechanisms involving a total coverage of direct and indirect/overhead costs. Therefore, for the Programme to be truly successful and to promote the long-term competitiveness of the EU Defence Industrial and Technological Base, it is necessary that its costs are reimbursed at a level that covers the totality of the cost incurred, so that undertakings are provided with incentives which are aligned to that of Member States and, if not equal, at least comparable to those offered by third-countries and international competitors.

Amendment 125
Richard Sulík

Proposal for a regulation
Recital 19 a (new)

Text proposed by the Commission

Amendment

(19a) One of the obstacles in making the European defence industry more competitive and market driven is that in some cases, Member states or competent authorities choose to obtain new defence products without an appropriate public procurement in order to conceal information about the obtained products, even in cases where there is little or no reason to do so. Consequently, this situation should also be analysed in the framework of the Programme and appropriate measures should be taken in order to make the European defence industry more competitive and market driven with no additional cost to the Programme.

Or. en

Amendment 126
Arndt Kohn

Proposal for a regulation
Recital 19 a (new)

Text proposed by the Commission

Amendment

(19a) It should be possible to cover 70% of the eligible costs for actions undertaken by SMEs.

Or. en

Amendment 127
Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation
Recital 20

Text proposed by the Commission

(20) *As the Union support aims at enhancing the competitiveness of the sector and concerns only the specific development phase*, the Commission should **not** have ownership or intellectual property rights over the products or technologies resulting from the funded actions. The applicable intellectual property rights regime will be defined contractually **by** the beneficiaries.

Amendment

(20) The Commission should have ownership or intellectual property rights over the products or technologies resulting from the funded actions. The applicable intellectual property rights regime will be defined contractually **between the Commission and** the beneficiaries.

Or. en

Amendment 128
Igor Šoltes

Proposal for a regulation
Recital 20

Text proposed by the Commission

(20) As the Union support aims at enhancing the **competitiveness of** the sector and concerns only the specific development phase, the Commission should not have ownership or intellectual property rights over the products or technologies resulting from the **funded** actions. The applicable intellectual property rights regime will be defined contractually by the **beneficiaries**.

Amendment

(20) As the Union support aims at enhancing the **efficient cooperation within** the sector and concerns only the specific development phase, the Commission should not have ownership or intellectual property rights over the products or technologies resulting from the actions **supported**. The applicable intellectual property rights regime will be defined contractually by the **participants**.

Or. en

Amendment 129
Jasenko Selimovic, Dita Charanzová

Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) The Commission should establish a ***multiannual*** work programme in line with the objectives of the Programme. The Commission should be assisted in the establishment of the work programme by a committee of Member States (***hereinafter referred to as*** Programme Committee). ***In light of the Union policy on Small and Medium Enterprises (SMEs) as key to ensuring economic growth, innovation, job creation, and social integration in the Union and the fact that the supported actions will typically require trans-national collaboration, it is of importance that the work programme will reflect and enable such cross-border participation of SMEs and that therefore a proportion of the overall budget will benefit such action.***

Amendment

(21) The Commission should establish a ***two-year*** work programme in line with the objectives of the Programme. The Commission should be assisted in the establishment of the work programme by a committee of Member States ('***the*** Programme Committee'). ***Micro, small and medium-sized enterprises (MSMEs) and intermediate companies are, in many Member States, the backbone of their defence sector and central to the European defence industrial base and the value chain. At the same time, they are the most vulnerable part of the defence supply chain to access fresh capital needed for new investments. Therefore, particular attention should be paid to ensuring the adequate participation of MSMEs in the work programme and throughout the implementation of the Programme.***

Or. en

Amendment 130

Antonio López-Istúriz White

Proposal for a regulation

Recital 21

Text proposed by the Commission

(21) The Commission should establish a multiannual work programme in line with the objectives of the Programme. The Commission should be assisted in the establishment of the work programme by a committee of Member States (hereinafter referred to as Programme Committee). In light of the Union policy on Small and Medium Enterprises (SMEs) as key to ensuring economic growth, innovation, job creation, and social integration in the

Amendment

(21) The Commission should establish a multiannual work programme in line with the objectives of the Programme, ***and especially that of competitiveness***. The Commission should be assisted in the establishment of the work programme by a committee of Member States (hereinafter referred to as Programme Committee). In light of the Union policy on Small and Medium Enterprises (SMEs) as key to ensuring economic growth, innovation, job

Union and the fact that the supported actions will typically require trans-national collaboration, it is of importance that the work programme will reflect and enable such cross-border participation of SMEs and that therefore a proportion of the overall budget will benefit such action.

creation, and social integration in the Union and the fact that the supported actions will typically require trans-national collaboration, it is of importance that the work programme will reflect and enable such cross-border participation of SMEs and that therefore a proportion of the overall budget will benefit such action.

Or. es

Amendment 131

Virginie Rozière, Sergio Gutiérrez Prieto, Liisa Jaakonsaari

Proposal for a regulation

Recital 21

Text proposed by the Commission

(21) The Commission should establish a multiannual work programme in line with the objectives of the Programme. The Commission should be assisted in the establishment of the work programme by a committee of Member States (hereinafter referred to as Programme Committee). In light of the Union policy on Small and Medium Enterprises (SMEs) as key to ensuring economic growth, innovation, job creation, and social integration in the Union and the fact that the supported actions will typically require trans-national collaboration, it is of importance that the work programme will reflect and enable such cross-border participation of SMEs and that therefore a proportion of the overall budget will benefit such action.

Amendment

(21) The Commission should establish a multiannual work programme in line with the objectives of the Programme. The Commission should be assisted in the establishment of the work programme by a committee of Member States (hereinafter referred to as Programme Committee). In light of the Union policy on Small and Medium Enterprises (SMEs) as key to ensuring economic growth, innovation, job creation, and social integration in the Union and the fact that the supported actions will typically require trans-national collaboration, it is of importance that the work programme will reflect and enable such cross-border participation of SMEs and that therefore a proportion of ***at least 10% of*** the overall budget will benefit such action.

Or. en

Amendment 132

Mylène Troszczynski

Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) The Commission should establish a multiannual work programme in line with the objectives of the Programme. The Commission should be assisted in the establishment of the work programme by a committee of Member States (hereinafter referred to as Programme Committee). In light of the Union policy on Small and Medium Enterprises (SMEs) as key to ensuring economic growth, innovation, job creation, and social integration in the Union and the fact that the supported actions will typically require trans-national collaboration, it is of importance that the work programme will reflect and enable such cross-border participation of SMEs and that therefore a proportion of the overall budget will benefit such action.

Amendment

(21) The Commission should establish a multiannual work programme in line with the objectives of the Programme. The Commission should be assisted in the establishment of the work programme by a committee of *the* Member States (hereinafter referred to as Programme Committee). In light of the Union policy on Small and Medium Enterprises (SMEs) as key to ensuring economic growth, innovation, job creation, and social integration in the Union and the fact that the supported actions will typically require trans-national collaboration, it is of importance that the work programme will reflect and enable such cross-border participation of SMEs and that therefore a proportion of the overall budget will benefit such action.

Or. fr

Amendment 133
Philippe Juvin

Proposal for a regulation
Recital 21

Text proposed by the Commission

(21) The Commission should establish a multiannual work programme in line with the objectives of the Programme. The Commission should be assisted in the establishment of the work programme by a committee of Member States (hereinafter referred to as Programme Committee). In light of the Union policy on Small and Medium Enterprises (SMEs) as key to ensuring economic growth, innovation, job creation, and social integration in the

Amendment

(21) The Commission should establish a multiannual work programme in line with the objectives of the Programme. The Commission should be assisted in the establishment of the work programme by a committee of Member States (hereinafter referred to as Programme Committee). In light of the Union policy on Small and Medium Enterprises (SMEs) as key to ensuring economic growth, innovation, job creation, and social integration in the

Union and the fact that the supported actions will typically require trans-national collaboration, it is of importance that the work programme will reflect and enable such cross-border participation of SMEs and that therefore ***a proportion*** of the overall budget will benefit such action.

Union and the fact that the supported actions will typically require trans-national collaboration, it is of importance that the work programme will reflect and enable such cross-border participation of SMEs and that therefore ***at least 10%*** of the overall budget will benefit such action.

Or. fr

Justification

Taking SMEs into account by reserving them a project category and ensuring that at least 10% of the programme's budget favours the cross-border participation of SMEs.

Amendment 134

Maria Grapini

Proposal for a regulation

Recital 21 a (new)

Text proposed by the Commission

Amendment

(21a) It is also necessary to establish a body with the role of supervising and verifying the implementation of the programme and the financing measures, either within the framework of the committee of Member States or as a separate element.

Or. ro

Amendment 135

Mylène Troszczynski

Proposal for a regulation

Recital 22

Text proposed by the Commission

Amendment

(22) In order to benefit from its expertise in the defence sector, the European Defence Agency will be given the status of an observer in the committee

deleted

of Member States. The European External Action Service should also assist in the committee of Member States.

Or. fr

Amendment 136

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Recital 23

Text proposed by the Commission

(23) For the selection of actions to be funded by the Programme, the Commission or the entities referred to in Article 58(1)(c) of Regulation N°966/2012 should organise competitive calls as provided for by Regulation No 966/2012. After evaluation of the received proposals with the help of independent experts, the Commission will select the actions to be funded under the Programme. In order to ensure uniform conditions for the implementation of this Regulation implementing powers should be conferred on the Commission as regards the adoption and the implementation of the work programme, as well as for awarding the funding to selected actions. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council⁷.

⁷ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules

Amendment

(23) For the selection of actions to be funded by the Programme, the Commission or the entities referred to in Article 58(1)(c) of Regulation No 966/2012 should organise competitive calls as provided for by Regulation No 966/2012. After evaluation of the received proposals with the help of *an independent expert committee with transparently selected Members of the European Parliament, the Commission and defence experts from academia, think tanks or other stakeholders, excluding representatives from defence companies in order to avoid bias*, the Commission will select the actions to be funded under the Programme. In order to ensure uniform conditions for the implementation of this Regulation implementing powers should be conferred on the Commission as regards the adoption and the implementation of the work programme, as well as for awarding the funding to selected actions. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council⁷.

⁷ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules

and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers

and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers

Or. en

Amendment 137
Igor Šoltes

Proposal for a regulation
Recital 23

Text proposed by the Commission

(23) For the selection of actions to be ***funded*** by the Programme, the Commission or the entities referred to in Article 58(1)(c) of Regulation N°966/2012 should organise competitive calls as provided for by Regulation No 966/2012. After evaluation of the received proposals with the help of independent experts, the Commission will select the actions to be ***funded*** under the Programme. In order to ensure uniform conditions for the implementation of this Regulation implementing powers should be conferred on the Commission as regards the adoption and the implementation of the work programme, as well as for awarding the ***funding*** to selected actions. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council⁷.

⁷ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers

Amendment

(23) For the selection of actions to be ***supported*** by the Programme, the Commission or the entities referred to in Article 58(1)(c) of Regulation No 966/2012 should organise competitive calls as provided for by Regulation No 966/2012. After evaluation of the received proposals with the help of independent experts, the Commission will select the actions to be ***supported*** under the Programme. In order to ensure uniform conditions for the implementation of this Regulation implementing powers should be conferred on the Commission as regards the adoption and the implementation of the work programme, as well as for awarding the ***support*** to selected actions. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council.

