



**Opinion of the European Committee of the Regions – European Defence Readiness 2030**

(C/2025/6325)

<b>Rapporteur:</b>	Ricardo RIO (PT/EPP), Mayor of Braga, Portugal
<b>Reference documents:</b>	Joint Communication on European Defence Readiness 2030 JOIN(2025) 120 final Proposal for a Council Regulation establishing the Security Action For Europe (SAFE) COM(2025) 122 final Communication on accommodating increased expenditure within the Stability and Growth Pact COM(2025) 2000 final Proposal for a regulation of the European Parliament and the Council amending Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153, (EU) 2023/1525 and 2024/795, as regards incentivising defence-related investments in the EU budget to implement the ReArm Europe Plan COM(2025) 188 final

**I. RECOMMENDATIONS FOR AMENDMENTS**

**COM(2025) 122 final**

**Proposal for a Council Regulation establishing the Security Action For Europe (SAFE)**

**Amendment 1**

**Recital 19**

Text proposed by the European Commission	CoR amendment
In order to ensure the timely availability and supply of defence products from the EDTIB and to accelerate its adjustment to structural change and thus reinforce the efficiency of the financial assistance granted, it is important to set minimum conditions related to the value generated within the Union. Therefore, common procurement contracts should contain a requirement that the costs of the components originating in the Union, <b>EEA EFTA States</b> or Ukraine are not lower than <b>65 %</b> of the estimated costs of the end-product.	In order to ensure the timely availability and supply of defence products from the EDTIB and to accelerate its adjustment to structural change and thus reinforce the efficiency of the financial assistance granted, it is important to set minimum conditions related to the value generated within the Union. Therefore, common procurement contracts should contain a requirement that the costs of the components originating in the Union or Ukraine not be lower than <b>70 %</b> of the estimated costs of the end-product.

**Reason**

The aim of this regulation is to strengthen the European Defence Industry and also help support Ukraine. In this context, only EU Member States and Ukraine should be considered in the calculation of the European value of a common procurement contract.

## Amendment 2

## Recital 22

Text proposed by the European Commission	CoR amendment
<p>Members States wishing to obtain financial assistance under the SAFE instrument should submit a request to the Commission accompanied by a European defence industry investment plan. To facilitate the preparation of plans, the Commission and Member States should engage in exchanges with a view of identifying tentative allocations of the loan amounts. The Commission should assess all requests submitted by the Member States. When assessing national plans, the Commission should call upon the expertise of EDA or the EU Military Staff, where appropriate. The Commission should allocate the loan amounts to the Member States concerned by applying the principles of equal treatment, solidarity, proportionality and transparency, in particular if the sum of requested loan amounts exceeds the total maximum amount of financial assistance available under the SAFE instrument. <b>Loans should be allocated among the Member States which apply in accordance with the principles of equal treatment, solidarity, proportionality and transparency.</b> The European defence industry investment plans should describe measures to strengthen the resilience of the European defence industrial sector, notably by facilitating the access to the defence market for SMEs, mid-caps and new defence players.</p>	<p>Members States wishing to obtain financial assistance under the SAFE instrument should submit a request to the Commission accompanied by a European defence industry investment plan. To facilitate the preparation of plans, the Commission and Member States should engage in exchanges with a view of identifying tentative allocations of the loan amounts. The Commission should assess all requests submitted by the Member States. When assessing national plans, the Commission should call upon the expertise of EDA or the EU Military Staff, where appropriate. The Commission should allocate the loan amounts to the Member States concerned by applying the principles of equal treatment, solidarity, proportionality and transparency, in particular if the sum of requested loan amounts exceeds the total maximum amount of financial assistance available under the SAFE instrument. The European defence industry investment plans should describe measures to strengthen the resilience of the European defence industrial sector, notably by facilitating the access to the defence market for SMEs, mid-caps and new defence players. <b>To ensure the inclusion of SMEs and broad distribution of funds for the EDTIB industrial ecosystem, the SAFE instrument should prioritise projects involving at least two SMEs from Member States.</b></p>

## Reason

Redundant text removed.

