

European defence industry reinforcement through common procurement act (EDIRPA)

During the September 2023 plenary session, Parliament is scheduled to vote on the provisional agreement on EDIRPA reached with the Council in June 2023. EDIRPA is a €300 million fund to incentivise the joint procurement of urgent and critical defence products needed in the context of the response to Russia's war on Ukraine.

Background and European Commission proposal

On 19 July 2022, the Commission adopted a proposal for a regulation establishing the European defence industry reinforcement through common procurement act (EDIRPA). It was announced in a May 2022 [joint communication](#) on defence investment gaps, and responds to a European Council request at the [Versailles Summit](#) in March 2022 to conduct an analysis of the defence investment gaps and to suggest any further initiatives to strengthen the European defence industry. Seeking to address the 'the most urgent and critical defence products needs', not least those highlighted or exacerbated by the response to the Russian war on Ukraine, the new instrument is designed to encourage the joint procurement of defence products. EDIRPA will take into account the [Strategic Compass](#) and the work of the [Defence Joint Procurement Task Force](#).

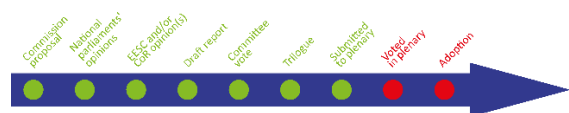
European Parliament position

The European Parliament Committees on Foreign Affairs (AFET) and on Industry Research and Energy (ITRE) [adopted](#) their joint report on 25 April 2023. The Council had [agreed](#) a general approach on 1 December 2022. After successful interinstitutional negotiations, the co-legislators reached a [political agreement](#) on EDIRPA on 27 June 2023. Coreper [confirmed](#) the [provisional agreement](#) on 5 July 2023. The AFET/ITRE joint committee approved the provisional agreement on 17 July 2023.

The key features of the act are as follows. The work programme will be established by means of an implementing act. Joint purchases must involve consortia of at least three Member States. The budget will total €300 million (as opposed to the €1 billion called for by Parliament or the €500 million proposed by the Commission and agreed in the Council position). The act in support of ammunition production (ASAP) took funds originally proposed for EDIRPA. Eligible contractors must be established in and have their executive management structures in the EU or an associated country (Iceland, Liechtenstein or Norway). These must not be controlled by a non-associated third country, although there is the possibility of a derogation on the latter point. Component costs from non-associated third countries must not exceed 35 % of the end product value. The EU will contribute a maximum of 20 % of the estimated value of joint procurement actions. There must be no restrictions by non-associated third countries placed on the defence products procured by Member States, with exceptions for urgent and critical defence products. A bonus of 5 % each will be added when SMEs or mid-caps are part of the manufacturing process of the equipment purchased. In line with the Parliament position, a bonus is added if Ukraine or Moldova benefit from a procurement action. The Parliament's suggested bonus for countries close to Russia or Ukraine was rejected.

The European Parliament is expected to vote on the final text during its September 2023 plenary session.

First-reading report: [2022/0219\(COD\)](#); Committee responsible: ITRE & AFET; Rapporteurs: Michael Gahler (EPP, Germany) for AFET; Zdzisław Krasnodębski (ECR, Poland) for ITRE. For further information see our 'EU Legislation in progress' [briefing](#).



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