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**Interinstitutional File:**  
**2025/0176 (COD)**

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**NOTE**

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|----------|---|
| From:    | General Secretariat of the Council  |
| To:      | Delegations   |
| Subject: | Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EC) No 1907/2006, (EC) No 1272/2008, (EU) No 528/2012, (EU) 2019/1021 and (EU) 2021/697 as regards defence readiness and facilitating defence investments and conditions for defence industry<br>- 4-column table |

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Delegations will find in the Annex, for information, the four-column table on the above-mentioned proposal.

**Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL  
amending Regulations (EC) No 1907/2006, (EC) No 1272/2008, (EU) No 528/2012, (EU) 2019/1021 and  
(EU) 2021/697 as regards defence readiness and facilitating defence investments and conditions for defence  
industry  
2025/0176(COD)**

|                  | <b>CLEAN</b><br><b>Commission<br/>Proposal</b>   | <b>VS.EC</b><br><b>EP Mandate</b>  | <b>VS.EC</b><br><b>Council Mandate</b>   | <b>VS.EC</b><br><b>Draft Agreement</b> |
|------------------|--|--|--|--|
| Formula          |  |  |  |  |
| 1                | 2025/0176 (COD)  | 2025/0176 (COD)  | 2025/0176 (COD)  |  |
| Document Stage   |  |  |  |  |
| 2                | Proposal for a   | Proposal for a   | Proposal for a   |  |
| Document Type    |  |  |  |  |
| 3                | REGULATION OF THE<br>EUROPEAN PARLIAMENT<br>AND OF THE COUNCIL   | REGULATION OF THE<br>EUROPEAN PARLIAMENT<br>AND OF THE COUNCIL   | REGULATION OF THE<br>EUROPEAN PARLIAMENT<br>AND OF THE COUNCIL   |  |
| Document Purpose |  |  |  |  |
| 4                | amending Regulations (EC) No<br>1907/2006, (EC) No 1272/2008,<br>(EU) No 528/2012, (EU)<br>2019/1021 and (EU) 2021/697 as<br>regards defence readiness and<br>facilitating defence investments<br>and conditions for defence<br>industry | amending Regulations (EC) No<br>1907/2006, (EC) No 1272/2008,<br>(EU) No 528/2012, (EU)<br>2019/1021 and (EU) 2021/697 as<br>regards defence readiness and<br>facilitating defence investments<br>and conditions for defence<br>industry | amending Regulations (EC) No<br>1907/2006, (EC) No 1272/2008,<br>(EU) No 528/2012, (EU)<br>2019/1021 and (EU) 2021/697 as<br>regards defence readiness and<br>facilitating defence investments<br>and conditions for defence<br>industry |  |
| Formula          |  |  |  |  |

|            | <b>CLEAN</b><br><b>Commission<br/>Proposal</b>   | <b>VS.EC</b><br><b>EP Mandate</b>  | <b>VS.EC</b><br><b>Council Mandate</b>   | <b>VS.EC</b><br><b>Draft Agreement</b> |
|------------|--|--|--|--|
| 5          | THE EUROPEAN<br>PARLIAMENT AND THE<br>COUNCIL OF THE EUROPEAN<br>UNION,  | THE EUROPEAN<br>PARLIAMENT AND THE<br>COUNCIL OF THE EUROPEAN<br>UNION,  | THE EUROPEAN<br>PARLIAMENT AND THE<br>COUNCIL OF THE EUROPEAN<br>UNION,  |  |
| Citation 1 |  |  |  |  |
| 6          | Having regard to the Treaty on the<br>Functioning of the European<br>Union, and in particular Article<br>114, Article 173(3), Article<br>182(4), Article 183, Article 188,<br>second paragraph, and Article<br>192(1) thereof, | Having regard to the Treaty on the<br>Functioning of the European<br>Union, and in particular Article<br>114, Article 173(3), Article<br>182(4), Article 183, Article 188,<br>second paragraph, and Article<br>192(1) thereof, | Having regard to the Treaty on the<br>Functioning of the European<br>Union, and in particular Article<br>114, Article 173(3), Article<br>182(4), Article 183, Article 188,<br>second paragraph, and Article<br>192(1) thereof, |  |
| Citation 2 |  |  |  |  |
| 7          | Having regard to the proposal<br>from the European Commission,   | Having regard to the proposal<br>from the European Commission,   | Having regard to the proposal<br>from the European Commission,   |  |
| Citation 3 |  |  |  |  |
| 8          | After transmission of the draft<br>legislative act to the national<br>parliaments,   | After transmission of the draft<br>legislative act to the national<br>parliaments,   | After transmission of the draft<br>legislative act to the national<br>parliaments,   |  |
| Citation 4 |  |  |  |  |
| 9          | Acting in accordance with the<br>ordinary legislative procedure,   | Acting in accordance with the<br>ordinary legislative procedure,   | Acting in accordance with the<br>ordinary legislative procedure,   |  |
| Formula    |  |  |  |  |
| 10         | Whereas:   | Whereas:   | Whereas:   |  |
| Recital 1  |  |  |  |  |
| 11         | (1) In order to facilitate<br>investments by Member States in  | (1) In order to facilitate<br>investments by Member States in  | (1) In order to facilitate<br>investments by Member States in  |  |

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|           | defence, it is necessary to remove regulatory burdens for defence readiness. This facilitation will support the defence industry's growth over time and contribute to support the defence readiness of Member States. | defence, it is necessary to remove regulatory <u>and administrative</u> burdens for defence readiness <u>and to expedite approval and authorisation procedures</u> . This facilitation <u>and simplification</u> will support the defence industry's growth over time and contribute to support the defence readiness of Member States. <u>The Commission and the Member States should continue to address the practical challenges faced by defence industries, particularly small and medium-sized enterprises, and where necessary consider adjustments, to ensure that simplification objectives translate into enhanced industrial competitiveness and innovation, and to strengthen the Union's strategic autonomy and defence preparedness by 2030, while maintaining a high level of protection of health and environment.</u> | defence, it is necessary to remove regulatory burdens for defence readiness. This facilitation will support the defence industry's growth over time and contribute to support the defence readiness of Member States. |                          |
| Recital 2 |   |  |   |                          |
| 12        | (2) While several instruments of Union legislation provide the necessary flexibility for Member States to take actions to facilitate  | (2) While several instruments of Union legislation provide the necessary flexibility for Member States to take actions to facilitate   | (2) <b>There is a need to ensure the right balance between maintaining a high level of protection of human health and</b>   |                          |

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|  | <p>the ramp-up of the defence industry, often national legislation and implementation hamper defence readiness. This is for example the case with the possibility for Member States to use exemptions from Regulation (EC) No 1907/2006 of the European Parliament and of the Council<sup>1</sup> where necessary in the interest of defence, including for defence readiness.</p> <p>1. Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (OJ L 396, 30.12.2006, p. 1–849, ELI: <a href="http://data.europa.eu/eli/reg/2006/1907/oj">http://data.europa.eu/eli/reg/2006/1907/oj</a>)</p> | <p>the ramp-up of the defence industry, often national legislation and implementation hamper defence readiness. This is for example the case with the possibility for Member States to use exemptions from Regulation (EC) No 1907/2006 of the European Parliament and of the Council<sup>1</sup> where necessary in the interest of defence, including for defence readiness.</p> <p>1. Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (OJ L 396, 30.12.2006, p. 1–849, ELI: <a href="http://data.europa.eu/eli/reg/2006/1907/oj">http://data.europa.eu/eli/reg/2006/1907/oj</a>)</p> | <p><b>the environment, a competitive internal market and defence readiness.</b> While several instruments of Union legislation provide the necessary flexibility for Member States to take actions to facilitate the ramp-up of the defence industry, often national legislation and implementation hamper defence readiness. This is for example the case with the possibility for Member States to use exemptions from Regulation (EC) No 1907/2006 of the European Parliament and of the Council<sup>1</sup> where necessary in the interest of defence, including for defence readiness.</p> <p>1. Regulation (EC) No 1907/2006 of the European Parliament and of the Council of 18 December 2006 concerning the Registration, Evaluation, Authorisation and Restriction of Chemicals (REACH), establishing a European Chemicals Agency, amending Directive 1999/45/EC and repealing Council Regulation (EEC) No 793/93 and Commission Regulation (EC) No 1488/94 as well as Council Directive 76/769/EEC and Commission Directives 91/155/EEC, 93/67/EEC, 93/105/EC and 2000/21/EC (OJ L 396, 30.12.2006, p. 1–849, ELI: <a href="http://data.europa.eu/eli/reg/2006/1907/oj">http://data.europa.eu/eli/reg/2006/1907/oj</a>)</p> |                          |