## Amendment 3

## Recital 25

Text proposed by the European Commission	CoR amendment
<p>Common procurements should involve at least two participating countries that are Member States, <b>EEA EFTA States or Ukraine, out of which at least one should be a Member State benefiting from loan support under the SAFE instrument.</b> In addition, acceding countries, other candidate countries and potential candidates, and other third countries with whom the Union has entered a Security and Defence Partnership (NBI) should be allowed to participate in common procurements made with a Member State supported with the financial assistance under the SAFE instrument. <b>The inclusion of EEA EFTA States and Ukraine among the countries that may make up the minimum required number for a common procurement is justified respectively by those countries' close partnership with the Union in industrial defence production and by the fact that Ukraine is directly faced with Russia's ongoing war of aggression.</b> Member States are also</p>	<p>Common procurements should involve at least two participating countries that are Member States. In addition, <b>EEA EFTA states, Ukraine</b>, acceding countries, other candidate countries and potential candidates, and other third countries with whom the Union has entered a Security and Defence Partnership (NBI), should be allowed to participate in common procurements made with a Member State supported with the financial assistance under the SAFE instrument. Member States are also encouraged to further support Ukraine with the equipment procured with the financial assistance of the SAFE instrument.</p>

Text proposed by the European Commission	CoR amendment
encouraged to further support Ukraine with the equipment procured with the financial assistance of the SAFE instrument. <b><i>The participation of these third countries to common procurements awarded to the EDTIB or the Defence and Technology Industrial Base of Ukraine or of EEA EFTA States should increase the level of aggregation of demand necessary to obtain a scale-up of industrial capacity and provide support to the interoperability of systems and products deployed by the Union's closest partners in this area while potentially allowing the Member States which participate in these those procurements to obtain better prices.</i></b>	

### Reason

This EU instrument aims to ensure EU defence readiness by 2030 by strengthening the EU defence supply chain. It aims to incentivise EU common procurement on defence. For this to be effective, at least two EU Member States should participate, not one. The EU dimension should be clear.

## Amendment 4

### Recital 27

Text proposed by the European Commission	CoR amendment
For that purpose, the award of the contracts based on common procurements involving at least <b>one</b> Member State supported by the financial assistance under the SAFE instrument should be facilitated. Therefore, Member States carrying out common procurements using the assistance provided under the SAFE instrument should be deemed to be in a situation of urgency resulting from a crisis, which justifies the use of a negotiated procedure without publication of a contract notice as provided for in Directive 2009/81/EC. Moreover, in order to safeguard the security interests of the Member States which participate in common procurements supported by the SAFE instrument, it is also necessary to provide for the possibility of opening an existing framework agreement or contract to contracting authorities of Member States that were not originally parties to that agreement, even though the latter had not initially provided for such a possibility, on condition that the prior consent of the undertaking which concluded the framework agreement is obtained.	For that purpose, the award of the contracts based on common procurements involving at least <b>two</b> Member States supported by the financial assistance under the SAFE instrument should be facilitated. Therefore, Member States carrying out common procurements using the assistance provided under the SAFE instrument should be deemed to be in a situation of urgency resulting from a crisis, which justifies the use of a negotiated procedure without publication of a contract notice as provided for in Directive 2009/81/EC. Moreover, in order to safeguard the security interests of the Member States which participate in common procurements supported by the SAFE instrument, it is also necessary to provide for the possibility of opening an existing framework agreement or contract to contracting authorities of Member States that were not originally parties to that agreement, even though the latter had not initially provided for such a possibility, on condition that the prior consent of the undertaking which concluded the framework agreement is obtained.

### Reason

See previous reasoning.

**Amendment 5**

## Article 2 (3)

Text proposed by the European Commission	CoR amendment
‘common procurement’ means the procurement procedure of defence products or other products for defence purpose and the resulting contracts, carried out by at least one Member State receiving financial assistance under this instrument and one additional Member State <b>or one Member of the European Free Trade Association which are members of the European Economic Area</b> (‘EEA EFTA States’) <b>or Ukraine</b> . In addition, the common procurement may include acceding countries, candidate countries and potential candidates, and other third countries with whom the Union has entered a Security and Defence Partnership (Non-Binding Instrument, NBI).	‘common procurement’ means the procurement procedure of defence products or other products for defence purpose and the resulting contracts, carried out by at least one Member State receiving financial assistance under this instrument and one additional Member State. In addition, the common procurement may include <b>members of the European Free Trade Association which are members of the European Economic Area</b> (‘EEA EFTA States’), <b>Ukraine</b> , acceding countries, candidate countries and potential candidates, and other third countries with whom the Union has entered a Security and Defence Partnership (Non-Binding Instrument, NBI).