⁷ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers

Or. en

Amendment 138
Maria Grapini

Proposal for a regulation
Recital 23

Text proposed by the Commission

(23) For the selection of actions to be funded by the Programme, the Commission or the entities referred to in Article 58(1)(c) of Regulation N°966/2012 should organise competitive calls as provided for by Regulation No 966/2012. After evaluation of the received proposals with the help of independent experts, the Commission will select the actions to be funded under the Programme. In order to ensure uniform conditions for the implementation of this Regulation implementing powers should be conferred on the Commission as regards the adoption and the implementation of the work programme, as well as for awarding the funding to selected actions. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council⁷.

⁷ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers

Amendment

(23) For the selection of actions to be funded by the Programme, the Commission or the entities referred to in Article 58(1)(c) of Regulation No 966/2012 should organise competitive calls as provided for by Regulation No 966/2012. After evaluation of the received proposals with the help of independent experts **from different countries**, the Commission will select the actions to be funded under the Programme. In order to ensure uniform conditions for the implementation of this Regulation implementing powers should be conferred on the Commission as regards the adoption and the implementation of the work programme, as well as for awarding the funding to selected actions. Those powers should be exercised in accordance with Regulation (EU) No 182/2011 of the European Parliament and of the Council⁷.

⁷ Regulation (EU) No 182/2011 of the European Parliament and of the Council of 16 February 2011 laying down the rules and general principles concerning mechanisms for control by the Member States of the Commission's exercise of implementing powers

Or. ro

Amendment 139
Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation
Recital 23 a (new)

Text proposed by the Commission

Amendment

(23a) When monitoring and controlling arms exports and technologies produced with funding from the Union to countries other than NATO, EU and NATO-equivalent countries, the Commission should be assisted by a supervisory body made up of representatives of the European Parliament, the Commission, the European External Action Service and the Member States ('the Supervisory Body').

Or. en

Amendment 140
Mylène Troszczynski

Proposal for a regulation
Recital 23 a (new)

Text proposed by the Commission

Amendment

(23a) The independent experts involved in the evaluation of the proposals received by the Commission under this programme should be investigated for possible conflicts of interest or risks relating to confidentiality; the results of these investigations must be made known to applicants for funding.

Or. fr

Amendment 141
Jasenko Selimovic, Dita Charanzová

Proposal for a regulation
Recital 25

Text proposed by the Commission

(25) The Commission should draw up an implementation report at the end of the Programme, examining the financial activities in terms of financial implementation results and where possible, impact. This report should also analyse the **cross border** participation of SMEs in projects under the Programme as well as the participation of SMEs to the global value chain.

Amendment

(25) The Commission should draw up an implementation report at the end of the Programme, examining the financial activities in terms of financial implementation results and where possible, impact. This report should also analyse the **cross-border** participation of SMEs in projects under the Programme as well as the participation of SMEs to the global value chain. ***If the participation of SMEs is considered to be low, the Commission should examine the reasons for this situation and should propose, without delay, adequate new measures for allowing SMEs to increase their participation.***

Or. en

Amendment 142

Igor Šoltes

Proposal for a regulation

Recital 25

Text proposed by the Commission

(25) The Commission should draw up an implementation report at the end of the Programme, examining the financial activities in terms of financial implementation results and where possible, impact. This report should also analyse the cross border participation of SMEs in projects under the Programme as well as the participation of SMEs to the global value chain.

Amendment

(25) The Commission should draw up ***an interim progress report by the end of the first year of implementation and*** an implementation report at the end of the Programme, examining the financial activities in terms of financial implementation results and where possible, impact. This report should also analyse the cross border participation of SMEs in projects under the Programme as well as the participation of SMEs to the global value chain.

Or. en

Amendment 143

Virginie Rozière, Pina Picierno, Sergio Gutiérrez Prieto, Liisa Jaakonsaari

Proposal for a regulation

Recital 25

Text proposed by the Commission

(25) The Commission should draw up **an** implementation **report** at the end of the Programme, examining the financial activities in terms of financial implementation results and where possible, impact. This report should also analyse the cross border participation of SMEs in projects under the Programme as well as the participation of SMEs to the global value chain.

Amendment

(25) The Commission should draw up implementation **reports at the end of the first year and** at the end of the Programme, examining the financial activities in terms of financial implementation results and where possible, impact. This report should also analyse the cross border participation of SMEs in projects under the Programme as well as the participation of SMEs to the global value chain.

Or. en

Amendment 144

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Recital 25

Text proposed by the Commission

(25) The Commission should draw up an implementation report at the end of **the Programme**, examining the financial activities in terms of financial implementation results and where possible, impact. This report should also analyse the cross border participation of SMEs in projects under the Programme as well as the participation of SMEs to the global value chain.

Amendment

(25) The Commission should draw up an implementation **and evaluation** report at the end of **each financial year**, examining the financial activities in terms of financial implementation results and where possible, impact. This report should also analyse the cross border participation of SMEs in projects under the Programme as well as the participation of SMEs to the global value chain.

Or. en

Amendment 145

Maria Grapini

Proposal for a regulation
Recital 25

Text proposed by the Commission

(25) The Commission should draw up an implementation report at the end of the Programme, examining the financial activities in terms of financial implementation results and ***where possible***, impact. This report should also analyse the cross border participation of SMEs in projects under the Programme as well as the participation of SMEs to the global value chain.

Amendment

(25) The Commission should draw up an implementation report at the end of the Programme, examining the financial activities in terms of financial implementation results and impact. This report should also analyse the cross border participation of SMEs in projects under the Programme as well as the participation of SMEs to the global value chain.

Or. ro

Amendment 146
Igor Šoltes

Proposal for a regulation
Article 1 – paragraph 1

Text proposed by the Commission

A European Defence Industrial Development Programme (hereinafter referred to as the Programme) ***for Union action*** covering the period from 1st January 2019 to 31 December 2020 is hereby established.

Amendment

A European cooperation mechanism between the Commission, the Member States and undertakings supporting the development and implementation of a joint European Defence Industrial Development Programme (hereinafter referred to as 'the Programme') covering the period from 1st January 2019 to 31 December 2020 is hereby established.

Or. en

Justification

The European Defence Agency (EDA) has until today not been able to Europeanise defence research, development and procurement projects of Member States. In order to boost efficient cooperation between Member States on defence capabilities, the European Commission should be entrusted to ensure that efficient European cooperation is made possible, and offer

its administrative capacities for establishing and maintaining a cooperation mechanism between Member States and with undertakings

Amendment 147

Igor Šoltes

Proposal for a regulation

Article 2 – paragraph 1 – introductory part

Text proposed by the Commission

The Programme shall have the following objectives:

Amendment

Member States shall cooperate with each other and with the Commission in a transparent manner in order to adopt and implement the Programme, which shall have the following objectives:

Or. en

Amendment 148

Philippe Juvin

Proposal for a regulation

Article 2 – paragraph 1 – point a

Text proposed by the Commission

(a) to foster the competitiveness and innovation capacity of the Union defence industry by supporting actions in their development phase;

Amendment

(a) to foster the competitiveness and innovation capacity of the Union defence industry ***and to consolidate the Union's strategic autonomy in matters of defence and security*** by supporting actions ***carried out on the territory of the Union*** in their development phase, ***as defined in Article 6;***

Or. fr

Justification

The Council used the term 'strategic autonomy' in its conclusions of 28 June 2016 on A Global Strategy for the European Union's Foreign and Security Policy. The term 'security': in the future the cybersecurity issue will gain importance and the word 'security' is important in this connection. The reference to Article 6 specifies what constitutes the development phase.

Amendment 149

Igor Šoltes

Proposal for a regulation

Article 2 – paragraph 1 – point a

Text proposed by the Commission

(a) to *foster the competitiveness and innovation capacity of the Union defence industry* by supporting actions *in their* development phase;

Amendment

(a) to *increase efficient cooperation between Member States* by supporting actions *on Union territory in the* development phase *of the defence industry*;

Or. en

Amendment 150

Virginie Rozière, Pina Picierno, Nicola Danti, Sergio Gutiérrez Prieto

Proposal for a regulation

Article 2 – paragraph 1 – point a

Text proposed by the Commission

(a) to foster the competitiveness and innovation capacity of the Union defence industry by supporting actions in their development phase;

Amendment

(a) to foster the *integration*, competitiveness and innovation capacity of the Union defence industry by supporting actions in their development phase *and by supporting the development and acquisition of new skills of the workers in the defence sector that will allow the European defence industry to deliver high-tech solutions in a global setting*;

Or. en

Amendment 151

Maria Grapini

Proposal for a regulation

Article 2 – paragraph 1 – point a

Text proposed by the Commission

(a) to foster the competitiveness and innovation capacity of the Union defence industry by supporting actions in their development phase;

Amendment

(a) to foster the competitiveness and innovation capacity of the Union defence industry by supporting actions in their development phase, ***whereby beneficiaries shall be undertakings established in the Union, on the basis of public tenders;***

Or. ro

Amendment 152

Antonio López-Istúriz White

Proposal for a regulation

Article 2 – paragraph 1 – point a

Text proposed by the Commission

(a) to foster the competitiveness and innovation capacity of the Union defence industry by supporting actions in their development phase;

Amendment

(a) to foster the competitiveness and innovation capacity of the Union defence industry ***and to contribute to the Union's strategic defence autonomy*** by supporting actions in their development phase;

Or. es

Amendment 153

Jasenko Selimovic

Proposal for a regulation

Article 2 – paragraph 1 – point a

Text proposed by the Commission

(a) to foster the competitiveness and innovation capacity of the Union defence industry by supporting actions in their development phase;

Amendment

(a) to foster the competitiveness and innovation capacity of the Union defence industry by supporting ***cross-border*** actions in their development phase;

Or. en

Amendment 154
Mylène Troszczynski

Proposal for a regulation
Article 2 – paragraph 1 – point a

Text proposed by the Commission

(a) to foster the competitiveness and innovation capacity of the **Union** defence industry by supporting actions in their development phase;

Amendment

(a) to foster the competitiveness and innovation capacity of the defence industry **in the European Union** by supporting actions in their development phase;

Or. fr

Amendment 155
Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation
Article 2 – paragraph 1 – point a

Text proposed by the Commission

(a) to foster the **competitiveness and** innovation capacity of the Union defence industry by supporting actions in their development phase;

Amendment

(a) to foster the innovation capacity of the Union defence industry, **especially cyberdefence**, by supporting actions in their development phase;

Or. en

Amendment 156
Antonio López-Istúriz White

Proposal for a regulation
Article 2 – paragraph 1 – point b

Text proposed by the Commission

(b) to support and leverage the cooperation between undertakings, including small and medium-sized enterprises, in the development of technologies or products in line with defence capability priorities commonly

Amendment

(b) to support and leverage the cooperation between Member States and between undertakings, including small and medium-sized enterprises, in the development of technologies or products in line with defence capability priorities

agreed by Member States within the Union;

commonly agreed by Member States within the Union, *in order to avoid duplication and promote interoperability and standardisation; Where appropriate, regional and international actions, initiatives and priorities, including those in the NATO context, where they serve the Union security and defence interest and take account of the need to avoid unnecessary duplication, may also be taken into account on condition that they do not exclude the possibility for any EU Member State to participate;*