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| Recital 3 |  |  |  |                          |
| 13        | <p>(3) The legal framework established by Regulation (EC) No 1907/2006 should be adapted to the objective of defence readiness. Flexibility and agility are required to safeguard national and Union security interests, reflecting the worsened geopolitical situation. At the same time, it is fundamental to maintain a high level of protection for human health and the environment. There are indications that national implementations of Regulation (EC) No 1907/2006 in some Member States do not fully take into account the flexibility provided by that Regulation. The current defence exemption can be improved to ensure legal certainty and allow for swifter actions. It is therefore appropriate to broaden the scope of existing national defence exemptions within Regulation (EC) No 1907/2006, providing Member States with the possibility to authorise broader exemptions as necessary, while maintaining the fundamental responsibility to balance defence and security needs with health and environmental protection.</p> | <p>(3) The legal framework established by Regulation (EC) No 1907/2006 should be adapted to the objective of defence readiness. Flexibility <del>and</del>, agility <u>and legal clarity</u> are required to safeguard national and Union security interests, reflecting the worsened geopolitical situation. At the same time, it is fundamental to maintain a high level of protection for human health and the environment. There are indications that national implementations of Regulation (EC) No 1907/2006 in some Member States do not fully take into account the flexibility provided by that Regulation. The current defence exemption can be improved to ensure legal certainty and allow for swifter actions. It is therefore appropriate to broaden the scope of existing national defence exemptions within Regulation (EC) No 1907/2006, <u>providing with the objective of maintaining a well-functioning internal market and thus provide</u> Member States with the possibility to authorise broader exemptions <u>in the interest of defence</u> as</p> | <p>(3) The legal framework established by Regulation (EC) No 1907/2006 should be adapted to the objective of defence readiness. Flexibility and agility are required to safeguard national and Union security interests, reflecting the worsened geopolitical situation. At the same time, it is fundamental to maintain a high level of protection for human health and the environment. There are indications that national implementations of Regulation (EC) No 1907/2006 in some Member States do not fully take into account the flexibility provided by that Regulation. The current defence exemption can be improved to ensure legal certainty and allow for swifter actions. It is therefore appropriate to broaden the scope of existing national defence exemptions within Regulation (EC) No 1907/2006, providing Member States with the possibility to authorise broader exemptions as necessary, while maintaining the fundamental responsibility to balance defence and security needs with <del>health and environmental</del> <b>a high level of</b></p> |                          |

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|           |  | necessary, while maintaining the fundamental responsibility to balance defence and <u>defence-related</u> security needs with <del>health</del> <u>and environmental a high level of protection of health and the environment and providing for the highest safety and traceability standards possible.</u>  | protection of human health and the environment.  |                          |
| Recital 4 |  |  |  |                          |
| 14        | <p>(4) Similar changes should be made to other legal acts related to chemicals providing for an equivalent national exemption, namely Regulation (EC) No 1272/2008 of the European Parliament and of the Council<sup>1</sup> and Regulation (EU) No 528/2012 of the European Parliament and of the Council<sup>2</sup> to ensure a coherent regulatory environment for defence readiness.</p> <p>1. Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1, ELI:</p> | <p>(4) Similar changes should be made to other legal acts related to chemicals providing for an equivalent national exemption, namely Regulation (EC) No 1272/2008 of the European Parliament and of the Council<sup>1</sup> and Regulation (EU) No 528/2012 of the European Parliament and of the Council<sup>2</sup> to ensure a coherent regulatory environment for defence readiness.</p> <p>1. Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1, ELI:</p> | <p>(4) Similar changes should be made to other legal acts related to chemicals providing for an equivalent national exemption, namely Regulation (EC) No 1272/2008 of the European Parliament and of the Council<sup>1</sup> and Regulation (EU) No 528/2012 of the European Parliament and of the Council<sup>2</sup> to ensure a coherent regulatory environment for defence readiness.</p> <p>1. Regulation (EC) No 1272/2008 of the European Parliament and of the Council of 16 December 2008 on classification, labelling and packaging of substances and mixtures, amending and repealing Directives 67/548/EEC and 1999/45/EC, and amending Regulation (EC) No 1907/2006 (OJ L 353, 31.12.2008, p. 1, ELI:</p> |                          |

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|            | <a href="http://data.europa.eu/eli/reg/2008/1272/oj">http://data.europa.eu/eli/reg/2008/1272/oj</a><br>2. Regulation (EU) No 528/2012 of the European Parliament and of the Council of 22 May 2012 concerning the making available on the market and use of biocidal products (OJ L 167, 27.6.2012, p. 1, ELI: <a href="http://data.europa.eu/eli/reg/2012/528/oj">http://data.europa.eu/eli/reg/2012/528/oj</a> ). | <a href="http://data.europa.eu/eli/reg/2008/1272/oj">http://data.europa.eu/eli/reg/2008/1272/oj</a><br>2. Regulation (EU) No 528/2012 of the European Parliament and of the Council of 22 May 2012 concerning the making available on the market and use of biocidal products (OJ L 167, 27.6.2012, p. 1, ELI: <a href="http://data.europa.eu/eli/reg/2012/528/oj">http://data.europa.eu/eli/reg/2012/528/oj</a> ).  | <a href="http://data.europa.eu/eli/reg/2008/1272/oj">http://data.europa.eu/eli/reg/2008/1272/oj</a><br>2. Regulation (EU) No 528/2012 of the European Parliament and of the Council of 22 May 2012 concerning the making available on the market and use of biocidal products (OJ L 167, 27.6.2012, p. 1, ELI: <a href="http://data.europa.eu/eli/reg/2012/528/oj">http://data.europa.eu/eli/reg/2012/528/oj</a> ). |                          |
| Recital 4a |   |  |   |                          |
| 14a        |   | <u>(4a) While the defence sector may require certain exemptions from REACH Regulation, CLP Regulation and Biocidal Products Regulation to maintain operational capability and defence readiness, such exemptions should be granted only where demonstrably necessary and proportionate to the specific requirements in the interest of defence. Member States should ensure that requests for derogation demonstrate that the exemption is essential for maintaining defence capability.</u> |   |                          |
| Recital 4b |   |  |   |                          |
| 14b        |   | <u>(4b) Member States retain the competence to decide whether to grant exemptions to the extent of its own jurisdiction for the use of substances in defence</u>   |   |                          |



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|  |                                 | <p><u>applications pursuant to Article 2(3) of Regulation (EC) No 1907/2006 and comparable provisions in sector-specific legislation. Such exemptions should not compromise the Union's commitment to ensuring a high level of protection of health and the environment and must be applied stringently and consistently, in accordance with the precautionary principle laid down in Article 191 TFEU. Moreover, robust safeguards that guarantee effective monitoring and mitigation measures throughout the lifecycle of exempted substances must accompany these exemptions. Member States should also ensure that workers handling exempted substances, including military personnel, civilian defence workers, and contractors, benefit from adequate protective measures equivalent to those afforded in civilian applications, taking into account the specific operational requirements of defence activities. Furthermore, Member States are encouraged to establish environmental</u></p> |                          |                          |

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|            |                                 | <u>monitoring programmes to assess and mitigate any adverse impacts resulting from the use of exempted substances, particularly regarding soil and water contamination, air quality, and ecosystem integrity in the vicinity of defence installations and training areas.</u>  |                          |                          |
| Recital 4c |                                 |  |                          |                          |
| 14c        |                                 | <u>(4c) Certain defence-related industries operate production lines that serve both non-defence and defence purposes, wherein the manufacturing processes cannot be technically segregated or conducted in separate batches owing to objective technical constraints. Such facilities typically comprise large-scale, continuous processes through which all materials pass via common equipment. It is therefore appropriate to afford Member States the discretion to extend the exemption laid down in Article 2(3) of Regulation (EC) No 1907/2006 to encompass the entire output of such production lines, provided that the technical inseparability of the production</u> |                          |                          |

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|  |                                 | <p><u>line or the infeasibility of batch-wise operation is substantiated through comprehensive technical documentation in accordance with Article 2(3b) of that Regulation. Given the exceptional character of this extension, it should not apply to substances that are classified, or are required to be classified, pursuant to Regulation (EC) No 1272/2008 as carcinogenic category 1A, carcinogenic category 1B, or toxic for reproduction category 1A. Moreover, the provisions of Article 2(3b) should apply without prejudice to the application of Articles 60 and 67, as well as of Annex XVII, concerning products destined to be placed on the market for supply to the general public. As this extension of the exemption is not intended to incentivise the restructuring or adaptation of production lines for the sole purpose of obtaining an exemption under this Regulation, Member States should ensure, in accordance with their national defence frameworks, that the competent national authorities</u></p> |                          |                          |

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|            |                                 | <u>duly consider this principle when evaluating applications for the extension of the exemption.</u>   |                          |                          |
| Recital 4d |                                 |  |                          |                          |
| 14d        |                                 | <p><u>(4d) Given the rapid pace of innovation and scientific developments, particularly in the field of new production technologies and alternative substances, it is essential that any extension of an exemption as laid down in Article 2(3b) of Regulation (EC) No 1907/2006 be subject to regular review. Such review should assess whether the original grounds for the exemption remain valid in light of technical progress, the availability of substitutes, and advances in scientific knowledge and production technologies. Where a Member State chooses to grant a time-limited extension of an exemption a review should take place in any case before any renewal. At the same time Member States are encouraged to work on uniform conditions for reviewing the extended exemptions at regular intervals within the framework of the</u></p> |                          |                          |

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|            |                                 | <u>European Defence Agency's Code of Conduct on REACH defence exemptions in order to support coherent and transparent practices across the Union.</u>  |                          |                          |
| Recital 4e |                                 |  |                          |                          |
| 14e        |                                 | <u>(4e) The Commission's Staff Working Document accompanying the Defence Industrial Strategy (SWD(2024) 515) notes that the European defence industrial base remains fragmented and specialised, and that shifting non-defence capacity into defence is constrained by certification, security and quality requirements, meaning that non-defence production lines cannot simply be converted to defence use overnight. Therefore, defence manufacturing generally operates on dedicated and controlled lines and supply chains, distinct from non-defence production, and even where facilities serve both markets, activities are usually contractually and operationally segregated, though temporary repurposing of non-defence lines for defence production may occur when required by defence needs.</u> |                          |                          |