**Reason**

Common procurement should involve at least two EU Member States to have an EU added value and benefit from these EU loans.

**Amendment 6**

## Article 4 (3)

Text proposed by the European Commission	CoR amendment
<b><i>By derogation to paragraph 1, procurements carried by one Member State may be eligible for support under the SAFE instrument during 12 months after the entry into force of the Regulation. Where a Member State includes such a procurement in the plan referred to in Article 7(2), it shall actively take all necessary steps to extend the benefit of the contract concerned to at least one additional Member State or one EEA EFTA State or Ukraine, in addition to any interested acceding country, candidate country, potential candidate, or other third country with whom the Union has entered a Security and Defence Partnership. Eligibility conditions established in Article 16(2) to (12) shall apply mutatis mutandis.</i></b>	

**Reason**

See previous reasoning.

**Amendment 7**

## Article 8 (4)

Text proposed by the European Commission	CoR amendment
When adopting an implementing decision pursuant to paragraph 2, the Commission shall consider existing and expected financing needs of the requesting Member State, as well as requests for financial assistance pursuant to this Regulation already submitted or planned to be submitted by other Member States, while applying the principles of equal treatment, solidarity, proportionality and transparency.	

**Amendment 8**

## Article 16 (7) and (8)

Text proposed by the European Commission	CoR amendment
<p>The infrastructure, facilities, assets and resources of the contractors and subcontractors involved in the common procurement which are used for the purposes of the common procurement shall be located in the territory of a Member State, <b>an EEA EFTA State</b>, or Ukraine. Where contractors or subcontractors involved in the common procurement have no readily available alternatives or relevant infrastructure, facilities, assets and resources on the territory of a Member State, <b>an EEA EFTA State</b>, or Ukraine, they may use their infrastructure, facilities, assets and resources which are located or held outside those territories, provided that such use does not contravene the security and defence interests of the Union and its Member States.</p> <p>The cost of components originating in the Union, <b>in EEA EFTA States</b> or Ukraine shall not be lower than <b>65</b> % of the estimated cost of the end product. No component shall be sourced from another third country that contravenes the security and defence interests of the Union or its Member States.</p>	<p>The infrastructure, facilities, assets and resources of the contractors and subcontractors involved in the common procurement which are used for the purposes of the common procurement shall be located in the territory of a Member State or Ukraine. Where contractors or subcontractors involved in the common procurement have no readily available alternatives or relevant infrastructure, facilities, assets and resources on the territory of a Member State or Ukraine, they may use their infrastructure, facilities, assets and resources which are located or held outside those territories, provided that such use does not contravene the security and defence interests of the Union and its Member States.</p> <p>The cost of components originating in the Union or Ukraine shall not be lower than <b>70</b> % of the estimated cost of the end product. No component shall be sourced from another third country that contravenes the security and defence interests of the Union or its Member States.</p>

**Reason**

SAFE should first and foremost contribute to the strengthening of the EU defence supply chain and help Ukraine, not finance non-EU defence industry.

Amendment 9

New Article 18

Text proposed by the European Commission	CoR amendment
	<p><b>Exclusion criteria</b></p> <p><i>Shall be excluded from the application process states which do not respect the EU Rule of Law – Member States for which an Article 7 TEU procedure has been initiated and non-EU states including candidate countries and potential candidates who:</i></p> <ul style="list-style-type: none"><li><i>— do not respect the EU fundamental values of rule of law, fundamental rights and democracy, including local democracy;</i></li><li><i>— have low alignment with the EU Common Foreign and Security Policy;</i></li><li><i>— do not maintain good neighbourly relations with EU Member States;</i></li><li><i>— systematically do not comply with judgments from the European Court of Human Rights.</i></li></ul> <p><i>For candidate countries and potential candidates, the annual European Commission reports on enlargement and the rule of law provide good indications as to the state of play on these issues.</i></p>

Reason

The EU budget should not support defence industries in countries which do not respect EU rule of law and human rights and freedom, with these countries potentially representing a threat to the security of the EU in the future.