Or. es

Amendment 157

Igor Šoltes

Proposal for a regulation

Article 2 – paragraph 1 – point b

Text proposed by the Commission

(b) to support and leverage the cooperation between undertakings, including small and medium-sized enterprises, in the development of technologies or products in line with defence capability priorities commonly agreed by Member States within the Union;

Amendment

(b) to support and leverage the cooperation between ***Member States and with*** undertakings, including small and medium-sized enterprises, in the development of technologies or products ***solely*** in line with defence capability priorities commonly agreed by Member States within the Union ***in the context of the Capability Development Plan of the Common Security and Defence Policy (CSDP);***

Or. en

Amendment 158

Virginie Rozière, Pina Picierno, Nicola Danti, Sergio Gutiérrez Prieto, Arndt Kohn

Proposal for a regulation

Article 2 – paragraph 1 – point b

Text proposed by the Commission

(b) to support and leverage the cooperation between undertakings, including small and medium-sized enterprises, in the development of technologies or products in line with defence capability priorities commonly agreed by Member States within the Union;

Amendment

(b) to support and leverage the cooperation between undertakings, including small and medium-sized enterprises, in the development of technologies or products in line with defence capability priorities commonly agreed by Member States within the Union ***including the development of cyberdefence capabilities and cybersecurity solutions for the defence industry;***

Or. en

Amendment 159
Jasenko Selimovic

Proposal for a regulation
Article 2 – paragraph 1 – point b

Text proposed by the Commission

(b) to support and leverage the cooperation between undertakings, including small and medium-sized enterprises, in the development of technologies or products in line with defence capability priorities commonly agreed by Member States within the Union;

Amendment

(b) to support and leverage the cooperation between undertakings, including small and medium-sized enterprises, in the development of technologies or products in line with defence capability priorities commonly agreed by Member States within the Union, ***with a view to strengthening the single market for defence;***

Or. en

Amendment 160
Maria Grapini

Proposal for a regulation
Article 2 – paragraph 1 – point b

Text proposed by the Commission

Amendment

(b) to support and leverage the cooperation between undertakings, including small and medium-sized enterprises, in the development of technologies or products in line with defence capability priorities commonly agreed by Member States within the Union;

(b) to support and leverage the cooperation between undertakings, including small and medium-sized enterprises, in the **research and** development of technologies or products in line with defence capability priorities commonly agreed by Member States within the Union;

Or. ro

Amendment 161
Jasenko Selimovic

Proposal for a regulation
Article 2 – paragraph 1 – point b

Text proposed by the Commission

(b) to support and leverage the cooperation between undertakings, including small and medium-sized enterprises, in the development of technologies or products in line with defence capability priorities commonly agreed by Member States within the Union;

Amendment

(b) to support and leverage the **cross-border** cooperation between undertakings, including small and medium-sized enterprises, in the development of technologies or products in line with defence capability priorities commonly agreed by Member States within the Union;

Or. en

Amendment 162
Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation
Article 2 – paragraph 1 – point b

Text proposed by the Commission

(b) to support and leverage the cooperation between undertakings, including small and medium-sized enterprises, in the development of technologies or products in line with

Amendment

(b) to support and leverage the **cross-border** cooperation between undertakings, including small and medium-sized enterprises, in the development of technologies or products in line with

defence capability priorities commonly agreed by Member States within the Union;

defence capability priorities commonly agreed by Member States within the Union;

Or. en

Amendment 163

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 2 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) to support undertakings in the conversion of excess military into civil production lines;

Or. en

Amendment 164

Virginie Rozière, Pina Picierno, Nicola Danti, Sergio Gutiérrez Prieto

Proposal for a regulation

Article 2 – paragraph 1 – point c a (new)

Text proposed by the Commission

Amendment

(ca) to foster the strategic autonomy of Union defence industry;

Or. en

Amendment 165

Igor Šoltes

Proposal for a regulation

Article 3 – title

Text proposed by the Commission

Amendment

Amendment 166

Igor Šoltes

Proposal for a regulation

Article 3 – paragraph 1

Text proposed by the Commission

The amount for the implementation of the Programme for the period 2019-2020 is set at EUR 500 million in current prices.

Amendment

Actions under the Programme shall be funded by the Member States and where appropriate via the use of the ATHENA mechanism. Only administrative and organisational expenditure to which the development and implementation of the Programme gives rise for the institutions may be funded by the Union budget. The financial resources shall be drawn from the existing administrative resources available to the institutions.

Or. en

Justification

The weapon industry already consumes some 200 billion € annually and, according to the Commission, considerable savings could be made in defence research, development and procurement. Therefore the focus should be on using more efficiently the money currently spent, rather than spending more EU budget on weapon industry. The EU budget should only need to cover a limited amount of administrative expenditures related to the support offered by the Commission

Amendment 167

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 3 – paragraph 1

Text proposed by the Commission

The amount for the implementation of the

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Amendment

The amount for the implementation of the

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Programme for the period 2019-2020 is set at EUR **500** million in current prices.

Programme for the period 2019-2020 is set at EUR **125** million in current prices, *to be drawn exclusively from the unallocated margins under the 2014-2020 multiannual financial framework ceilings. Additional spending from the Union budget shall be compensated by savings in national defence budgets.*

Or. en

Amendment 168
Jasenko Selimovic

Proposal for a regulation
Article 3 – paragraph 1

Text proposed by the Commission

The amount for the implementation of the Programme for the period 2019-2020 is set at EUR 500 million in current prices.

Amendment

The amount for the implementation of the Programme for the period 2019-2020 is set at EUR 500 million in current prices.
The financing of each action under the Programme shall not exceed one tenth of the amount allocated to the implementation of the Programme for the period 2019-2020.

Or. en

Amendment 169
Virginie Rozière, Pina Picierno, Sergio Gutiérrez Prieto, Liisa Jaakonsaari

Proposal for a regulation
Article 3 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. *The contribution from the Union budget should be progressively authorised by the European Parliament and the Council in the framework of the annual budgetary procedures. For this purpose, the budgetary authority shall make use,*

where appropriate, of all means available under Council Regulation (EU, Euratom) No 1311/2013 of 2 December 2013 laying down the Multiannual Financial Framework for the years 2014-2020, with particular recourse to the Global Margin for Commitments, the Global Margin for Payments, and the Flexibility Instrument.

Or. en

Amendment 170

Mylène Troszczynski

Proposal for a regulation

Article 3 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The funds making up the financial envelope referred to in Article 3 (1) cannot come from financial margins generated by other European programmes, such as Galileo, but only from the margins of the 2014-2018 multiannual financial framework.

Or. fr

Amendment 171

Igor Šoltes

Proposal for a regulation

Article 4

Text proposed by the Commission

Amendment

Article 4

deleted

General financing provisions

1. The Union's financial assistance may be provided through the types of financing envisaged by Regulation (EU, Euratom) No 966/2012, and in particular:

- (a) *grants;*
- (b) *financial instruments;*
- (c) *public procurement.*

2. *The types of financing referred to in paragraph 1 of this Article and the methods of implementation, shall be chosen on the basis of their ability to achieve the specific objectives of the actions and to deliver results, taking into account, in particular, the costs of controls, the administrative burden and the risk of conflict of interests.*

3. *The Union's financial assistance shall be implemented by the Commission as provided for by Regulation (EU, Euratom) No 966/2012 directly or indirectly by entrusting budget implementation tasks to the entities listed in Article 58(1) (c) of that Regulation.*

4. *In case a project manager is appointed by Member States, the Commission shall execute the payment to the eligible beneficiaries after informing the project manager.*

Or. en

Justification

The weapon industry already consumes some 200 billion € annually and, according to the Commission, considerable savings could be made in defence research, development and procurement. Therefore the focus should be on using more efficiently the money currently spent, rather than spending more EU budget on weapon industry. The EU budget should only need to cover a limited amount of administrative expenditures related to the support offered by the Commission

Amendment 172

Virginie Rozière, Sergio Gutiérrez Prieto

Proposal for a regulation

Article 4 – paragraph 1 – point c

Text proposed by the Commission

Amendment

(c) public procurement.

(c) public procurement, *in full respect of the requirements of Directive 2009/81/EC on defence and security procurement. The use of exemptions provided for by that Directive shall be duly justified.*

Or. en

Amendment 173

Philippe Juvin

Proposal for a regulation

Article 4 – paragraph 3

Text proposed by the Commission

3. The Union's financial assistance shall be implemented by the Commission as provided for by Regulation (EU, Euratom) No 966/2012 ***directly or indirectly by entrusting budget implementation tasks to the entities listed in*** Article 58(1) (c) of that Regulation.

Amendment

3. The Union's financial assistance shall be implemented by the Commission as provided for by Regulation (EU, Euratom) No 966/2012, Article 58(1) ***(a) and (b)*** of that Regulation.

Or. fr

Justification

This amendment clarifies and specifies the Commission's direct role in the implementation of the Union's financial assistance.

Amendment 174

Antonio López-Istúriz White

Proposal for a regulation

Article 4 – paragraph 4

Text proposed by the Commission

4. ***In case*** a project manager ***is appointed*** by Member States, the Commission ***shall execute*** the payment to the eligible beneficiaries ***after informing***

Amendment

4. ***Member States shall appoint*** a project manager ***who shall follow the contract on their behalf and inform*** the Commission ***when*** the payment to the eligible beneficiaries ***should be executed.***

the project manager.

The eligible beneficiaries, in the consortium, shall have their project manager who shall cooperate with the project manager appointed by the Member States.

Or. es

Amendment 175

Philippe Juvin

Proposal for a regulation

Article 4 – paragraph 4

Text proposed by the Commission

4. *In case a project manager is appointed by Member States, the Commission shall execute the payment to the eligible beneficiaries after informing the project manager.*

Amendment

4. *Member States shall appoint a project manager. The Commission shall consult the project manager on the progress achieved in connection with the project and shall sign it off before executing the payment to the eligible beneficiaries.*

Or. fr

Justification

Member States choose the project manager which legitimises him or her in their eyes. The Commission grants itself a right of scrutiny over the progress made before making the payment.

Amendment 176

Igor Šoltes

Proposal for a regulation

Article 5

Text proposed by the Commission

Amendment

Article 5

deleted

Types of financial instruments

1. *Financial instruments set up in accordance with Title VIII of Regulation*

(EU, Euratom) No 966/2012 may be used to facilitate access to finance by entities implementing actions in accordance with Article 6.