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|            |                                 | <u><i>In this context, where manufacturing facilities are used for both, non-defence and defence production, the defence exemptions should apply only to operations and output serving exclusively the interests of defence, and not to non-defence manufacturing carried out on the same site, while recognising the contribution that dual-use technologies and shared industrial capacities can make to strengthening Europe's defence readiness. Where defence needs require a production line ordinarily dedicated to non-defence use to be temporarily repurposed for defence manufacturing only, the exemption should apply for as long as the line is repurposed for defence production only, within the period and scope notified to the competent authority.</i></u> |                          |                          |
| Recital 4f |                                 |  |                          |                          |
| 14f        |                                 | <u><i>(4f) The Commission might develop guidelines on the practical application of Article 2(3) of Regulation (EC) No 1907/2006, of Article 1(4) of</i></u>  |                          |                          |

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|            |                                 | <p><u>Regulation (EC) No 1272/2008 and of Article 2(8) of Regulation (EU) No 528/2013 in close cooperation with Member States and stakeholders. Such guidelines should serve solely to assist Member States and economic operators in understanding and applying the exemptions set out in this Regulation. The development or publication of such guidelines should not delay or otherwise affect the entry into application of the new provisions on exemptions established by this Regulation. Without prejudice to Council Decision 2011/411/CFSP establishing the European Defence Agency, Member States are invited, to ensure that cooperative frameworks in the defence field, including the principles reflected in the European Defence Agency's Code of Conduct on REACH defence exemptions, are kept under review to support coherent and transparent practices across the Union.</u></p> |                          |                          |
| Recital 4g |                                 |   |                          |                          |

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| 14g        |  | <i><u>(4g) While the broadening of existing defence exemptions laid down in Article 2 (3) of Regulation (EC) No 1907/2006, Article 1 (4) of Regulation (EC) No 1272/2008 and Article 2 (8) of Regulation (EU) No 528/2012 may be needed and justified in light of the worsening geopolitical situation, the Commission should systematically evaluate, whether this justification is still applicable.</u></i> |  |                          |
| Recital 4h |  |  |  |                          |
| 14h        |  | <i><u>(4h) The Commission should follow up the defence exemptions granted in accordance with Article 2 (3) of Regulation (EC) No 1907/2006, Article 1 (4) of Regulation (EC) No 1272/2008 and Article 2 (8) of Regulation (EU) No 528/2012 with incentives and support for development and implementation of alternatives with a lower risk profile, in defence applications.</u></i>                          |  |                          |
| Recital 5  |  |  |  |                          |
| 15         | (5) Regulation (EU) 2019/1021 of the European Parliament and of the Council <sup>1</sup> | (5) Regulation (EU) 2019/1021 of the European Parliament and of the Council <sup>1</sup>   | (5) Regulation (EU) 2019/1021 of the European Parliament and of the Council <sup>1</sup> |                          |



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|--|---|---|---|--|
|  | <p>implements the Stockholm Convention on Persistent Organic Pollutants and the Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution on Persistent Organic Pollutants. A party cannot grant exemptions once a decision has been adopted under the Convention to list a chemical in Annex A, B or C to the Convention beyond those granted under the Convention, unless the Party does not accept that listing; thus, defence readiness needs should be addressed in preparatory stages in the Union before prohibitions or restrictions are established at the international level in the Convention. For this reason, it is important that relevant information is collected, assessed and submitted for the purpose of the risk management evaluation stage within the process of listing a substance within the Convention, as it is at that stage where the Persistent Organic Pollutants Review Committee may consider potential exemptions from possible control measures for that substance.</p> <p>_____</p> | <p>implements the Stockholm Convention on Persistent Organic Pollutants and the Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution on Persistent Organic Pollutants. A party cannot grant exemptions once a decision has been adopted under the Convention to list a chemical in Annex A, B or C to the Convention beyond those granted under the Convention, unless the Party does not accept that listing; thus, defence readiness needs should be addressed in preparatory stages in the Union before prohibitions or restrictions are established at the international level in the Convention. For this reason, it is important that relevant information is collected, assessed and submitted for the purpose of the risk management evaluation stage within the process of listing a substance within the Convention, as it is at that stage where the Persistent Organic Pollutants Review Committee may consider potential exemptions from possible control measures for that substance.</p> <p>_____</p> | <p>implements the Stockholm Convention on Persistent Organic Pollutants and the Protocol to the 1979 Convention on Long-Range Transboundary Air Pollution on Persistent Organic Pollutants. A party cannot grant exemptions once a decision has been adopted under the Convention to list a chemical in Annex A, B or C to the Convention beyond those granted under the Convention, unless the Party does not accept that listing; thus, defence readiness needs should be addressed in preparatory stages in the Union before prohibitions or restrictions are established at the international level in the Convention. For this reason, it is important that relevant information is collected, assessed and submitted for the purpose of the risk management evaluation stage within the process of listing a substance within the Convention, as it is at that stage where the Persistent Organic Pollutants Review Committee may consider potential exemptions from possible control measures for that substance.</p> <p>_____</p> |  |

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|            | 1. Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (OJ L 169, 25.6.2019, p. 45<br>ELI:<br><a href="http://data.europa.eu/eli/reg/2019/1021/oj">http://data.europa.eu/eli/reg/2019/1021/oj</a> )<br>.   | 1. Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (OJ L 169, 25.6.2019, p. 45<br>ELI:<br><a href="http://data.europa.eu/eli/reg/2019/1021/oj">http://data.europa.eu/eli/reg/2019/1021/oj</a> )<br>.  | 1. Regulation (EU) 2019/1021 of the European Parliament and of the Council of 20 June 2019 on persistent organic pollutants (OJ L 169, 25.6.2019, p. 45<br>ELI:<br><a href="http://data.europa.eu/eli/reg/2019/1021/oj">http://data.europa.eu/eli/reg/2019/1021/oj</a> )<br>.   |                          |
| Recital 6  |   |  |   |                          |
| 16         | (6) It cannot be excluded that information on the use of chemical substances contains sensitive information that needs to be protected. Member States should therefore, with due regard to international law, be allowed to make exemptions from the reporting requirements provided for in article 13(1) of Regulation (EU) 2019/1021 on grounds of protection of national or Union defence and security interests, for the purpose of protecting sensitive information. | (6) It cannot be excluded that information on the use of chemical substances contains sensitive information that needs to be protected. Member States should therefore, with due regard to international law, be allowed to make exemptions from the reporting requirements provided for in article 13(1) of Regulation (EU) 2019/1021 on grounds of protection of national or Union defence and <u>defence-related</u> security interests, for the purpose of protecting sensitive information. | (6) It cannot be excluded that information on the use of chemical substances contains sensitive information that needs to be protected. Member States should therefore, with due regard to international law, be allowed to make exemptions from the reporting requirements provided for in article 13(1) of Regulation (EU) 2019/1021 on grounds of protection of national or Union defence and security interests, for the purpose of protecting sensitive information. |                          |
| Recital 6a |   |  |   |                          |
| 16a        |   | <u>(6a) The Defence Readiness Roadmap 2030, including the priority capability coalitions, the four flagship projects and the actions to support Ukraine, proposes urgent actions that are essential in order to</u>  |   |                          |

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|            |                                 | <u>strengthening Europe's defence capabilities and to effectively address a broad spectrum of threats, including hybrid operations, Russia's shadow fleet and the risk of armed aggression. The European Defence Fund should contribute to the implementation and achievement of the objectives set out in these urgent actions, thereby reinforcing the Union's strategic autonomy and resilience in the face of evolving security challenges.</u>                             |                          |                          |
| Recital 6b |                                 |   |                          |                          |
| 16b        |                                 | <u>(6b) Defence readiness also relies on secure, affordable and resilient access to energy. Energy infrastructure, including low-carbon energy sources, is a key enabler of industrial and operational resilience. The European Defence Technological and Industrial Base (EDTIB) should therefore be reinforced by ensuring reliable access to energy, the diversification of supply sources, and the deployment of clean and efficient technologies, to enhance the self-</u> |                          |                          |

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|           |  | <u>sufficiency of defence-related facilities. Strengthening defence readiness also requires reducing dependencies on external suppliers for critical raw materials.</u>   |  |                          |
| Recital 7 |  |   |  |                          |
| 17        | <p>(7) The report on the interim evaluation of the European Defence Fund (EDF), established by Regulation (EU) 2021/697 of the European Parliament and of the Council<sup>1</sup>, has confirmed its overall effectiveness and relevance, while highlighting the need to further streamline procedures and reduce administrative burdens where possible and introduce clarification, simplification and flexibility in that Regulation in order to facilitate the implementation of the EDF. Regulation (EU) 2021/697 should therefore be amended, taking into account the experience gained since 2021 and the feedback received during the consultations carried out in the context of the interim evaluation of the EDF.</p> <p>_____</p> | <p>(7) The report on the interim evaluation of the European Defence Fund (EDF), established by Regulation (EU) 2021/697 of the European Parliament and of the Council<sup>1</sup>, has confirmed its overall effectiveness and relevance, while highlighting the need to further streamline procedures and reduce administrative burdens where possible and introduce clarification, simplification and flexibility in that Regulation in order to facilitate the implementation of the EDF. Regulation (EU) 2021/697 should therefore be amended, taking into account the experience gained since 2021 and the feedback received during the consultations carried out in the context of the interim evaluation of the <del>EDF</del><u>EDF. To ensure a genuinely</u></p> <p>_____</p> | <p>(7) The report on the interim evaluation of the European Defence Fund (EDF), established by Regulation (EU) 2021/697 of the European Parliament and of the Council<sup>1</sup>, has confirmed its overall effectiveness and relevance, while highlighting the need to further streamline procedures and reduce administrative burdens where possible and introduce clarification, simplification and flexibility in that Regulation in order to facilitate the implementation of the EDF. Regulation (EU) 2021/697 should therefore be amended, taking into account the experience gained since 2021 and the feedback received during the consultations carried out in the context of the interim evaluation of the EDF.</p> <p>_____</p> |                          |