COM(2025) 188 final

(Proposal for a regulation incentivising defence – related investments in the EU budget)

Amendment 10

Recital 13

Text proposed by the European Commission	CoR amendment
<p><b>Regulation (EU) 2023/1525 of the European Parliament and of the Council supporting ammunition production (ASAP) was adopted to financially support the urgent strengthening of the EDTIB responsiveness and ability to ensure the timely availability and supply of ground-to-ground and artillery ammunition as well as missiles. Voluntary transfers of resources allocated to Member States in shared management to the ASAP instrument as well as additional voluntary contributions from Member States or other relevant stakeholders should contribute to pursue the support to ramping up the Union’s manufacturing capacities beyond 30 June 2025. Regulation (EU) 2023/1525 should therefore be amended to</b></p>	

Text proposed by the European Commission	CoR amendment
<i>introduce such a possibility. Since that Regulation has shown its usefulness to develop new production capacities of powder/propellant, explosives, shells, testing capacity, and missiles all across the Union, it is appropriate to ensure that its application is extended until 31 December 2026.</i>	

**Reason**

The use of cohesion policy funds for the production of ammunition remains controversial and is not in line with the CoR position adopted in RESOL-VII/006.

**Amendment 11**

New Recital 15

Text proposed by the European Commission	CoR amendment
	<i>Support for the defence industry is possible under Cohesion Policy, provided it aligns with its core mission of socio-economic and territorial development and complies with its overall aim provided for in the TFEU – of reducing disparities between the levels of development of the various regions and the backwardness of the least favoured regions;</i>

**II. POLICY RECOMMENDATIONS**

THE EUROPEAN COMMITTEE OF THE REGIONS (CoR)

1. supports the European Commission's efforts to ensure EU defence readiness by 2030 through enhanced European defence supply chains, increased Member State investment, and common procurement to foster interoperability and economies of scale, while urging collaboration with Member States to remove intra-EU regulatory barriers, such as licenses and certification, to create a more integrated defence market and support industry champions and, above all, SMEs, especially small but very high-performing and smart niche companies;
2. welcomes in this context the publication of the Defence Readiness Omnibus package whose aim is to remove regulatory bottlenecks and calls for its swift adoption in order to boost the creation of an EU defence single market. A substantial simplification in processes and removal of regulatory and administrative burdens across sectors are necessary to accelerate the ramp up of the European defence industry, also taking into account the specificities of small and medium-sized enterprises;
3. recalls the establishment of the CoR's Working Group on Defence and encourages other institutions' engagement with the Working Group, while emphasising more generally the importance of collaboration and alliance-building, including and in particular with the European Network of Defence-related Regions;
4. supports a strong EU defence budget, based on additional resources, alongside an integrated EU defence market and better coordination of national orders; notes that cohesion policy can support the defence industry if it contributes to regional job creation and economic growth, in line with its core mission, and calls for further strengthening the synergies between cohesion policy and defence objectives;