2. The following types of financial instruments may be used:

- (a) Equity or quasi-equity investments;**
- (b) Loans or guarantees;**
- (c) Risk sharing instruments.**

Or. en

Justification

The weapon industry already consumes some 200 billion € annually and, according to the Commission, considerable savings could be made in defence research, development and procurement. Therefore the focus should be on using more efficiently the money currently spent, rather than spending more EU budget on weapon industry. The EU budget should only need to cover a limited amount of administrative expenditures related to the support offered by the Commission

Amendment 177
Igor Šoltes

Proposal for a regulation
Article 6 – title

Text proposed by the Commission

Amendment

Eligible actions

Areas of cooperation

Or. en

Amendment 178
Philippe Juvin

Proposal for a regulation
Article 6 – paragraph 1 – introductory part

Text proposed by the Commission

Amendment

1. The Programme shall provide

1. The Programme shall provide

support for actions by beneficiaries in the development phase covering both new and the upgrade of existing products and technologies, in relation to:

support for actions by beneficiaries in the development phase covering both new and the upgrade of existing products and technologies, ***which must themselves meet the same independence criteria as those laid down in Article 7 of this Regulation, as well as those listed in its recital 13***, in relation to:

Or. fr

Justification

As regards improving existing products or technologies, it will be necessary to ensure that the projects were originally developed by Member States, not by a third country.

Amendment 179 **Jasenko Selimovic**

Proposal for a regulation **Article 6 – paragraph 1 – introductory part**

Text proposed by the Commission

1. The Programme shall provide support for actions by beneficiaries in the development phase covering ***both new and the upgrade of existing*** products and technologies, in relation to:

Amendment

1. The Programme shall provide support for actions by beneficiaries in the development phase covering ***new*** products and technologies, in relation to:

Or. en

Amendment 180 **Igor Šoltes**

Proposal for a regulation **Article 6 – paragraph 1 – introductory part**

Text proposed by the Commission

1. The Programme shall ***provide support for*** actions by ***beneficiaries*** in the development phase covering both new and the upgrade of existing products and

Amendment

1. The Programme shall ***identify and develop*** actions by ***participants*** in the development phase covering both new and the upgrade of existing products and

technologies, in relation to:

technologies, in relation to:

Or. en

Amendment 181

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 6 – paragraph 1 – point a

Text proposed by the Commission

(a) the design of a defence product, tangible or intangible component or technology as well as the technical specifications on which such design has been developed;

Amendment

(a) the design of a defence product ***or a product supporting the undertakings' aim to convert from military to civil production***, tangible or intangible component or technology as well as the technical specifications on which such design has been developed;

Or. en

Amendment 182

Virginie Rozière, Pina Picierno, Sergio Gutiérrez Prieto, Liisa Jaakonsaari

Proposal for a regulation

Article 6 – paragraph 1 – point a

Text proposed by the Commission

(a) the design of a defence product, tangible or intangible component or technology as well as the technical specifications on which such design has been developed;

Amendment

(a) the design of a defence product, tangible or intangible component or technology as well as the technical specifications ***and/or standards*** on which such design has been developed;

Or. en

Amendment 183

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 6 – paragraph 1 – point b

Text proposed by the Commission

(b) the prototyping of a defence product, tangible or intangible component or technology. A prototype is a model of a product or technology that can demonstrate the element's performance in an operational environment;

Amendment

(b) the prototyping of a defence product ***or a product supporting the undertakings' aim to convert from military to civil production***, tangible or intangible component or technology. A prototype is a model of a product or technology that can demonstrate the element's performance in an operational environment;

Or. en

Amendment 184

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 6 – paragraph 1 – point c

Text proposed by the Commission

(c) the testing of a defence product, tangible or intangible component or technology;

Amendment

(c) the testing of a defence product ***or a product supporting the undertakings' aim to convert from military to civil production***, tangible or intangible component or technology;

Or. en

Amendment 185

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 6 – paragraph 1 – point d

Text proposed by the Commission

(d) the qualification of a defence

Amendment

(d) the qualification of a defence

product, tangible or intangible component or technology; qualification is the entire process of demonstrating that the design of a product/component/technology meets the specified requirements. This process provides objective evidence by which particular requirements of a design are demonstrated to have been achieved;

product *or a product supporting the undertakings' aim to convert from military to civil production*, tangible or intangible component or technology; qualification is the entire process of demonstrating that the design of a product/component/technology meets the specified requirements. This process provides objective evidence by which particular requirements of a design are demonstrated to have been achieved;

Or. en

Amendment 186

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 6 – paragraph 1 – point e

Text proposed by the Commission

(e) the certification of a defence product or technology. Certification is the process according to which a national authority certifies that the product/component/technology complies with the applicable regulations;

Amendment

(e) the certification of a defence product or technology, *or a product or technology supporting the undertakings' aim to convert from military to civil production*. Certification is the process according to which a national authority certifies that the product/component/technology complies with the applicable regulations;

Or. en

Amendment 187

Igor Šoltes

Proposal for a regulation

Article 6 – paragraph 1 – point f

Text proposed by the Commission

(f) *studies such as feasibility studies*

Amendment

deleted

and other accompanying measures.

Or. en

Amendment 188

Nicola Danti

Proposal for a regulation

Article 6 – paragraph 2

Text proposed by the Commission

2. The action shall be undertaken in a cooperation of at least **three** undertakings which are established in at least **two** different Member States. The undertakings which are beneficiaries shall not effectively be controlled, directly or indirectly, by the same entity or shall not control each other.

Amendment

2. The action shall be undertaken in a cooperation of at least **four** undertakings which are established in at least **four** different Member States. The undertakings which are beneficiaries shall not effectively be controlled, directly or indirectly, by the same entity or shall not control each other.

Or. en

Justification

The participation thresholds required for the undertakings and the Member States set by the European Commission's proposal are too low and will not constitute a strong incentive for forming new cooperation structures at the EU level.

Amendment 189

Arndt Kohn, Jens Geier, Constanze Krehl

Proposal for a regulation

Article 6 – paragraph 2

Text proposed by the Commission

2. The action shall be undertaken in a cooperation of at least **three** undertakings which are established in at least **two** different Member States. The undertakings which are beneficiaries shall not effectively be controlled, directly or indirectly, by the same entity or shall not control each other.

Amendment

2. The action shall be undertaken in a cooperation of at least **four** undertakings which are established in at least **three** different Member States. The undertakings which are beneficiaries shall not effectively be controlled, directly or indirectly, by the same entity or shall not control each other.
This paragraph shall not apply to actions in support of conversion from military

to civil production.

Or. en

Amendment 190
Jasenko Selimovic

Proposal for a regulation
Article 6 – paragraph 2

Text proposed by the Commission

2. The action shall be undertaken in a cooperation of at least three undertakings which are established in at least **two** different Member States. The undertakings which are beneficiaries shall not effectively be controlled, directly or indirectly, by the same entity or shall not control each other.

Amendment

2. The action shall be undertaken in a cooperation of at least three undertakings which are established in at least **three** different Member States. The undertakings which are beneficiaries shall not effectively be controlled, directly or indirectly, by the same entity or shall not control each other.

Or. en

Amendment 191
Antonio López-Istúriz White

Proposal for a regulation
Article 6 – paragraph 2

Text proposed by the Commission

2. The action shall be undertaken in a cooperation of at least three undertakings which are established in at least **two** different Member States. The undertakings which are beneficiaries shall not effectively be controlled, directly or indirectly, by the same entity or shall not control each other.

Amendment

2. The action shall be undertaken in a cooperation of at least three undertakings which are established in at least **three** different Member States. The undertakings which are beneficiaries shall not effectively be controlled, directly or indirectly, by the same entity or shall not control each other.

Or. es

Justification

Setting a minimum number of three different Member States would counterbalance habitual bilateral forms of cooperation and generate new approaches without undermining the effectiveness and sustainability of the programme.

Amendment 192

Lara Comi

Proposal for a regulation

Article 6 – paragraph 2

Text proposed by the Commission

2. The action shall be undertaken in a cooperation of at least three undertakings which are established in at least **two** different Member States. The undertakings which are beneficiaries shall not effectively be controlled, directly or indirectly, by the same entity or shall not control each other.

Amendment

2. The action shall be undertaken in a cooperation of at least three undertakings which are established in at least **three** different Member States. The undertakings which are beneficiaries shall not effectively be controlled, directly or indirectly, by the same entity or shall not control each other.

Or. en

Amendment 193

Igor Šoltes

Proposal for a regulation

Article 6 – paragraph 2

Text proposed by the Commission

2. The action shall be undertaken in a cooperation of at least three undertakings which are established in at least two different Member States. The undertakings which are **beneficiaries** shall not effectively be controlled, directly or indirectly, by the same entity or shall not control each other.

Amendment

2. The action shall be undertaken in a cooperation of at least three undertakings which are established in at least two different Member States. The undertakings **and their subcontractors** which are **participants** shall not effectively be controlled, directly or indirectly, by the same entity or shall not control each other.

Or. en

Amendment 194
Philippe Juvin

Proposal for a regulation
Article 6 – paragraph 2

Text proposed by the Commission

2. The action shall be undertaken in a cooperation of at least three undertakings which are established in at least two different Member States. The undertakings which are beneficiaries shall not effectively be controlled, directly *or indirectly*, by the same entity or shall not control each other.

Amendment

2. The action shall be undertaken in a cooperation of at least three undertakings which are established in at least two different Member States. The undertakings which are beneficiaries shall not effectively be controlled directly by the same entity or shall not control each other.

Or. fr

Amendment 195
Philippe Juvin

Proposal for a regulation
Article 6 – paragraph 3 – introductory part

Text proposed by the Commission

3. For the purposes of paragraph 2, 'effective control' means a relationship constituted by rights, contracts or any other means which, either separately or jointly and having regard to the considerations of fact or law involved, confer the possibility of directly *or indirectly* exercising a decisive influence on an undertaking, in particular by:

Amendment

3. For the purposes of paragraph 2, 'effective control' means a relationship constituted by rights, contracts or any other means which, either separately or jointly and having regard to the considerations of fact or law involved, confer the possibility of directly exercising a decisive influence on an undertaking, in particular by:

Or. fr

Justification

The eligibility rules must favour the consolidation actions of the European defence industry, where projects will have to be conducted by subsidiaries of the same international group located in several Member States.

Amendment 196

Proposal for a regulation
Article 6 – paragraph 4

Text proposed by the Commission

4. When it relates to actions defined under point (b) to (f) of the **first** paragraph, the action must be based on common technical specifications.

Amendment

4. When it relates to actions defined under point (b) to (f) of the paragraph (1), the action must be based on common technical specifications. ***By derogation from paragraph 3, an undertaking controlled by third countries or by entities established in third countries shall be eligible if the Member State where the undertaking is located provides sufficient assurances, in accordance with effective national procedures or contractual arrangements, that this would not contravene the security and defence interests of the Union and its Member States as established in the framework of Common Foreign and Security Policy in accordance with Title V of the TEU.***

Or. en

Justification

A) on the minimum number of Member States

EU budget should be invested in order to incentivize cooperation models which do not exist yet or which are not sufficiently exploited. In fact, bi-lateral defence projects are already an established practice in European defence cooperation, while the most successful products of European multilateral endeavours (i.e. Eurofighter Typhoon, Panavia Tornado, etc.) are approaching their decommissioning period.

Therefore a minimum of three Member States should be required.

B) On the notion of effective control

The criteria proposed at art. 7 par. 1 (50% of companies belonging to a Member State or to an EU citizen) would be extremely burdensome and complex to apply to the defence sector, since all the major European aerospace and defence industries are listed on the stock market and, as such, their ownership is influenced by market fluctuations. Therefore, a suitable assessment of 'effective control' should not be based upon stockholding, but on the capacity of a Member State or nationals of a Member State to exercise a dominant influence over the undertaking by virtue of particular governance, contractual and regulatory arrangements, for

instance allowing the Member State or the citizen of the Member State enough voting power to exert decisive influence over the company bodies.