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|           | 1. Regulation (EU) 2021/697 of the European Parliament and of the Council of 29 April 2021 establishing the European Defence Fund and repealing Regulation (EU) 2018/1092 (OJ L 170, 12.5.2021, p. 149, ELI: <a href="http://data.europa.eu/eli/reg/2021/697/oj">http://data.europa.eu/eli/reg/2021/697/oj</a> ). | <u><i>competitive and inclusive European defence industrial base, the participation of small and medium-sized enterprises (SMEs) and small mid-caps (SMCs) across all Member States should be facilitated and promoted. The administrative burden linked to participation in the European Defence Fund should be further reduced, and procedures should be simplified in practice. Specific attention should be given to cross-border SMEs and SMCs to ensure fair and equitable access to calls for proposals throughout the Union.</i></u><br><br>1. Regulation (EU) 2021/697 of the European Parliament and of the Council of 29 April 2021 establishing the European Defence Fund and repealing Regulation (EU) 2018/1092 (OJ L 170, 12.5.2021, p. 149, ELI: <a href="http://data.europa.eu/eli/reg/2021/697/oj">http://data.europa.eu/eli/reg/2021/697/oj</a> ). | 1. Regulation (EU) 2021/697 of the European Parliament and of the Council of 29 April 2021 establishing the European Defence Fund and repealing Regulation (EU) 2018/1092 (OJ L 170, 12.5.2021, p. 149, ELI: <a href="http://data.europa.eu/eli/reg/2021/697/oj">http://data.europa.eu/eli/reg/2021/697/oj</a> ). |                          |
| Recital 8 |   |   |   |                          |
| 18        | (8) The current legal framework for the EDF implementation limits the use of indirect management to exceptional cases. However, to facilitate faster and leaner innovation cycles, enabling the   | (8) The current legal framework for the EDF implementation limits the use of indirect management to exceptional cases. However, to facilitate faster and leaner innovation cycles, enabling the   | (8) The current legal framework for the EDF implementation limits the use of indirect management to exceptional cases. However, to facilitate faster and leaner innovation cycles, enabling the   |                          |

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|           | EDF to respond more effectively to emerging defence needs and technological advancements and for a more cost-efficient implementation of the EDF, a more flexible use of indirect management may be necessary. Therefore, it is necessary to introduce the possibility to use indirect management in a more flexible manner, while ensuring that the principles of sound financial management, transparency and accountability are maintained, and that the use of indirect management is subject to rigorous monitoring and evaluation to guarantee the optimal use of Union funds. | EDF to respond more effectively to emerging defence needs and technological advancements and for a more cost-efficient implementation of the EDF, a more flexible use of indirect management may be necessary. Therefore, it is necessary to introduce the possibility to use indirect management in a more flexible manner, while ensuring that the principles of sound financial management, transparency and accountability are maintained, and that the use of indirect management is subject to rigorous monitoring and evaluation to guarantee the optimal use of Union funds. | EDF to respond more effectively to emerging defence needs and technological advancements and for a more cost-efficient implementation of the EDF, a more flexible use of indirect management may be necessary. Therefore, it is necessary to introduce the possibility to use indirect management in a more flexible manner, while ensuring that the principles of sound financial management, transparency and accountability are maintained, and that the use of indirect management is subject to rigorous monitoring and evaluation to guarantee the optimal use of Union funds.<br><b>The evaluation and award procedures should be carried out in accordance with the provisions of this Regulation and of the Financial Regulation, regardless of whether they are conducted under direct or indirect management.</b> |                          |
| Recital 9 |  |  |  |                          |
| 19        | (9) The requirement that all infrastructure, facilities, assets and resources used for the   | (9) The requirement that all infrastructure, facilities, assets and resources used for the   | (9) <del>The requirement that all infrastructure, facilities, assets and resources used for the</del>  |                          |

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|  | <p>implementation of EDF funded projects be located within the Union and associated countries territory to be eligible for funding limits the potential for the European Defence Technological and Industrial Base to benefit from testing opportunities that offer unique advantages. To address this limitation, it is necessary to allow for the costs of carrying out testing activities in third countries, such as Ukraine, to be eligible for EDF funding. Testing in Ukraine provides possibilities that are not readily available within the Union, such as rapidly available results, 24-hour testing and testing on the battlefield, which can significantly enhance the development and validation of defence technologies and products. In addition, testing in Ukraine can facilitate the incorporation of live experience on modern warfare into the further development of defence technologies and products, thereby ensuring a technical and strategic advantage for the European Defence Technological and Industrial Base. By allowing costs of testing activities carried outside</p> | <p>implementation of EDF funded projects be located within the Union and associated countries territory to be eligible for funding limits the potential for the European Defence Technological and Industrial Base to benefit from testing opportunities that offer unique advantages. To address this limitation, it is necessary to allow for the costs of carrying out testing activities in third countries, <del>such</del> <u>as namely</u> Ukraine, to be eligible for EDF funding. Testing in Ukraine provides possibilities that are not readily available within the Union, such as rapidly available results, 24-hour testing and testing on the battlefield, which can significantly enhance the development and validation of defence technologies and products. In addition, testing in Ukraine can facilitate the incorporation of live experience on modern warfare into the further development of defence technologies and products, thereby ensuring a technical and strategic advantage for the European Defence Technological and Industrial Base. By allowing costs of testing activities carried outside</p> | <p><del>implementation of EDF funded projects be located within the Union and associated countries territory</del><b>Due to the rapidly evolving strategic context, particular as a result of Russia's aggression towards Ukraine, accelerating the technological transformation of European defence is crucial. Ukraine's defence ecosystem has proved to be eligible for funding limits the potential innovative, resilient and cost-effective in many relevant aspects of defence technologies. It would be of particular interest for the European Defence Technological and Industrial Base (EDTIB) to benefit from testing opportunities that offer unique advantages. To address this limitation, it is necessary to allow for the costs of carrying out testing activities in third countries, such as Ukraine, to be eligible for EDF funding. Testing in Ukraine provides these experiences and know-how and to exchange best practices to improve its innovation capacity. Strengthening the collaboration between the EU recipients and</b></p> |                          |

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|  | the Union territory to be eligible for funding, the EDF would be able to support the development of more effective and innovative defence solutions, ultimately contributing to the enhancement of the Union's defence capabilities. | the Union territory to be eligible for funding, the EDF would be able to support the development of more effective and innovative defence solutions, ultimately contributing to the enhancement of the Union's defence capabilities. | <b>Ukrainian entities through targeted actions could significantly contribute to this endeavour. Such collaboration can in particular provide</b> possibilities that are not readily available within the Union, such as rapidly available results, 24-hour testing and testing <del>on the battlefield, which</del> <b>under realistic operational conditions. This</b> can significantly enhance the development and validation of defence technologies and products. <del>In addition, testing in Ukraine and</del> can facilitate the incorporation of <del>live experience on modern warfare</del> <b>realistic scenarios</b> into the further development of defence technologies and products, thereby ensuring a technical and strategic advantage for the <del>European Defence Technological and Industrial Base</del> <b>EDTIB</b> . By allowing costs of testing activities carried <del>outside the Union territory</del> <b>out in Ukraine</b> to be eligible for funding, the EDF would be able to support the development of more effective and innovative defence solutions, ultimately contributing to the |                          |



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|            |   |   | enhancement of the Union's defence capabilities. <b>The costs of such testing activities should only be eligible for funding as far as necessary for meeting the specific objectives of the Fund as described in Article 3, paragraph 2 of Regulation (EU) 2021/697.</b>   |                          |
| Recital 10 |   |   |  |                          |
| 20         | (10) The interim evaluation of the EDF has shown that the current award criteria for the evaluation of proposals under that Fund are overly complex, unclear, and difficult to apply in practice. This has resulted in unnecessary administrative burdens and uncertainties for the Commission and the applicants, ultimately hindering the efficient implementation of the EDF. It is necessary to simplify the award criteria and introduce more flexibility in their application in order to make the evaluation more efficient, transparent, and effective. The possibility to select a relevant subset of award criteria according to specific objectives of the calls for proposals would allow | (10) The interim evaluation of the EDF has shown that the current award criteria for the evaluation of proposals under that Fund are overly complex, unclear, and difficult to apply in practice. This has resulted in unnecessary administrative burdens and uncertainties for the Commission and the applicants, ultimately hindering the efficient implementation of the EDF. It is necessary to simplify the award criteria and introduce more flexibility in their application in order to make the evaluation more efficient, transparent, and effective. <u>In line with an excellence-based approach to defence research and development, proposals should be</u> | (10) The interim evaluation of the EDF has shown that the current award criteria for the evaluation of proposals under that Fund are overly complex, unclear, and difficult to apply in practice. This has resulted in unnecessary administrative burdens and uncertainties for the Commission and the applicants, ultimately hindering the efficient implementation of the EDF. It is necessary to simplify the award criteria and introduce more flexibility in their application in order to make the evaluation more efficient, transparent, and effective. The possibility to select a relevant subset of award criteria according to specific objectives of the calls for proposals, <b>on a call-</b> |                          |