5. stresses, however, that the possibility of transferring cohesion policy funds, even if voluntary, to increase the production capacity of ammunition production capacities under ASAP should be rejected, given that it could lead to a situation where there is a dramatic unbalanced availability of resources under cohesion policy, leaving management authorities and beneficiaries without the necessary funds to meet their long-term commitments and objectives;
6. adds that when building a strong EU defence market, there is an absolute necessity to preserve regional cohesion and local stability of territories hosting national defence champions and regional clusters;
7. calls for the EU's defence efforts to be designed to complement and reinforce NATO's structures and capabilities, thereby enhancing overall coherence and interoperability in the face of evolving security threats, while avoiding duplication of NATO's functions and structures;
8. insists on the need to strengthen our current defence industry assets, notably our existing regional clusters, and to revitalise regional clusters at our borders, in line with the priorities and capability gaps listed in the Joint White Paper on European Defence Readiness 2030;
9. highlights the important role of regions to create regional defence and defence related clusters, and in doing so linking LRAs and relevant stakeholders with national and European authorities, notably concerning priorities, future needs and challenges;
10. underlines the importance of expanding the EU's defence industrial ecosystem, with a particular focus on small and medium-sized enterprises and start-ups, and of supporting their specialisation to ensure the competitiveness of European defence supply chains. The Committee points out in this regard the important role that regions and cities can play in supporting businesses in developing their technologies, their internationalisation and market access, as well as in fostering collaboration between European regions and generating knowledge and skills synergies;
11. believes that particular attention should be paid to external border regions, and supports the extension of initiatives – such as the Eastern Border Shield – that protect the EU's borders; also calls for local and regional authorities in border regions at risk of aggression to receive specific support, including in particular specific funding instruments, to increase their preparedness and adapt their socio-economic infrastructures and policies;
12. recognises the key role of local and regional authorities in strengthening civil preparedness and in enhancing the EU's resilience to hybrid threats. Foreign information manipulation and interference, cyberattacks and economic pressures are examples of challenges that local and regional authorities are currently facing, especially those on the EU's eastern border. As they are close to the local population, they are becoming key players in, among other things, countering disinformation and educating the public on civil protection and civil defence; therefore, stresses the importance of also involving the regional level in the development of national civilian defence plans;
13. stresses the importance of supporting dual-use technologies within defence investment, strengthening the defence sector, creating spill-over benefits for civilian sectors, promoting cooperation between the public sector, technology companies and research centres, making full use of the disruptive developments of start-ups and enabling innovation in regions without traditional defence industries; at the same time, the Committee underscores the importance of sharing good practices among regions on the combined use of various cohesion policy tools for dual technologies, with a view to promoting socio-economic and territorial development;

#### **On the Security Action for Europe (SAFE)**

14. contends that the EUR 150 billion in loans made possible by the EU budget to strengthen the EU defence industry must benefit first and foremost EU Member States and Ukraine, and that this EU financial tool must include at least two Member States;
15. further requests that to respect the spirit of SAFE and the final objective of the EU defence readiness package of leveraging up to EUR 800 billion for EU defence, European preference must be more prominent in the SAFE criteria, with a requirement of at least 70 % of the cost of components originating in the EU being part of the final end product – with the design authority being in the EU;

16. also requests that infrastructures, facilities and resources from contractors and subcontractors be located in the EU or Ukraine and that only when there is no alternative, other territories be considered after an assessment by the Commission;

17. emphasises that EU funding must be conditional on full respect for the rule of law, democracy and human rights, both for Member States and third-country beneficiaries;

18. calls for clarity on how the Commission will handle oversubscription, prioritising projects that strengthen EU defence readiness. This should consider EU-origin components, contractor locations, SME involvement, and support for regional defence clusters, ensuring that local economies are not destabilised and that existing industrial assets are preserved;

#### **On accommodating increased defence expenditure within the Stability and Growth Pact (SGP)**

19. notes that many Member States face fiscal constraints and cannot take on more debt without endangering sustainability, requiring a differentiated application of the escape clause and questioning its effectiveness, as only 16 countries have activated it so far;

20. is concerned that the timeframe used – a four-year path – is too short to help Member States integrate defence spending structurally into their budgets and avoid the so-called fiscal cliff;

21. requests a two-period timeframe (until 2032) in order to help Member States integrate defence into their normal budget and to give the necessary predictability for the EU defence industry. These additional four years should be used by Member States to gradually integrate defence spending into their national budget;

22. notes that both SAFE and the activation of the escape clause rely on incentivising national debt to finance our security which could exacerbate regional disparities and further fragment the European defence market; in this regard, the EU must develop a European financial instrument to boost investment and capabilities in security and defence in the short-term through common European debt;

23. contends that the EU must also reflect on its defence and security over the longer term, with a time horizon of 2050 and that relying on debt to structurally finance our security is not sustainable; suggests therefore the establishment of a new system of genuine own resources to guarantee the EU's capacity to respond effectively to security challenges in the future.

Brussels, 15 October 2025.

*The President*  
*of the European Committee of the Regions*  
Kata TÜTTŐ