Amendment 197

Antonio López-Istúriz White

Proposal for a regulation

Article 6 – paragraph 4

Text proposed by the Commission

4. When it relates to actions defined under point (b) to (f) of the first paragraph, the action must be based on common technical specifications.

Amendment

4. When it relates to actions defined under point (b) to (f) of the first paragraph, the action must be based on common technical specifications ***that promote interoperability***.

Or. es

Amendment 198

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 6 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. Actions in relation to products listed in Annex A shall not be funded. Actions in relation to products listed in Annex B shall not be funded if they are developed mainly for export purposes.

Or. en

Justification

Annex A and B, see Amendments 271 and 272.

Amendment 199

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation
Article 6 – paragraph 4 b (new)

Text proposed by the Commission

Amendment

4b. The action shall be in line with the tasks referred to in Article 42 TEU for peace keeping, conflict prevention and strengthening international security in accordance with the principles of the United Nations Charter.

Or. en

Amendment 200
Igor Šoltes

Proposal for a regulation
Article 6 – paragraph 4 a (new)

Text proposed by the Commission

Amendment

4a. Actions which contribute in parts or entirely (parts and components, including software, artificial intelligence features, and any relevant dual-use technologies), directly or indirectly to the following technologies shall be excluded from the Programme:

- (a) weapons of mass destruction and related war head and missile technology;***
- (b) banned weapons and munitions not compliant with international law such as:***
 - (i) cluster munitions and related aspects in line with the Convention on Cluster Munitions;***
 - (ii) anti-personal landmines and related aspects in line with the Convention on the Prohibition on the Production and Transfer of Anti-Personnel Mines and their Destruction;***

- (iii) *incendiary weapons including white phosphorus;*
- (iv) *depleted uranium ammunitions;*
- (c) *fully autonomous weapons that enable lethal actions without meaningful human intervention;*
- (d) *small and light weapons (SALW) mainly developed for export purposes, namely where no Member State has expressed a requirement for the action to be carried out.*

Or. en

Amendment 201

Igor Šoltes

Proposal for a regulation

Article 6 – paragraph 4 b (new)

Text proposed by the Commission

Amendment

4b. *Actions which contribute in parts or entirely (parts and components including software, artificial intelligence features, and any relevant dual-use technologies), directly or indirectly to the production of armed unmanned aerial vehicles shall be excluded from the Programme as long as no Council Decision on the use of such new military technology exists which upholds international human rights law and international humanitarian law and which addresses issues such as a legal framework, proportionality, protection of civilians and transparency.*

Or. en

Amendment 202

Igor Šoltes

Proposal for a regulation
Article 6 – paragraph 4 c (new)

Text proposed by the Commission

Amendment

4c. Military or dual-use technology supported by the Programme shall only be exported to NATO allies and friendly nations which fully comply with the provisions of the Arms Trade Treaty (ATT). Such exports shall also fully comply with the eight criteria provided for in Common position 944/2008/CFSP on arms exports. The results of cooperation between Member States under the Programme shall only be authorised for export if all participating Member States agree. The Commission shall put in place a tracking mechanism to verify the end-use and end-users of the technology supported by the Programme and report about their status every six months to the European Parliament and to the Council.

Or. en

Amendment 203
Igor Šoltes

Proposal for a regulation
Article 7 – title

Text proposed by the Commission

Amendment

Eligible Entities

Participating Entities

Or. en

Amendment 204
Antonio López-Istúriz White

Proposal for a regulation
Article 7 – paragraph 1

Text proposed by the Commission

1. Beneficiaries shall be undertakings established in the Union, ***in which Member States and/or nationals of Member States own more than 50 % of the undertaking and effectively control it within the meaning of Article 6(3), whether directly or indirectly through one or more intermediate undertakings. In addition, all infrastructure, facilities, assets and resources used by the participants, including subcontractors and other third parties, in actions funded under the Programme shall not be located on the territory of non-Member States during the entire duration of the action.***

Amendment

1. Beneficiaries ***and their subcontractors*** shall be ***public or private*** undertakings established in the Union.

Or. es

Amendment 205
Jasenکو Selimovic

Proposal for a regulation
Article 7 – paragraph 1

Text proposed by the Commission

1. Beneficiaries shall be undertakings established in the Union, ***in which Member States and/or nationals of Member States own more than 50% of the undertaking and effectively control it within the meaning of Article 6(3), whether directly or indirectly through one or more intermediate undertakings. In addition, all infrastructure, facilities, assets and resources used by the participants, including subcontractors and other third parties, in actions funded under the Programme shall not be located on the territory of non-Member States during the entire duration of the action.***

Amendment

1. Beneficiaries shall be ***public or private*** undertakings established in the Union. ***The beneficiaries' and their subcontractors' infrastructure, facilities, assets and resources used for the purposes of the actions funded under the Programme shall be located on the territory of the Union during the entire duration of the action, and their executive management structures shall be established in the Union.***
For the purposes of the actions funded under the Programme, the beneficiaries and their subcontractors shall not be subject exclusively controlled by third countries or by entities established in third countries. A beneficiary controlled by third countries or by entities

established in third countries shall only be considered to be an eligible entity if the Member State in which it is located provides sufficient assurances that the control of the beneficiary by third countries or by entities established therein will not contravene the security and defence interests of the Union and of its Member States.

Or. en

Amendment 206
Igor Šoltes

Proposal for a regulation
Article 7 – paragraph 1

Text proposed by the Commission

1. **Beneficiaries** shall be undertakings established in the Union, in which Member States and/or nationals of Member States own *more than 50% of* the undertaking and effectively control it within the meaning of Article 6(3), whether directly or indirectly through one or more intermediate undertakings. In addition, all infrastructure, facilities, assets and resources used by the participants, including subcontractors and other third parties, in actions **funded** under the Programme shall not be located on the territory of non-Member States during the entire duration of the action.

Amendment

1. **Participants in the actions foreseen by the Programme** shall be undertakings **and their subcontractors** established in the Union, in which Member States and/or nationals of Member States own the undertaking and effectively control it within the meaning of Article 6(3), whether directly or indirectly through one or more intermediate undertakings. In addition, all infrastructure, facilities, assets and resources used by the participants, including subcontractors and other third parties, in actions **foreseen** under the Programme shall not be located on the territory of non-Member States during the entire duration of the action. **The use of these infrastructures, facilities, assets and resources shall not be under the control of any third country or entity established outside of the Union.**

Or. en

Amendment 207

Lara Comi

Proposal for a regulation
Article 7 – paragraph 1

Text proposed by the Commission

1. Beneficiaries shall be undertakings established in the Union, ***in which Member States and/or nationals of Member States own more than 50% of the undertaking and effectively control it within the meaning of Article 6(3), whether directly or indirectly through one or more intermediate undertakings.*** In addition, all infrastructure, facilities, assets and resources used by the participants, including subcontractors and other third parties, in actions funded under the Programme shall not be located on the territory of non-Member States during the entire duration of the action.

Amendment

1. Beneficiaries shall be undertakings established in the Union. In addition, all infrastructure, facilities, assets and resources used by the participants, including subcontractors and other third parties, in actions funded under the Programme shall not be located on the territory of non-Member States during the entire duration of the action.

Or. en

Amendment 208
Nicola Danti

Proposal for a regulation
Article 7 – paragraph 1

Text proposed by the Commission

1. Beneficiaries shall be undertakings established in the Union, in which Member States and/or nationals of Member States ***own more than 50% of the undertaking and*** effectively control it within the meaning of Article 6(3), whether directly or indirectly through one or more intermediate undertakings. In addition, all infrastructure, facilities, assets and resources used by the participants, including subcontractors and other third parties, in actions funded under the Programme shall not be located on the

Amendment

1. Beneficiaries shall be undertakings ***located and*** established in the Union, in which Member States and/or nationals of Member States effectively control it within the meaning of Article 6(3), whether directly or indirectly through one or more intermediate undertakings. In addition, all infrastructure, facilities, assets and resources used by the participants, including subcontractors and other third parties, in actions funded under the Programme shall not be located on the territory of non-Member States during the

territory of non-Member States during the entire duration of the action.

entire duration of the action.

Or. en

Amendment 209

Mylène Troszczynski

Proposal for a regulation

Article 7 – paragraph 1

Text proposed by the Commission

1. Beneficiaries shall be undertakings established in the Union, in which Member States and/or nationals of Member States own more than **50%** of the undertaking and effectively control it within the meaning of Article 6(3), whether directly or indirectly through one or more intermediate undertakings. In addition, all infrastructure, facilities, assets and resources used by the participants, including subcontractors and other third parties, in actions funded under the Programme shall not be located on the territory of non-Member States during the entire duration of the action.

Amendment

1. Beneficiaries shall be undertakings established in the Union, in which Member States and/or nationals of Member States own more than **75%** of the undertaking and effectively control it within the meaning of Article 6(3), whether directly or indirectly through one or more intermediate undertakings. In addition, all infrastructure, facilities, assets and resources used by the participants, including subcontractors and other third parties, ***administrative services***, in actions funded under the Programme shall not be located on the territory of non-Member States during the entire duration of the action.

Or. fr

Justification

The percentage is a very effective legislative lever to prioritise the projects promoted by SMEs.

Amendment 210

Philippe Juvin

Proposal for a regulation

Article 7 – paragraph 1

Text proposed by the Commission

1. Beneficiaries shall be undertakings

Amendment

1. Beneficiaries ***and their***

established in the Union, in which Member States and/or nationals of Member States own more than 50% of the undertaking and effectively control it within the meaning of Article 6(3), whether directly or indirectly through one or more intermediate undertakings. In addition, all infrastructure, facilities, **assets** and **resources** used by the participants, including subcontractors and other third parties, in actions funded under the Programme shall **not** be located on the territory of **non-Member States** during the entire duration of the action.

subcontractors shall be undertakings established in the Union, in which Member States and/or nationals of Member States own more than 50% of the undertaking and effectively control it within the meaning of Article 6(3), whether directly or indirectly through one or more intermediate undertakings. In addition, all infrastructure, facilities and **assets** used by the participants, including subcontractors and other third parties, in actions funded under the Programme shall be located on the territory of **the Union** during the entire duration of the action.

Or. fr

Justification

Steps must be taken to ensure that the beneficiaries and the subcontractors are effectively controlled by the European entities, without retaining the 50% criterion that is not suitable for undertakings in this sector. The point is to strengthen strategic autonomy. Resources can be imported.

Amendment 211

Virginie Rozière, Sergio Gutiérrez Prieto, Liisa Jaakonsaari, Arndt Kohn

Proposal for a regulation

Article 7 – paragraph 1

Text proposed by the Commission

1. Beneficiaries shall be undertakings established in the Union, in which Member States and/or nationals of Member States own more than 50% of the undertaking and effectively control it within the meaning of Article 6(3), whether directly or indirectly through one or more intermediate undertakings. In addition, all infrastructure, facilities, assets and resources used by the participants, including subcontractors and other third parties, in actions funded under the Programme shall **not** be located on the territory of **non-Member States** during the entire duration of the action.