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|             | for a tailored and focused evaluation thus for a better alignment with the priorities and objectives of the EDF. | <u><i>selected primarily on the basis of scientific and technical excellence and potential with regard to innovation, with due consideration of operational relevance and added value to the Union, as well as on the basis of an evaluation of the quality and efficiency of the implementation of the actions.</i></u> The possibility to select a relevant subset of award criteria according to specific objectives of the calls for proposals would allow for a tailored and focused evaluation thus for a better alignment with the priorities and objectives of the EDF. <u><i>In order to facilitate the preparation of applications, the use of subsets of criteria and their respective weight should be specified clearly and transparently in each call for proposals.</i></u> | <b>by-call basis</b> , would allow for a tailored and focused evaluation <del>thus for</del> , <b>enabling</b> a better alignment with the priorities and objectives of the EDF. <b>To ensure transparency, each call topic under one call for proposal includes the same set of award criteria that is displayed within the call for proposal of the annual work programme.</b> |                          |
| Recital 10a |  |  |  |                          |
| 20a         |  | <u><i>(10a) Artificial intelligence (AI) is a key aspect of the competitiveness, innovation and strategic autonomy of the EDTIB. Enhancing the role of AI within the EDTIB will contribute to</i></u>  |  |                          |

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|            |  | <u>more efficient decision-making, improved interoperability and strengthened technological leadership. In the implementation of the European Defence Fund, the Commission should foster trustworthy, human-centred and secure AI applications for defence purposes, in line with Union law and ethical principles.</u>  |  |                          |
| Recital 11 |  |  |  |                          |
| 21         | (11) The implementation of the EDF has been hindered by the requirement to adopt annual work programmes, resulting in complex procedures, making it challenging to ensure predictability and continuity of the actions supported by the EDF. To address that issue and provide more flexibility in the management of the EDF, it is necessary to introduce the possibility to implement the EDF through annual or multi-annual work programmes. This would enable the Commission to better plan and coordinate the support for defence research and development activities, while also allowing for more efficient use of resources and improved synergies between | (11) The implementation of the EDF has been hindered by the requirement to adopt annual work programmes, resulting in complex procedures, making it challenging to ensure predictability and continuity of the actions supported by the EDF. To address that issue and provide more flexibility in the management of the EDF, it is necessary to introduce the possibility to implement the EDF through annual or multi-annual work programmes. This would enable the Commission to better plan and coordinate the support for defence research and development activities, while also allowing for more efficient use of resources and improved synergies between | (11) The implementation of the EDF has been hindered by the requirement to adopt annual work programmes, resulting in complex procedures, making it challenging to ensure predictability and continuity of the actions supported by the EDF. To address that issue and provide more flexibility in the management of the EDF, it is necessary to introduce the possibility to implement the EDF through annual or multi-annual work programmes. This would enable the Commission to better plan and coordinate the support for defence research and development activities, while also allowing for more efficient use of resources and improved synergies between |                          |

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|            | different projects and initiatives. By allowing multi-annual work programmes, the Fund would be able to better support long-term research and development projects, foster collaboration among stakeholders, and ultimately contribute to the enhancement of the Union's defence capabilities.   | different projects and initiatives. By allowing multi-annual work programmes, the Fund would be able to better support long-term research and development projects, foster collaboration among stakeholders, and ultimately contribute to the enhancement of the Union's defence capabilities. <u><i>Due to the changed geopolitical landscape, particular attention should be paid to actions contributing to addressing the needs of Member States and associated countries with the highest exposure to conventional military threats.</i></u> | different projects and initiatives. By allowing multi-annual work programmes, the Fund would be able to better support long-term research and development projects, foster collaboration among stakeholders, and ultimately contribute to the enhancement of the Union's defence capabilities.   |                          |
| Recital 12 |  |   |  |                          |
| 22         | (12) In order to further improve the efficiency and effectiveness of the EDF, it is essential to provide the Commission with the necessary flexibility to manage the programme in a way that optimises the use of resources and minimises administrative burdens. To that end, the conditions under which the Commission may have recourse to direct awards should be clarified, allowing for a more streamlined and expedited | (12) In order to further improve the efficiency and effectiveness of the EDF, it is essential to provide the Commission with the necessary flexibility to manage the programme in a way that optimises the use of resources and minimises administrative burdens. To that end, the conditions under which the Commission may <u><i>exceptionally</i></u> have recourse to direct awards should be clarified, allowing for a more streamlined  | (12) In order to further improve the efficiency and effectiveness of the EDF, it is essential to provide the Commission with the necessary flexibility to manage the programme in a way that optimises the use of resources and minimises administrative burdens. To that end, the conditions under which the Commission may have recourse to direct awards should be clarified, allowing for a more streamlined and expedited |                          |

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|            | <p>procedure in certain circumstances. Continuity of efforts and efficient implementation of defence research and development projects should be facilitated, while respecting the principles of transparency, fairness, and equal treatment. The Commission should be enabled to better respond to the evolving needs of the defence sector, the cooperation between stakeholders should be fostered and the development of innovative and effective defence solutions should be improved, thereby enhancing the security of the Union and defence capabilities of the Member States.</p> | <p>and expedited procedure <del>in certain circumstances</del><u>for research and development actions that have previously received Member State or Union funding following competitive calls for proposals</u>. Continuity of efforts and efficient implementation of defence research and development projects should be facilitated, while respecting the principles of <u>excellence</u>, transparency, fairness, and equal treatment. The Commission should be enabled to better respond to the evolving needs of the defence sector, the cooperation between stakeholders should be fostered and the development of innovative and effective defence solutions should be improved, thereby enhancing the security of the Union and defence capabilities of the Member States.</p> | <p>procedure in certain circumstances, <b>which are clear and deemed relevant for the purpose of the call topic</b>. Continuity of efforts and efficient implementation of defence research and development projects should be facilitated, while respecting the principles of transparency, fairness, and equal treatment. The Commission should be enabled to better respond to the evolving needs of the defence sector, the cooperation between stakeholders should be fostered and the development of innovative and effective defence solutions should be improved, thereby enhancing the security of the Union and defence capabilities of the Member States.</p> |                          |
| Recital 13 |  |   |  |                          |
| 23         | <p>(13) The EDF has the potential to boost the development of innovative defence technologies and solutions through pre-commercial procurement. However, the current legal</p>   | <p>(13) The EDF has the potential to boost the development of innovative defence technologies and solutions through pre-commercial procurement. However, the current legal</p>  | <p>(13) The EDF has the potential to boost the development of innovative defence technologies and solutions through pre-commercial procurement. However, the current legal</p>   |                          |

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|            | framework is overly complex and lacks clarity on the conditions for pre-commercial procurement under the EDF, thus hindering its effective use. The conditions for pre-commercial procurement need to be simplified and clarified, as the current provisions promote the award of multiple contracts within the same procedure (multiple sourcing), which is not always suitable for the defence sector. Removing this restriction will provide for a clearer and more effective pre-commercial procurement framework, enabling the EDF to better support the development of innovative solutions, bridge the gap between research and market deployment, and provide a strong incentive for Member States to invest in defence research and development. | framework is overly complex and lacks clarity on the conditions for pre-commercial procurement under the EDF, thus hindering its effective use. The conditions for pre-commercial procurement need to be simplified and clarified, as the current provisions promote the award of multiple contracts within the same procedure (multiple sourcing), which is not always suitable for the defence sector. Removing this restriction will provide for a clearer and more effective pre-commercial procurement framework, enabling the EDF to better support the development of innovative solutions, bridge the gap between research and market deployment, and provide a strong incentive for Member States to invest in defence research and development. | framework is overly complex and lacks clarity on the conditions for pre-commercial procurement under the EDF, thus hindering its effective use. The conditions for pre-commercial procurement need to be simplified and clarified, as the current provisions promote the award of multiple contracts within the same procedure (multiple sourcing), which is not always suitable for the defence sector. Removing this restriction will provide for a clearer and more effective pre-commercial procurement framework, enabling the EDF to better support the development of innovative solutions, bridge the gap between research and market deployment, and provide a strong incentive for Member States to invest in defence research and development. |                          |
| Recital 14 |   |   |   |                          |
| 24         | (14) The current legal framework for the EDF has not provided sufficient access rights to the results of development projects to Member States, in particular for those co-financing such projects. To ease that concern and promote  | (14) <del>The current legal framework for the EDF has not provided sufficient access rights to the results of development projects to Member States, in particular for those co-financing such projects. To ease that concern and promote</del>   | (14) The current legal framework for the EDF has not provided sufficient access rights to the results of development projects to Member States, in particular for those co-financing such projects. To ease that concern and promote  |                          |

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|  | <p>a more collaborative and cooperative approach to defence research and development, it is necessary to grant to the co-financing Member States the right to access the results of development projects on fair terms. The conditions for the exercise of such access rights should be defined in the contractual relationship between the recipients and the national authorities co-financing the action. This will simplify the negotiation process between the Member States and industry and reduce time to grant, thereby promoting more streamlined collaboration in defence research and development.</p> | <p><del>a more collaborative and cooperative approach to defence research and development, it is necessary to grant to the co-financing Member States the right to access the results of development projects on fair terms. The conditions for the exercise of such access rights should be defined in the contractual relationship between the recipients and the national authorities co-financing the action. This will simplify the negotiation process between the Member States and industry and reduce time to grant, thereby promoting more streamlined collaboration in defence research and development.</del></p> | <p>a more collaborative and cooperative approach to defence research and development, it is necessary to grant to the co-financing Member States the right to access the results of development projects on fair terms. <b>In addition, where Member States or EDF associated countries have confirmed co-financing to some legal entities of a consortium, all legal entities of the selected consortium are expected to provide such Member States or EDF associated countries with rights to use or have used the results generated during the action, including for certification, testing, and integration in national systems as well as for other defence purposes, to be agreed upon between the Member States or EDF associated countries and the legal entities of the selected consortium.</b> The conditions for the exercise of such access rights should be defined in the contractual relationship between the recipients and the national authorities co-financing the action.</p> |                          |

