DRAFT OPINION

of the Committee on the Internal Market and Consumer Protection

for the Committee on Foreign Affairs

on the impact of developments in European defence markets on the security and defence capabilities in Europe (2015/2037(INI))

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(*) Associated committee – Rule 54 of the Rules of Procedure
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SUGGESTIONS

The Committee on the Internal Market and Consumer Protection calls on the Committee on Foreign Affairs, as the committee responsible, to incorporate the following suggestions in its motion for a resolution:

1. Welcomes the European Council’s decision to include the topic of European defence markets on the agenda for its June 2015 summit; calls on the European Council to provide guidelines for defence policies with a particular emphasis on the internal market;

2. Recalls that internal market and defence policies should not be seen as opposing one another; stresses that correct implementation of the legal framework for EU public procurement could contribute to more efficient defence spending and strengthen the European Defence Technological and Industrial Base;

Using internal market rules to their full potential

3. Points out that internal market rules should be used to their full potential to counteract the ongoing fragmentation of the European defence and security sector; urges the Member States to correctly implement and enforce Directive 2009/81/EC, concerning procurement in the fields of defence and sensitive security, and Directive 2009/43/EC, concerning the transfer of defence-related products; calls on the Commission to provide the necessary assistance to that end;

4. Urges the Commission to step up its efforts to achieve a level playing field in European defence markets, limiting the use of justified exclusions to a strict minimum;

5. Stresses that the full phase-out of offsets is indispensable for ensuring the smooth functioning of the internal market in the European defence sector;

6. Recalls that framework agreements and subcontracting are a means of opening up established supply chains for the benefit of SMEs; calls on the Member States, the European Defence Agency and the Commission to work together to help SMEs consolidate and facilitate their access to defence procurement;

7. Notes that the uptake by industry of the main instruments of the Defence Transfer Directive, specifically general licences and the certification of defence firms, remains very limited; urges the Commission and the Member States to ensure the effective use of these instruments in practice;

8. Welcomes the 2014 Commission Roadmap entitled ‘Towards a more competitive and efficient defence and security sector’; stresses the importance of its timely implementation and of taking additional measures as necessary;

9. Recalls that the Member States urgently need to improve the transparency of procurement practices in the defence sector vis-à-vis the Commission and EU agencies; urges the Commission to ensure appropriate monitoring so as to enable comprehensive reporting, in respect of both directives, to Parliament and the Council in 2016 as scheduled;
10. Notes that the Commission has yet to publish its Green Paper on the control of assets, initially scheduled for the end of 2014, in accordance with its 2014 Roadmap;

**Review of the defence procurement package**


12. Stresses that further special reporting obligations should be introduced for Member States, coupled with provision for appropriate confidentiality safeguards;

13. Recalls that the modernisation of the EU public procurement rules as set out in Directives 2014/24/EU and 2014/25/EU, adopted in 2014, affords opportunities for more streamlined procedures, such as the use of electronic procurement and aggregation of demand, which can be tailored to the specificities of the defence and security sector;

14. Draws attention to the new ‘innovation partnership’ procedure and calls for it to be introduced in defence procurement.