Amendment

1. Beneficiaries shall be undertakings established in the Union, in which Member States and/or nationals of Member States own more than 50% of the undertaking and effectively control it within the meaning of Article 6(3), whether directly or indirectly through one or more intermediate undertakings. In addition, all infrastructure, facilities, assets and resources used by the participants, including subcontractors and other third parties, in actions funded under the Programme shall be located on the territory of **the Member States** during the entire duration of the action.

Amendment 212

Igor Šoltes

Proposal for a regulation

Article 7 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. In case a change occurs regarding the effective control of an undertaking participating in actions foreseen under the Programme, the undertaking concerned shall inform without delay the Commission and competent authority in the Member State in which it is established, which will then jointly decide on appropriate measures with regard to the protection of national and Union interests.

Or. en

Amendment 213

Jasenko Selimovic, Dita Charanzová

Proposal for a regulation

Article 7 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Where appropriate, and in order to achieve the objectives of the Programme, beneficiaries may cooperate with undertakings located in third countries, and especially if those have a relevant expertise for the action financed.

However, the undertakings that cooperate with beneficiaries shall not be located in third countries that are not identified in the work programme.

Amendment 214
Antonio López-Istúriz White

Proposal for a regulation
Article 7 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The infrastructure, facilities, assets and resources used by the beneficiaries and their subcontractors, including other third parties, in actions funded under the Programme, along with their executive management structures, shall be located on the territory of the Union during the entire duration of the action.

Or. es

Amendment 215
Igor Šoltes

Proposal for a regulation
Article 7 – paragraph 2

Text proposed by the Commission

Amendment

2. If the ***beneficiary***, as defined in paragraph 1, is developing an action, as defined in Article 6, in the context of Permanent Structured Cooperation, it shall be ***eligible*** for the increased ***funding*** referred to in Article 11(2) in respect of that action.

2. If the ***participant***, as defined in paragraph 1, is developing an action, as defined in Article 6, in the context of Permanent Structured Cooperation, it shall be ***identified*** for the increased ***administrative support*** referred to in Article 11(2) in respect of that action.

Or. en

Amendment 216
Igor Šoltes

Proposal for a regulation
Article 8 – title

Text proposed by the Commission

Amendment

Declaration by *applicants*

Declaration by *participants*

Or. en

Amendment 217

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation
Article 8 – paragraph 1

Text proposed by the Commission

Amendment

Each applicant shall declare, by written statement, that it is fully aware of and compliant with applicable national and Union legislation and regulations relating to activities in the domain of defence.

Each applicant shall declare, by written statement, that it is fully aware of and compliant with applicable national and Union legislation and regulations relating to activities in the domain of defence, ***including the Council Common Position 2008/944/CFSP of 8 December 2008 defining common rules governing control of exports of military technology and equipment, as well as the Union regime for the control of exports, transfer, brokering and transit of dual-use items and the relevant national legislation on export controls.***

Or. en

Amendment 218

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation
Article 9 – paragraph 1

Text proposed by the Commission

Amendment

1. Where the Union's financial

1. Where the Union's financial

assistance is provided through a grant, the members of any consortium wishing to participate in an action shall appoint one of them to act as coordinator, which shall be identified in the grant agreement. The coordinator shall be the principal point of contact between the members of the consortium in relations with the Commission or the relevant funding body, unless specified otherwise in the grant agreement or in the event of non-compliance with its obligations under the grant agreement.

assistance is provided through a grant, the members of any consortium wishing to participate in an action shall appoint one of them to act as coordinator, which shall be identified in the grant agreement. The coordinator shall be the principal point of contact between the members of the consortium in relations with the Commission or the relevant funding body, unless specified otherwise in the grant agreement or in the event of non-compliance with its obligations under the grant agreement. ***The coordinator shall regularly report back to the Union institutions regarding the status of funded actions.***

Or. en

Amendment 219

Igor Šoltes

Proposal for a regulation

Article 9 – paragraph 1

Text proposed by the Commission

1. Where the Union's ***financial assistance*** is provided ***through a grant***, the members of any consortium wishing to participate in an action shall appoint one of them to act as coordinator, which shall be identified in the ***grant*** agreement. The coordinator shall be the principal point of contact between the members of the consortium in relations with the Commission or the relevant funding body, unless specified otherwise in the ***grant*** agreement or in the event of non-compliance with its obligations under the ***grant*** agreement.

Amendment

1. Where the Union's ***administrative support*** is provided, the members of any consortium wishing to participate in an action shall appoint one of them to act as coordinator, which shall be identified in the agreement. The coordinator shall be the principal point of contact between the members of the consortium in relations with the Commission or the relevant funding body, unless specified otherwise in the agreement or in the event of non-compliance with its obligations under the agreement.

Or. en

Amendment 220
Igor Šoltes

Proposal for a regulation
Article 9 – paragraph 2

Text proposed by the Commission

2. The members of a consortium participating in an action shall conclude an internal agreement establishing their rights and obligations with respect to the implementation of the action (in compliance with the **grant** agreement), except in duly justified cases provided for in the work programme or call for proposals.

Amendment

2. The members of a consortium participating in an action shall conclude an internal agreement establishing their rights and obligations with respect to the implementation of the action(in compliance with the agreement), except in duly justified cases provided for in the work programme or call for proposals.

Or. en

Amendment 221
Igor Šoltes

Proposal for a regulation
Article 10 – title

Text proposed by the Commission

Award criteria

Amendment

Selection criteria

Or. en

Amendment 222
Igor Šoltes

Proposal for a regulation
Article 10 – paragraph 1 – introductory part

Text proposed by the Commission

Actions proposed for **funding under** the Programme shall be evaluated on the basis of the following cumulative criteria:

Amendment

Actions proposed for **inclusion in** the Programme **and eligible for administrative support** shall be evaluated on the basis of the following cumulative criteria:

Or. en

Amendment 223
Antonio López-Istúriz White

Proposal for a regulation
Article 10 – paragraph 1 – introductory part

Text proposed by the Commission

Actions proposed for funding under the Programme shall be evaluated on the basis of the following *cumulative* criteria:

Amendment

Actions proposed for funding under the Programme shall be evaluated on the basis of the following cumulative criteria:

Or. es

Amendment 224
Maria Grapini

Proposal for a regulation
Article 10 – paragraph 1 – point a

Text proposed by the Commission

(a) *excellence*

Amendment

(a) *funding needs*

Or. ro

Amendment 225
Philippe Juvin

Proposal for a regulation
Article 10 – paragraph 1 – point a

Text proposed by the Commission

(a) excellence;

Amendment

(a) excellence *and industrial performance*;

Or. fr

Justification

'Industrial performance' makes it possible to specify the award criteria.

Amendment 226

Virginie Rozière, Pina Picierno, Nicola Danti, Sergio Gutiérrez Prieto

Proposal for a regulation

Article 10 – paragraph 1 – point b

Text proposed by the Commission

(b) contribution to the innovation and technological development of defence industries and thus to fostering the industrial autonomy of the Union in the field of defence technologies; and,

Amendment

(b) contribution to the innovation and technological development of defence industries and thus to fostering the industrial autonomy of the Union in the field of defence technologies ***as well as contribution to the reinforcing of the single market for defence***; and,

Or. en

Amendment 227

Igor Šoltes

Proposal for a regulation

Article 10 – paragraph 1 – point b

Text proposed by the Commission

(b) contribution to the innovation and technological development of defence industries and thus to fostering the industrial autonomy of the Union in ***the field of*** defence ***technologies***; and,

Amendment

(b) contribution to the innovation and technological development of defence industries and thus to fostering the industrial autonomy of the Union in ***relation to the capability requirements under the Common Security and Defence Policy (CSDP)***; and,

Or. en

Amendment 228

Igor Šoltes

Proposal for a regulation
Article 10 – paragraph 1 – point c

Text proposed by the Commission

(c) contribution to the security and defence ***interests of the Union*** by enhancing defence technologies which contribute to implement defence capability priorities commonly agreed by Member States ***within the Union***; and,

Amendment

(c) contribution to the ***Common*** Security and Defence ***Policy (CSDP)*** by enhancing defence technologies which contribute to implement defence capability priorities commonly agreed by Member States ***in the context of the Capability Development Plan***; and,

Or. en

Amendment 229
Igor Šoltes

Proposal for a regulation
Article 10 – paragraph 1 – point d

Text proposed by the Commission

(d) viability notably via a demonstration by the ***beneficiaries*** that the ***remaining*** costs of the eligible action are covered by ***other*** means of financing such as Member States' contributions; and

Amendment

(d) viability notably via a demonstration by the ***participants*** that the costs of the eligible action are covered by means of financing such as Member States' contributions ***and the ATHENA mechanism***; and

Or. en

Amendment 230
Antonio López-Istúriz White

Proposal for a regulation
Article 10 – paragraph 1 – point d a (new)

Text proposed by the Commission

Amendment

(da) the proportion of the overall budget for the action that is to be allocated in such a way as to enable participation by SMEs established in the European Union that provide added

value, whether as members of the consortium or as subcontractors, and in particular to SMEs that are not established in the Member States in which the undertakings in the consortium are established;

Or. es

Justification

Encouraging the participation of SMEs from Member States other than the Member States in which the consortium is established provides an effective incentive for transnational and cross-border cooperation by enabling synergies to be generated for future multilateral cooperation in the defence industry.

Amendment 231

Virginie Rozière, Sergio Gutiérrez Prieto

Proposal for a regulation

Article 10 – paragraph 1 – point e

Text proposed by the Commission

(e) for actions described in points (b) to (e) of Article 6(1), the contribution to the competitiveness of the European defence industry through the demonstration by the beneficiaries that Member States have committed to jointly produce and procure the final product or technology in a coordinated way, including joint procurement where applicable.

Amendment

(e) for actions described in points (b) to (e) of Article 6(1), the contribution to the competitiveness of the European defence industry ***and to the reinforcement of the European single market for defence*** through the demonstration by the beneficiaries that Member States have committed to jointly produce and procure the final product or technology in a coordinated way, including joint procurement where applicable. ***In order to provide a more flexible, open and competitive procurement suitable for defence equipment and markets, it is imperative to better implement Directive 2009/81/EC on defence and security procurement; the use of exemptions foreseen in that Directive shall be duly justified;***

Or. en

Amendment 232

Igor Šoltes

Proposal for a regulation

Article 10 – paragraph 1 – point e

Text proposed by the Commission

(e) for actions described in points (b) to (e) of Article 6(1), the contribution to ***the competitiveness of the*** European defence industry through the demonstration by the ***beneficiaries*** that Member States have committed to jointly produce and procure the final product or technology in a coordinated way, including joint procurement where applicable.

Amendment

(e) for actions described in points (b) to (e) of Article 6(1), the contribution to ***a more efficient and integrated*** European defence industry ***inter alia*** through the demonstration by the ***participants*** that Member States have committed to jointly produce and procure the final product or technology in a coordinated way, including joint procurement where applicable.

Or. en

Amendment 233

Jasenko Selimovic, Dita Charanzová

Proposal for a regulation

Article 10 – paragraph 1 – point e

Text proposed by the Commission

(e) for actions described in points (b) to (e) of Article 6(1), the contribution to the competitiveness of the European defence industry through the demonstration by the beneficiaries that Member States have committed to jointly produce ***and*** procure the final product or technology in a coordinated way, including joint procurement where applicable.