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|            |  |  | This will <del>simplify</del> <b>improve transparency and ease</b> the negotiation process between the Member States and industry and <del>reduce time to grant</del> <b>facilitate the decision-making process</b> , thereby <del>promoting</del> <b>accelerating the implementation of co-financed development projects. As a result, this will promote a</b> more streamlined collaboration in defence research and development.  |                          |
| Recital 15 |  |  |  |                          |
| 25         | (15) To maximise the benefits of the changes to Regulation (EU) 2021/697, the amendments to that Regulation should apply retroactively. While some provisions, such as those relating to the award criteria cannot be applied retroactively due to their very nature, others, such as those relating to funding rates or testing outside of the territory of the Union, can improve the efficiency and efficacy of the projects funded under the EDF. To ensure that Union funds are spent in the most effective way possible, these provisions should be applicable as of 1 January 2025. | (15) To maximise the benefits of the changes to Regulation (EU) 2021/697, the amendments to that Regulation should apply retroactively. While some provisions, such as those relating to the award criteria cannot be applied retroactively due to their very nature, others, such as those relating to funding rates or testing outside of the territory of the Union, can improve the efficiency and efficacy of the projects funded under the EDF. To ensure that Union funds are spent in the most effective way possible, these provisions should be applicable as of 1 January 2025. | (15) <del>To maximise the benefits of the changes to Regulation (EU) 2021/697, the amendments to that Regulation should apply retroactively. While some provisions, such as those relating to the award criteria cannot be applied retroactively due to their very nature, others, such as those relating to funding rates or</del> <b>The eligibility for costs related to testing outside of the territory of the Union, activities in Ukraine</b> can improve the efficiency and efficacy of the projects funded under the EDF. To <del>ensure that Union funds are spent in the most effective way possible, these</del> |                          |



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|  |  |  | provisions <b>maximise the benefits of the changes to Regulation (EU) 2021/697, the related amendment to that Regulation should be applicable apply retroactively</b> as of 1 January 2025. |   |
| Recital 16   |  |  |   |   |
| 26   | (16) Regulations (EC) No 1907/2006, (EC) No 1272/2008, (EU) No 528/2012, (EU) 2019/1021 and (EU) 2021/697 should therefore be amended accordingly, | (16) Regulations (EC) No 1907/2006, (EC) No 1272/2008, (EU) No 528/2012, (EU) 2019/1021 and (EU) 2021/697 should therefore be amended accordingly, | (16) Regulations (EC) No 1907/2006, (EC) No 1272/2008, (EU) No 528/2012, (EU) 2019/1021 and (EU) 2021/697 should therefore be amended accordingly,  |   |
| Formula  |  |  |   |   |
| 27   | HAVE ADOPTED THIS REGULATION:  | HAVE ADOPTED THIS REGULATION:  | HAVE ADOPTED THIS REGULATION:   |   |
| Article 1  |  |  |   |   |
| 28   | Article 1<br>Amendments to Regulation (EC) No 1907/2006  | Article 1<br>Amendments to Regulation (EC) No 1907/2006  | Article 1<br>Amendments to Regulation (EC) No 1907/2006   | Article 1<br>Amendments to Regulation (EC) No 1907/2006<br><br>Text Origin: Commission Proposal |
| Article 1, first paragraph   |  |  |   |   |
| 29   | In Article 2 of Regulation (EC) No 1907/2006, paragraph 3 is replaced by the following:  | In Article 2 of Regulation (EC) No 1907/2006, paragraph 3 is replaced by the following:  | In Article 2 of Regulation (EC) No 1907/2006, paragraph 3 is replaced by the following:   |   |
| Article 1, first paragraph, amending provision, numbered paragraph (3) |  |  |   |   |

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| 30   | ‘<br>3. Member States may allow for exemptions from this Regulation for substances, on their own, in a mixture or in an article, where necessary in the interests of defence..<br>’ | ‘<br>3. Member States may allow for exemptions from this Regulation for substances, on their own, in a mixture or in an article, where necessary in the interests of defence..<br>’  | ‘<br>3. Member States may allow for exemptions from this Regulation for substances, on their own, in a mixture or in an article, where necessary in the interests of defence.-<br>’ |                          |
| Article 1, first paragraph a   |   |  |   |                          |
| 30a  |   | <u><i>In Article 2, the following paragraphs are added:</i></u>  |   |                          |
| Article 1, first paragraph a, amending provision, numbered paragraph (1) |   |  |   |                          |
| 30b  |   | ‘<br><u><i>(3a) Where substances, on their own, in a mixture or in an article, are used for both, defence and non-defence purposes, any exemption granted under paragraph 3 of this Article shall apply only to the uses in defence applications.</i></u><br>’ |   |                          |
| Article 1, first paragraph a, amending provision, numbered paragraph (2) |   |  |   |                          |
| 30c  |   | <u><i>(3b) By way of derogation from paragraph 3a, where defence and non-defence production take place on a common production line which has been shown to the national competent authority, to be</i></u>   |   |                          |

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|  |                                 | <p><u>technically non-separable due to objective technical constraints or that it cannot be operated in batches, the exemption granted under paragraph 3 may, where necessary in the interests of defence, be extended to the entire output of that production line without prejudice to the application of Articles 60, 67 and of Annex XVII to products placed on the market for supply to the general public. Any such extension of the exemption shall be supported by a justification containing detailed technical documentation demonstrating that the physical separation of production lines or that operation in separate batches is not technically possible and that the extension is required in the interests of defence, drawn up, where relevant, in accordance with the applicable national rules. Any extension of the exemption granted under first subparagraph of this paragraph shall not apply to substances which are or have to be classified in accordance with Regulation (EC) No 1272/2008, as carcinogenic</u></p> |                          |                          |

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|  |                                 | <u>category 1A, carcinogenic category 1B, or toxic for reproduction category 1A.</u><br><u>Any extension of the exemption granted under first subparagraph of this paragraph may be limited in time and shall be subject to a regular review, including a review before renewal of that exemption where applicable.</u><br><u>Within five years from the date of application of this Regulation, the Commission shall assess the implementation of provisions laid down in paragraphs 3 to 3c of this Article in particular their effects on the functioning of the internal market and on the level of protection of health and the environment under this Regulation and shall report to the European Parliament and the Council.</u> |                          |                          |
| Article 1, first paragraph a, amending provision, numbered paragraph (3) |                                 |   |                          |                          |
| 30d  |                                 | <u>(3c) Where defence needs require a production line ordinarily dedicated to non-defence applications to be temporarily repurposed for defence manufacturing only, the exemption referred to in</u>  |                          |                          |

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|  |   | <u><i>paragraph 3 of this Article shall apply for as long as the line is repurposed for defence production only, in line with the period and scope notified to the competent authority.</i></u> |  |                          |
| Article 1, first paragraph a, amending provision, numbered paragraph (4) |   |   |  |                          |
| 30e  |   | <u><i>(3d) The Commission may, in consultation with Member States and relevant stakeholders, develop guidelines on the practical implementation of the provisions of paragraph 3.</i></u>       |  |                          |
| Article 2  |   |   |  |                          |
| 31   | Article 2<br>Amendments to Regulation (EC)<br>No 1272/2008  | Article 2<br>Amendments to Regulation (EC)<br>No 1272/2008  | Article 2<br>Amendments to Regulation (EC)<br>No 1272/2008   |                          |
| Article 2, first paragraph   |   |   |  |                          |
| 32   | In Article 1 of Regulation (EC) No 1272/2008, paragraph 4 is replaced by the following:                             | In Article 1 of Regulation (EC) No 1272/2008, paragraph 4 is replaced by the following:   | In Article 1 of Regulation (EC) No 1272/2008, paragraph 4 is replaced by the following:  |                          |
| Article 2, first paragraph, amending provision, numbered paragraph (4)   |   |   |  |                          |
| 33   | 4. Member States may allow for exemptions from this Regulation for substances mixtures, and articles referred to in | 4. Member States may allow for exemptions from this Regulation for substances mixtures, and articles referred to in   | 4. Member States may allow for exemptions from this Regulation for substances <b>and</b> mixtures, <del>and</del> <b>as well as</b> articles |                          |

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|  | section 2.1 of Annex I, where necessary in the interests of defence.; | section 2.1 of Annex I, where necessary in the interests of defence.;  | referred to in section 2.1 of Annex I, where necessary in the interests of defence.; |                          |
| Article 2, first paragraph a   |   |  |  |                          |
| 33a  |   | <u><i>In Article 1, the following paragraphs are added:</i></u>  |  |                          |
| Article 2, first paragraph a, amending provision, numbered paragraph (1) |   |  |  |                          |
| 33b  |   | <u><i>(4a) Where substances, mixtures, and articles referred to in section 2.1 of Annex I, are used for both, defence and non-defence purposes, any exemption granted under paragraph 4 of this Article shall apply only to the uses in defence applications, without prejudice to the application of this Regulation to other uses.</i></u> |  |                          |
| Article 2, first paragraph a, amending provision, numbered paragraph (2) |   |  |  |                          |
| 33c  |   | <u><i>(4b) Where defence needs require a production line ordinarily dedicated to non-defence applications to be temporarily repurposed for defence manufacturing only, the exemption referred to in paragraph 4 of this Article shall</i></u>  |  |                          |

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|  |  | <u><i>apply for as long as the line is repurposed for defence production only, in line with the period and scope notified to the competent authority.</i></u>   |  |                          |
| Article 2, first paragraph a, amending provision, numbered paragraph (3) |  |   |  |                          |
| 33d  |  | <u><i>(4c) The Commission may, in consultation with Member States and relevant stakeholders, develop guidelines on the practical implementation of the provisions of paragraph 4, in a manner consistent with any Commission guidelines referred to in Article 2(3c) of Regulation (EC) No 1907/2006 (REACH).</i></u> |  |                          |
| Article 3  |  |   |  |                          |
| 34   | Article 3<br>Amendments to Regulation (EU)<br>No 528/2012                              | Article 3<br>Amendments to Regulation (EU)<br>No 528/2012   | Article 3<br>Amendments to Regulation (EU)<br>No 528/2012                              |                          |
| Article 3, first paragraph   |  |   |  |                          |
| 35   | In Article 2 of Regulation (EU) No 528/2012, paragraph 8 is replaced by the following: | In Article 2 of Regulation (EU) No 528/2012, paragraph 8 is replaced by the following:  | In Article 2 of Regulation (EU) No 528/2012, paragraph 8 is replaced by the following: |                          |
| Article 3, first paragraph, amending provision, numbered paragraph (8)   |  |   |  |                          |
| 36   | ‘  | ‘   | ‘  |                          |

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|  | 8. Member States may allow for exemptions from this Regulation for biocidal products, on their own or in a treated article, where necessary in the interests of defence.; | 8. Member States may allow for exemptions from this Regulation for biocidal products, on their own or in a treated article, where necessary in the interests of defence.;   | 8. Member States may allow for exemptions from this Regulation for biocidal products, on their own or in a treated article, where necessary in the interests of defence.; |                          |
| Article 3, first paragraph a   |   |   |   |                          |
| 36a  |   | <u><i>In Article 2, the following paragraphs are added:</i></u>   |   |                          |
| Article 3, first paragraph a, amending provision, numbered paragraph (1) |   |   |   |                          |
| 36b  |   | <u><i>(8a) Where biocidal products, on their own or in a treated article, are used for both, defence and non-defence purposes, any exemption granted under paragraph 8 of this Article shall apply only to the uses in defence applications, without prejudice to the application of this Regulation to other uses.</i></u> |   |                          |
| Article 3, first paragraph a, amending provision, numbered paragraph (2) |   |   |   |                          |
| 36c  |   | <u><i>(8b) Where defence needs require a production line ordinarily dedicated to non-defence applications to be temporarily repurposed for defence manufacturing only, the</i></u>  |   |                          |



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|  |  | <u>exemption referred to in paragraph 8 of this Article shall apply for as long as the line is repurposed for defence production only, in line with the period and scope notified to the competent authority</u>   |  |                          |
| Article 3, first paragraph a, amending provision, numbered paragraph (3) |  |  |  |                          |
| 36d  |  | <u>(8c) The Commission may, in consultation with Member States and relevant stakeholders, develop guidelines on the practical implementation of the provisions of paragraph 8, in a manner consistent with any Commission guidelines referred to in Article 2(3c) of Regulation (EC) No 1907/2006 (REACH).</u> |  |                          |
| Article 4  |  |  |  |                          |
| 37   | Article 4<br>Amendments to Regulation (EU)<br>No 2019/1021 | Article 4<br>Amendments to Regulation (EU)<br>No 2019/1021   | Article 4<br>Amendments to Regulation (EU)<br>No 2019/1021 |                          |
| Article 4, first paragraph   |  |  |  |                          |
| 38   | Regulation (EU) 2019/1021 is amended as follows:           | Regulation (EU) 2019/1021 is amended as follows:   | Regulation (EU) 2019/1021 is amended as follows:           |                          |
| Article 4, first paragraph, point (1)                                    |  |  |  |                          |

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| 39  | (1) in Article 2, the following point (14) is added:   | (1) in Article 2, the following point (14) is added:   | (1) in Article 2, the following point (14) is added:   |                          |
| Article 4, first paragraph, point (1), amending provision, numbered paragraph (14), first subparagraph  |  |  |  |                          |
| 40  | (14) ‘defence readiness’ means the state of preparedness of a Member State or several Member States to respond to a crisis defined in Article 1, point (10), of Directive 2009/81/EC of the European Parliament and of the Council*, which relates to defence’;  | (14) ‘defence readiness’ means the state of preparedness of a Member State or several Member States to respond to a crisis defined in Article 1, point (10), of Directive 2009/81/EC of the European Parliament and of the Council*, which relates to defence’;  | (14) ‘defence readiness’ means the state of preparedness of a Member State or several Member States to respond to a crisis defined in Article 1, point (10), of Directive 2009/81/EC of the European Parliament and of the Council*, which relates to defence’;  |                          |
| Article 4, first paragraph, point (1), amending provision, numbered paragraph (14), second subparagraph |  |  |  |                          |
| 41  | _____  | _____  | _____  |                          |
| Article 4, first paragraph, point (1), amending provision, numbered paragraph (14), third subparagraph  |  |  |  |                          |
| 42  | * Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC (OJ L 216, 20.8.2009, p. 76, ELI: <a href="http://data.europa.eu/eli/dir/2009/81/oj">http://data.europa.eu/eli/dir/2009/81/oj</a> ); | * Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC (OJ L 216, 20.8.2009, p. 76, ELI: <a href="http://data.europa.eu/eli/dir/2009/81/oj">http://data.europa.eu/eli/dir/2009/81/oj</a> ); | * Directive 2009/81/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of procedures for the award of certain works contracts, supply contracts and service contracts by contracting authorities or entities in the fields of defence and security, and amending Directives 2004/17/EC and 2004/18/EC (OJ L 216, 20.8.2009, p. 76, ELI: <a href="http://data.europa.eu/eli/dir/2009/81/oj">http://data.europa.eu/eli/dir/2009/81/oj</a> ); |                          |

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|  | ,   | ,  | ,  |                          |
| Article 4, first paragraph, point (2)  |   |  |  |                          |
| 43   | (2) in Article 3, the following paragraph (4a) is inserted:   | (2) in Article 3, the following paragraph (4a) is inserted:  | (2) in Article 3, the following paragraph (4a) is inserted:  |                          |
| Article 4, first paragraph, point (2), amending provision, numbered paragraph (4a) |   |  |  |                          |
| 44   | 4a. When collecting, assessing and submitting information for the purpose of the risk management evaluation referred to in Article 8(7) and Article 8(8) of the Convention, the Commission and Member States shall duly take into account defence readiness and specificities of the defence sector, including impacts on defence production supply chains; | 4a. When collecting, assessing and submitting information <u>related to socio-economic considerations pursuant to Annex F of the Convention</u> for the purpose of the risk management evaluation referred to in Article 8(7)– and Article 8(8) of the Convention, the Commission and Member States shall duly take into account defence readiness and specificities of the defence sector, including impacts on defence production supply chains; | 4a. When collecting, assessing and submitting information for the purpose of the risk management evaluation referred to in Article 8(7)– and Article 8(8) of the Convention, the Commission and Member States shall duly take into account defence readiness and specificities of the defence sector, including impacts on defence production supply chains; |                          |
| Article 4, first paragraph, point (3)  |   |  |  |                          |
| 45   | (3) in Article 13(1) the following second subparagraph is added:  | (3) in Article 13(1) the following second subparagraph is added:   | (3) in Article 13(1) the following second subparagraph is added:   |                          |
| Article 4, first paragraph, point (3), amending provision, first paragraph         |   |  |  |                          |

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| 46  | Where necessary, Member States may make exemptions from this article on grounds of protection of national and defence interests, for the purpose of protecting sensitive information provided that such exemptions do not undermine the Union or Member States compliance, where relevant, with their reporting obligations under the Convention . | Where necessary, Member States may make exemptions from this article on grounds of protection of national <del>and/or</del> <u>Union</u> defence interests, for the purpose of protecting sensitive information provided that such exemptions do not undermine the Union or Member States compliance, where relevant, with their reporting obligations under the Convention-. | Where necessary, Member States may make exemptions from this article on grounds of protection of national <del>and/or</del> <b>Union</b> defence <b>and security</b> interests, for the purpose of protecting sensitive information provided that such exemptions do not undermine the Union or Member States compliance, where relevant, with their reporting obligations under the Convention-. |                          |
| Article 5   |  |   |   |                          |
| 47  | Article 5<br>Amendments to Regulation (EU) 2021/697  | Article 5<br>Amendments to Regulation (EU) 2021/697   | Article 5<br>Amendments to Regulation (EU) 2021/697   |                          |
| Article 5, first paragraph  |  |   |   |                          |
| 48  | Regulation (EU) 2021/697 is amended as follows:  | Regulation (EU) 2021/697 is amended as follows:   | Regulation (EU) 2021/697 is amended as follows:   |                          |
| Article 5, first paragraph, point (1)   |  |   |   |                          |
| 49  | (1) Article 2 is amended as follows:   | (1) Article 2 is amended as follows:  | (1) Article 2 is amended as follows:  |                          |
| Article 5, first paragraph, point (1)(a)  |  |   |   |                          |
| 50  | (a) the following point (6a) is inserted:  | (a) the following point (6a) is inserted:   | (a) the following point (6a) is inserted:   |                          |
| Article 5, first paragraph, point (1)(a), amending provision, numbered paragraph (6a) |  |   |   |                          |