Amendment

(e) for actions described in points (b) to (e) of Article 6(1), the contribution to the competitiveness of the European defence industry through the demonstration by the beneficiaries that Member States have committed to jointly ***develop***, produce ***or*** procure the final product or technology in a coordinated way, including joint procurement where applicable.

Or. en

Amendment 234

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 10 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

**(a) efficiency gains for the overall
reduction of costs for defence**

Or. en

Amendment 235

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 10 – paragraph 1 b (new)

Text proposed by the Commission

Amendment

**(b) contribution to innovative
conversion of military to civilian
production**

Or. en

Amendment 236

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 10 – paragraph 1 c (new)

Text proposed by the Commission

Amendment

**(c) increased or new cross-border
cooperation**

Or. en

Amendment 237

Igor Šoltes

Proposal for a regulation

Article 11

Text proposed by the Commission

Amendment

Article 11

deleted

Funding rates

1. The financial assistance of the Union provided under the Programme may not exceed 20% of the total cost of the action where it relates to prototyping. In all the other cases, the assistance may cover up to the total cost of the action.

2. An action developed by a beneficiary referred to in Article 7 paragraph 2 may benefit from a funding rate increased by an additional 10 percentage points.

Or. en

Amendment 238

Jasenko Selimovic

Proposal for a regulation

Article 11 – paragraph 1

Text proposed by the Commission

Amendment

1. The financial assistance of the Union provided under the Programme may not exceed **20%** of the total cost of the action where it relates to prototyping. In all the other cases, the assistance may cover up to the total cost of the action.

1. The financial assistance of the Union provided under the Programme may not exceed **50%** of the total cost of the action where it relates to prototyping. In all the other cases, the assistance may cover up to the total cost of the action.

Or. en

Amendment 239

Maria Grapini

Proposal for a regulation
Article 11 – paragraph 1

Text proposed by the Commission

(1) The financial assistance of the Union provided under the Programme may not exceed **20%** of the total cost of the action where it relates to prototyping. In all the other cases, the assistance may cover up to the total cost of the action.

Amendment

(1) The financial assistance of the Union provided under the Programme may not exceed **30%** of the total cost of the action where it relates to prototyping. In all the other cases, the assistance may cover up to the total cost of the action.

Or. ro

Amendment 240

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation
Article 11 – paragraph 1

Text proposed by the Commission

1. The financial assistance of the Union provided under the Programme may not exceed 20% of the total cost of the action where it relates to prototyping. In all the other cases, the assistance may cover up **to the total cost** of the action.

Amendment

1. The financial assistance of the Union provided under the Programme may not exceed 20% of the total cost of the action where it relates to prototyping. In all the other cases, the assistance may cover up **50%** of the action.

Or. en

Amendment 241

Arndt Kohn

Proposal for a regulation
Article 11 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. Up to 70% of the eligible costs may be covered for actions undertaken by SMEs.

Amendment 242
Antonio López-Istúriz White

Proposal for a regulation
Article 11 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. If a consortium develops an action as defined in Article 6(1) and undertakes to allocate at least 10% of the eligible cost of the action to SMEs and small intermediaries established in the EU, it may benefit from a funding rate increased by 10 percentage points. This additional funding percentage may be increased by a percentage equivalent to twice the cost of the action assigned to SMEs established in EU Member States other than those in which the undertakings in the consortium that are not SMEs are established.

Or. es

Justification

This doubling of funding for SMEs established in EU Member States other than those of the consortium will enable cooperation to be promoted in more than the three different countries established in Article 6(2).

Amendment 243
Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyn Gebhardt

Proposal for a regulation
Article 12 – paragraph 1

Text proposed by the Commission

Amendment

The Commission *shall not own the products or technologies resulting from the action nor shall it have any IPR claim*

The Union institutions, bodies, offices or agencies enjoy, for the duly justified purpose of developing, implementing and monitoring Union policies or

pertaining to the action.

programmes, access rights solely to the results of a beneficiary that has received Union funding. Such access rights shall be limited to non-commercial and non-competitive use. Such access shall be granted on a royalty-free basis. With regard to results which are generated by beneficiaries that have received funding under the Programme, the agreement between the Commission and the beneficiary shall provide that the Commission may object to transfers of ownership or to grants of a licence to third parties established in a third country not associated with the Programme, if it considers that the grant or transfer is inconsistent with ethical principles of the Common Position on arms exports or security considerations. Where appropriate, the agreement between the Commission and the beneficiary shall provide that the Commission is to be notified at least six months in advance of any such transfer of ownership or grant of a licence. Non-compliance with these provisions shall be subject to the measures stipulated in Regulation (EU, Euratom) No 966/2012 and Regulation (EU) No 1268/2012.

Or. en

Amendment 244

Philippe Juvin, Françoise Grossetête, Andreas Schwab

Proposal for a regulation

Article 12 – paragraph 1

Text proposed by the Commission

The Commission shall not own the products or technologies resulting from the action nor shall it have any IPR claim pertaining to the action.

Amendment

The Commission shall not own the products or technologies resulting from the action nor shall it have any IPR claim pertaining to the action.
Technological products developed or manufactured with the help of this

European fund may not be the subject of a transfer of technology or any intellectual property right for the benefit of a third State outside the European Union, or for the benefit of any economic actor that is not controlled by a Member State.

Or. fr

Amendment 245
Philippe Juvin

Proposal for a regulation
Article 12 – paragraph 1

Text proposed by the Commission

The *Commission* shall not own the products or technologies resulting from the *action* nor shall it have any IPR claim pertaining to the action.

Amendment

The *Union* shall not own the products or technologies resulting from *funding under the European defence fund* nor shall it have any IPR claim, *including licensing or patenting rights*, pertaining to the action. *These products and technologies shall not be subject to any control or restriction by a third country.*

Or. fr

Amendment 246
Igor Šoltes

Proposal for a regulation
Article 12 – paragraph 1

Text proposed by the Commission

The Commission shall not own the products or technologies resulting from the action nor shall it have any IPR claim pertaining to the action.

Amendment

The Commission shall not own the products or technologies resulting from the action nor shall it have any IPR claim pertaining to the action. *The results of the actions under the Programme shall under no circumstances be under the control of any third country*

or entity established outside of the Union.

Or. en

Amendment 247

Maria Grapini

Proposal for a regulation

Article 12 – paragraph 1

Text proposed by the Commission

The Commission shall not own the products or technologies resulting from the action nor shall it have any IPR claim pertaining to the action.

Amendment

The Commission shall not own the products or technologies resulting from the action nor shall it have any IPR claim pertaining to the action. ***Ownership and intellectual property rights shall rest with the undertaking or group of undertakings producing the technology and products.***

Or. ro

Amendment 248

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 12 a (new)

Text proposed by the Commission

Amendment

Article 12a

Export

Military technology and equipment that has been produced with funding from the Union under the Programme shall not be exported to non-NATO, non-EU or non-NATO equivalent countries without prior authorisation by the Supervisory Committee. Upon being notified by a beneficiary of their intention to export arms to a non-NATO, non-EU or non-NATO equivalent country, the

Commission shall convene the Supervisory Committee, which shall decide on all export requests based on relevant Union legislation, in particular Council Common Position 2008/944/CFSP of 8 December 2008 defining common rules governing control of exports of military technology and equipment, the Common Military List of the European Union and the User's Guide to Council Common Position 2008/944/CFSP defining common rules governing the control of exports of military technology and equipment.

Or. en

Amendment 249

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

**Proposal for a regulation
Article 13 – paragraph 1**

Text proposed by the Commission

1. The Commission, ***by means of an implementing act***, shall adopt multiannual ***a*** work programme for the duration of the Programme. ***This implementing act*** shall be adopted in accordance with the examination procedure referred to in in Article 16(2). This work programme shall be in line with the objectives set out in Article 2;

Amendment

1. The Commission, shall ***be empowered to adopt delegated acts to establish a*** multiannual work programme for the duration of the Programme. ***These delegated acts*** shall be adopted in accordance with the examination procedure referred to in in Article 16(2). This work programme shall be in line with the objectives set out in Article 2;

Or. en

Amendment 250

Virginie Rozière, Sergio Gutiérrez Prieto, Liisa Jaakonsaari, Arndt Kohn

**Proposal for a regulation
Article 13 – paragraph 2**

Text proposed by the Commission

2. The work programme shall set out in detail the categories of projects to be funded under the Programme;

Amendment

2. The work programme shall set out in detail the categories of projects to be funded under the Programme, ***with a specific project category focusing on the cross-border participation of SMEs;***

Or. en

Amendment 251

Igor Šoltes

Proposal for a regulation

Article 13 – paragraph 2

Text proposed by the Commission

2. The work programme shall set out in detail the categories of projects to be ***funded under*** the Programme;

Amendment

2. The work programme shall set out in detail the categories of projects to be ***included in*** the Programme ***as well as the commitment of the Member States for financing their implementation;***

Or. en

Amendment 252

Maria Grapini

Proposal for a regulation

Article 13 – paragraph 3

Text proposed by the Commission

(3) The work programme shall ensure that a credible proportion of the overall budget will benefit actions enabling the cross-border participation of SMEs.

Amendment

(3) The work programme shall ensure that a credible proportion of the overall budget, ***at least 20%***, will benefit actions enabling the cross-border participation of SMEs.

Or. ro

Amendment 253

Virginie Rozière, Sergio Gutiérrez Prieto, Liisa Jaakonsaari

Proposal for a regulation
Article 13 – paragraph 3

Text proposed by the Commission

3. The work programme shall ensure that ***a credible proportion*** of the overall budget will benefit actions enabling the cross-border participation of SMEs.

Amendment

3. The work programme shall ensure that ***at least 10%*** of the overall budget will benefit actions enabling the cross-border participation of SMEs.

Or. en

Amendment 254
Igor Šoltes

Proposal for a regulation
Article 13 – paragraph 3

Text proposed by the Commission

3. The work programme shall ensure that a credible proportion of ***the overall budget will benefit*** actions ***enabling*** the cross-border participation of SMEs.

Amendment

3. The work programme shall ensure that a credible proportion of actions ***foreseen enables*** the cross-border participation of SMEs.

Or. en

Amendment 255
Mylène Troszczynski

Proposal for a regulation
Article 13 – paragraph 3

Text proposed by the Commission

3. The work programme shall ensure that a ***credible proportion*** of the overall budget will benefit actions enabling the ***cross-border*** participation of SMEs.

Amendment

3. The work programme shall ensure that a ***majority*** of the overall budget will benefit actions enabling the participation of SMEs.

Or. fr

Amendment 256
Lara Comi

Proposal for a regulation
Article 13 – paragraph 3 a (new)

Text proposed by the Commission

Amendment

3a. Eligible actions involving the participation of SMEs should be eligible for an increased funding rate. An additional award may be considered if the eligible action also involves the cross-border participation of SMEs’.

Or. en

Justification

This approach fully supports the objective of creating cross-border supply chains, but it proposes incentives for those prime contractors that will include SMEs in their consortium, as well as a further award for those consortia which ensure the participation of cross-border SMEs. It is also worth pointing out that the supply chain of the defence sector is already considerably complex and includes a significant participation of SMEs. By imposing restrictive criteria rather than incentives could very well lead to the disruption of well-consolidated and competitive supply chains.

Amendment 257
Igor Šoltes

Proposal for a regulation
Article 14

Text proposed by the Commission

Amendment

Article 14

deleted

Award procedure

- 1. In the implementation of the Programme, Union funding shall be granted following competitive calls issued in accordance with Regulation (EU, Euratom) No 966/2012 and Commission Delegated Regulation (EU) No 1268/12⁸.**
- 2. The proposals submitted following the call for proposals shall be evaluated**

by the Commission assisted by independent experts on the basis of the award criteria of Article 10.

3. The Commission shall award, after each call, the funding for selected actions, by means of an implementing act. Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 16(2).

⁸ *Commission Delegated Regulation (EU) No 1268/2012 of 29 October 2012 on the rules of application of Regulation (EU, Euratom) No 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (OJ L 362, 31.12.2012, p. 1).*

Or. en

Justification

The weapon industry already consumes some 200 billion € annually and, according to the Commission, considerable savings could be made in defence research, development and procurement. Therefore the focus should be on using more efficiently the money currently spent, rather than spending more EU budget on weapon industry. The EU budget should only need to cover a limited amount of administrative expenditures related to the support offered by the Commission

Amendment 258

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation Article 14 – paragraph 2

Text proposed by the Commission

2. The proposals submitted following the call for proposals shall be evaluated by the Commission assisted by independent experts on the basis of the award criteria of Article 10.

Amendment

2. The proposals submitted following the call for proposals shall be evaluated by the Commission assisted by ***an independent expert committee with transparently selected representatives of the European Parliament, the***

Commission and defence experts from academia, think tanks or other stakeholders, excluding representatives from defence companies to avoid bias on the basis of the award criteria of Article 10.

Or. en

Amendment 259

Igor Šoltes

Proposal for a regulation

Article 16 – paragraph 1

Text proposed by the Commission

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011. The European Defence Agency shall be invited as *observer*.

Amendment

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011. The European Defence Agency *and representatives of the European Parliament, civil society and academia* shall be invited as *observers*.

Or. en

Amendment 260

Mylène Troszczynski

Proposal for a regulation

Article 16 – paragraph 1

Text proposed by the Commission

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011. *The European Defence Agency shall be invited as observer.*

Amendment

1. The Commission shall be assisted by a committee. That committee shall be a committee within the meaning of Regulation (EU) No 182/2011.

Or. fr

Amendment 261

Igor Šoltes

Proposal for a regulation

Article 16 – paragraph 1 a (new)

Text proposed by the Commission

Amendment

1a. The Commission shall establish an advisory group composed of independent experts, academic and civil society organisations to provide advice to the Committee in particular on the compatibility of technology supported by the Programme as regards moral, ethical and international law obligations of both the Union and its Member States.

Or. en

Amendment 262

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 17 – paragraph 1

Text proposed by the Commission

Amendment

1. The Commission shall regularly monitor the implementation of the programme and annually report on the progress made in accordance with Article 38(3)(e) of Regulation 966/2012. To this end, the Commission shall put in place necessary monitoring arrangements.

1. The Commission shall regularly monitor ***and evaluate*** the implementation of the programme and annually report on the progress made in accordance with Article 38(3)(e) of Regulation 966/2012. To this end, the Commission shall put in place necessary monitoring arrangements.

Or. en

Amendment 263

Antonio López-Istúriz White

Proposal for a regulation

Article 17 – paragraph 2

Text proposed by the Commission

2. To support greater efficiency and effectiveness of future Union policy actions, the Commission shall draw up a retrospective evaluation report and send it to the European Parliament and to the Council. The report - building on relevant consultations of Member States and key stakeholders - shall notably assess the progress made towards the achievement of objectives set out in Article 2. It shall also analyse cross border participation of SMEs in projects implemented under the programme as well as the participation of SMEs *to* the global value chain.

Amendment

2. To support greater efficiency and effectiveness of future Union policy actions, the Commission shall draw up a retrospective evaluation report and send it to the European Parliament and to the Council. The report - building on relevant consultations of Member States and key stakeholders - shall notably assess the progress made towards the achievement of objectives set out in Article 2. It shall also analyse cross border participation of SMEs ***and small mid-cap companies*** in projects implemented under the programme as well as the participation of SMEs ***and small mid-cap companies in*** the global value chain. ***The report shall also include information on the origin of the beneficiaries and, where possible, on the distribution of the intellectual property rights that are generated.***

Or. es

Amendment 264

Jasenکو Selimovic, Dita Charanzová

Proposal for a regulation

Article 17 – paragraph 2

Text proposed by the Commission

2. To support greater efficiency and effectiveness of future Union policy actions, the Commission shall draw up a retrospective evaluation report and send it to the European Parliament and to the Council. The report - building on relevant consultations of Member States and key stakeholders - shall notably assess the progress made towards the achievement of objectives set out in Article 2. It shall also analyse ***cross border*** participation of SMEs in projects implemented under the programme as well as the participation of SMEs to the global value chain.

Amendment

2. To support greater efficiency and effectiveness of future Union policy actions, the Commission shall draw up a retrospective evaluation report and send it to the European Parliament and to the Council. The report - building on relevant consultations of Member States and key stakeholders - shall notably assess the progress made towards the achievement of objectives set out in Article 2. It shall also analyse ***cross-border*** participation of SMEs in projects implemented under the Programme as well as the participation of SMEs to the global value chain. ***If the***

participation of SMEs is considered to be low, the Commission shall examine the reasons for this situation and propose, without delay, adequate new measures for increasing their participation.

Or. en

Amendment 265

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation Article 17 – paragraph 2

Text proposed by the Commission

2. To support greater efficiency and effectiveness of future Union policy actions, the Commission shall draw up *a retrospective* evaluation report and send it to the European Parliament and to the Council. The report - building on relevant consultations of Member States and key stakeholders - shall notably assess the progress made towards the achievement of objectives set out in Article 2. It shall also analyse cross border participation of SMEs in projects implemented under the programme as well as the participation of SMEs to the global value chain.

Amendment

2. *The Commission shall draw up an annual monitoring report examining the efficiency and effectiveness of supported actions in terms of financial implementation, results, costs and, where possible, impact.* To support greater efficiency and effectiveness of future Union policy actions, the Commission shall draw up *an annual* evaluation report and send it to the European Parliament and to the Council. The report - building on relevant consultations of Member States and key stakeholders - shall notably assess the progress made towards the achievement of objectives set out in Article 2. It shall also analyse cross border participation of SMEs in projects implemented under the programme as well as the participation of SMEs to the global value chain.

Or. en

Amendment 266

Virginie Rozière, Pina Picierno, Sergio Gutiérrez Prieto, Liisa Jaakonsaari

Proposal for a regulation Article 17 – paragraph 2

Text proposed by the Commission

2. To support greater efficiency and effectiveness of future Union policy actions, the Commission shall draw up a retrospective evaluation report ***and send it*** to the European Parliament and to the Council. ***The report*** - building on relevant consultations of Member States and key stakeholders - shall notably assess the progress made towards the achievement of objectives set out in Article 2. It shall also analyse cross border participation of SMEs in projects implemented under the programme as well as the participation of SMEs to the global value chain.

Amendment

2. To support greater efficiency and effectiveness of future Union policy actions, the Commission shall draw up ***an interim evaluation report after the first year of the Programme and*** a retrospective evaluation report ***at the end of the Programme. Those reports shall be submitted*** to the European Parliament and to the Council ***within reasonable time. The reports*** - building on relevant consultations of Member States and key stakeholders - shall notably assess the progress made towards the achievement of objectives set out in Article 2. It shall also analyse cross border participation of SMEs in projects implemented under the programme as well as the participation of SMEs to the global value chain.

Or. en

Amendment 267

Igor Šoltes

Proposal for a regulation

Article 17 – paragraph 2

Text proposed by the Commission

2. To support greater efficiency and effectiveness of future Union policy actions, the Commission shall draw up a retrospective evaluation report and send it to the European Parliament and to the Council. The report - building on relevant consultations of Member States and key stakeholders - shall notably assess the progress made towards the achievement of objectives set out in Article 2. It shall also analyse cross border participation of SMEs in projects implemented under the programme as well as the participation of SMEs to the global value chain.

Amendment

2. To support greater efficiency and effectiveness of future Union policy actions, the Commission shall draw up a retrospective evaluation report and send it to the European Parliament and to the Council. The report - building on relevant consultations of Member States and key stakeholders - shall notably assess the progress made towards the achievement of objectives set out in Article 2 ***and shall be submitted to the European Parliament and to the Council every six months.*** It shall also analyse cross border participation of SMEs in projects implemented under the

programme as well as the participation of SMEs to the global value chain.

Or. en

Amendment 268

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 17 – paragraph 2 a (new)

Text proposed by the Commission

Amendment

2a. Six months before the end of the Programme, the Commission shall establish an interim evaluation report on the achievement of the objectives of all the actions supported under the Programme with regard to its results and impacts, the efficiency of the use of resources and its European added value. This interim evaluation report needs to be available to the European Parliament and Council before any decision on a continuation of the Programme under a new multiannual framework can be taken.

Or. en

Amendment 269

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 17 – paragraph 2 b (new)

Text proposed by the Commission

Amendment

2b. The Commission shall establish a final evaluation report on the longer-term impact and sustainability of effects of the measures.

All beneficiaries and other parties involved who have received Union funds under this Regulation shall provide the Commission with the appropriate data and information necessary to permit the monitoring and evaluation of the measures concerned. The Commission shall submit the reports referred to in paragraphs 2, 2a and 2b to the European Parliament and the Council.

Or. en

Amendment 270

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Article 17 – paragraph 2 c (new)

Text proposed by the Commission

Amendment

2c. Member States shall report to the Commission or the Union Delegations on their exports of Union-funded defence technologies and equipment to non-NATO, non-EU or non-NATO equivalent countries every six months. The Commission shall setup a tracking mechanism to verify the end-use and end-users of defence technologies and equipment funded by the Programme and exported to non-NATO, non-EU or non-NATO equivalent countries and report back to the European Parliament every year.

Or. en

Amendment 271

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelyne Gebhardt

Proposal for a regulation

Annex A (new)

Text proposed by the Commission

Amendment

ANNEX A

Non-eligible products

- ***Weapons of mass destruction and related warhead technologies;***
- ***Banned weapons and munitions and weapons not compliant with international humanitarian law;***
- ***Fully autonomous weapons that enable strikes to be carried out without meaningful human control as well as IA software, dual-use and military components that leave to the machine the final decision to apply lethal force;***
- ***Weapon systems that are not regulated by international legal frameworks that have been ratified by the European Union or all EU member states individually to prevent misuse.***

Or. en

Amendment 272

Arndt Kohn, Kerstin Westphal, Jens Geier, Arne Lietz, Martina Werner, Constanze Krehl; Evelynne Gebhardt

Proposal for a regulation Annex B (new)

Text proposed by the Commission

Amendment

ANNEX B

Non-eligible products, when they are mainly developed for export purposes:

- ***Small arms and light weapons.***

Or. en