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| 51  | ‘<br>(6a) ‘cross-border SMEs’ means SMEs which are established in Member States or associated countries other than those where the legal entities cooperating within a consortium which are not SMEs or mid-caps are established;;<br>’,                            | ‘<br>(6a) ‘cross-border SMEs’ means SMEs which are established in Member States or associated countries other than those where the legal entities cooperating within a consortium which are not SMEs or mid-caps are established;;<br>’,                            | ‘<br>(6a) ‘cross-border SMEs’ means SMEs which are established in Member States or associated countries other than those <del>where the legal entities cooperating within a consortium</del> in which <b>recipients that</b> are not SMEs <del>or mid-caps</del> are established;; <b>and which participate in the activity as recipients, subcontractors or other legal entities in the supply chain</b><br>’, |                          |
| Article 5, first paragraph, point (1)(b)  |   |   |   |                          |
| 52  | (b) point (17) is replaced by the following:  | (b) point (17) is replaced by the following:  | (b) point (17) is replaced by the following:  |                          |
| Article 5, first paragraph, point (1)(b), amending provision, numbered paragraph (17) |   |   |   |                          |
| 53  | ‘<br>(17) ‘pre-commercial procurement’ means the procurement of research and development services involving risk-benefit sharing under market conditions where there is a clear separation of the research and development services procured from the deployment of | ‘<br>(17) ‘pre-commercial procurement’ means the procurement of research and development services involving risk-benefit sharing under market conditions where there is a clear separation of the research and development services procured from the deployment of | ‘<br>(17) ‘pre-commercial procurement’ means the procurement of research and development services involving risk-benefit sharing under market conditions where there is a clear separation of the research and development services procured from the deployment of   |                          |

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|  | commercial volumes of end-products;; | commercial volumes of end-products;;  | commercial volumes of end-products;; |                          |
| Article 5, first paragraph, point (1)(ba)  |                                      |   |                                      |                          |
| 53a  |                                      | <u>(ba) the following point (18a) is inserted:</u>  |                                      |                          |
| Article 5, first paragraph, point (1)(ba), amending provision numbered paragraph (18a)   |                                      |   |                                      |                          |
| 53b  |                                      | <u>‘(18 a) ‘ex aequo proposals’ means two or more proposals that have obtained the same evaluation score following a call for proposals;’;</u>  |                                      |                          |
| Article 5, first paragraph, point (1a)   |                                      |   |                                      |                          |
| 53c  |                                      | <u>(1a) in Article 3(2) sub-paragraph 2 is replaced by the following:</u>   |                                      |                          |
| Article 5, first paragraph, point (1a), amending provision, Article 3(2) sub-paragraph 2 |                                      |   |                                      |                          |
| 53d  |                                      | <u>‘Such collaboration shall be consistent with defence capability priorities commonly agreed by Member States within the framework of the Common Foreign and Security Policy (CFSP) and in particular in the</u> |                                      |                          |

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|   |   | <u>context of the CDP, and shall address the critical capability gaps referred to in the White Paper for European Defence – Readiness 2030, and the Preserving Peace – Defence Readiness Roadmap 2030.’;</u>  |   |                          |
| Article 5, first paragraph, point (2)   |   |   |   |                          |
| 54  | (2) in Article 4 the following paragraph 6 is added:  | (2) in Article 4 the following paragraph 6 is added:  | (2) in Article 4 the following paragraph 6 is added:  |                          |
| Article 5, first paragraph, point (2), amending provision, numbered paragraph (6) |   |   |   |                          |
| 55  | ‘<br>6. The budgetary commitments relating to the Programme and which cover activities extending over more than one financial year may be broken down over several years into annual instalments.;’ | ‘<br>6. The budgetary commitments relating to the Programme and which cover activities extending over more than one financial year may be broken down over several years into annual instalments. <u>When applying such multiannual budgetary commitments, the Commission shall ensure that equal access for new applicants is maintained and that the participation of projects at earlier stages of development is not prejudiced’;</u> | ‘<br>6. The budgetary commitments relating to the Programme and which cover activities extending over more than one financial year may be broken down over several years into annual instalments.;’ |                          |

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| Article 5, first paragraph, point (2a), first subparagraph             |   |   |  |                          |
| 55a  |   | <u>(2a) Article 5 is replaced by the following:</u>   |  |                          |
| Article 5, first paragraph, point (2a), second subparagraph            |   |   |  |                          |
| 55b  |   | <u>'The Fund shall be open to the participation of the following third countries (associated countries):</u>  |  |                          |
| Article 5, first paragraph, point (2a), second subparagraph, point (a) |   |   |  |                          |
| 55c  |   | <u>(a) Members of the European Free Trade Association, which are members of the EEA, in accordance with the conditions laid down in the Agreement on the European Economic Area;</u>                      |  |                          |
| Article 5, first paragraph, point (2a), second subparagraph, point (b) |   |   |  |                          |
| 55d  |   | <u>(b) Ukraine, in accordance with the general principles and general terms and conditions for the participation of Ukraine in Union programmes established in the EU-Ukraine Association Agreement.'</u> |  |                          |
| Article 5, first paragraph, point (3)                                  |   |   |  |                          |
| 56   | (3) in Article 8(2) the second sentence is deleted. | (3) in Article 8(2) the second sentence is deleted.   | (3) in Article 8(2) the second sentence is deleted-8 paragraph 2 is replaced by the following: |                          |



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| Article 5, first paragraph, first subparagraph, amending provision, point (2) |   |   |   |                          |
| 56a   |   |   | <p>‘</p> <p><b>2. By way of derogation from paragraph 1 of this Article, specific actions may, in substantiated cases, be carried out under indirect management by bodies as referred to in point (c) of Article 62(1) of the Financial Regulation, under the conditions set out in the work programme.</b></p> <p>’</p>                      |                          |
| Article 5, first paragraph, point (4)   |   |   |   |                          |
| 57  | (4) in Article 9(2) the following second sub-paragraph is inserted:   | (4) in Article 9(2) the following second sub-paragraph is inserted:   | (4) in Article 9(2) <del>the following second sentence is inserted at the end of the third sub-paragraph is inserted:</del> <b>9(6) the following sentence is inserted at the end of the third sub-paragraph is inserted:</b>   |                          |
| Article 5, first paragraph, point (4), amending provision, first paragraph    |   |   |   |                          |
| 58  | By way of derogation from the first subparagraph, infrastructures, facilities, assets and resources used by recipients and subcontractors involved in the action for testing of a defence product, tangible or intangible component or technology, as referred to in Article 10(3), point | By way of derogation from the first subparagraph, infrastructures, facilities, assets and resources used by recipients and subcontractors involved in the action for testing of a defence product, tangible or intangible component or technology, as referred to in Article 10(3), point | <p>‘</p> <p><del>By way of derogation from the first subparagraph, infrastructures, facilities, assets and resources used by</del> <b>However, if the recipients and subcontractors involved in the action cooperate with legal entities established in Ukraine, controlled by Ukraine, or controlled by a Ukrainian entity,</b></p> <p>’</p> |                          |

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|  | (f) may be located or held outside the territory of the Member States or of the associated countries, as established by the work programme. This shall not contravene the security and defence interests of the Union and its Member States and, shall be consistent with the objectives set out in Article 3 and shall comply with Articles 20 and 23.; | (f) may be located or held <del>outside the territory of the Member States or of the associated countries, as established by the work programme</del> <u>in Ukraine</u> . This shall not contravene the security and defence interests of the Union and its Member States and, shall be consistent with the objectives set out in Article 3 and shall comply with Articles 20 and 23.; | <b>for the sole purpose of utilising their infrastructure, facilities, assets and resources</b> for testing of a defence product, tangible or intangible component or technology, <del>as activities</del> referred to in Article 10(3), point (f) <del>may be located or held outside the territory of the Member States or,</del> <b>the related costs shall be eligible for support from the Fund as far as these costs benefit the funded action and are necessary for strengthening the competitiveness, efficiency and innovation capacity</b> of the associated countries, <del>as established by the work programme. This shall not contravene the security and defence interests of</del> <b>EDTIB throughout the Union and its Member States and, shall be consistent with the objectives set out, as laid down in Article 3 and shall comply with Articles 20 and 23.</b> ; |                          |
| Article 5, first paragraph, point (4a), amending provision article 10(3) |  |  |  |                          |

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| 58a  |                                 | <u>(4a) in Article 10(3) the following sub-paragraphs are inserted:</u>  |                          |                          |
| Article 5, first paragraph, point (4a), amending provision article 10(3) point (j) |                                 |  |                          |                          |
| 58b  |                                 | <u>‘(j) research and development activities related to an European Defence Project of Common Interest as identified in accordance with Article 21i(4) of Regulation XXX [EDIP];</u><br><br>Following linguistic finalisation of the proposal for the Regulation 2025/2643 of the European Parliament and of the Council of 16 December 2025 establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products (‘EDIP Regulation’), the reference to Article 21i(4) is replaced with reference to Article 35(3) |                          |                          |
| Article 5, first paragraph, point (4a), amending provision article 10(3) point (k) |                                 |  |                          |                          |
| 58c  |                                 | <u>(k) activities that aim at significantly accelerating the research and development of defence products or components, where the Council activates the measures in Article 52 of Regulation XXX [EDIP].’;</u>  |                          |                          |

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| Article 5, first paragraph, point (4a)                                      |  |  |   |                          |
| 58d   |  |  | (4a) In Article 10, paragraph 5 is replaced by the following:   |                          |
| Article 5, first paragraph, point (4a), amending provision, first paragraph |  |  |   |                          |
| 58e   |  |  | ‘<br>5. Paragraph 4 shall not apply to actions relating to disruptive technologies for defence or to activities referred to in point (c) of paragraph 3 or to actions dedicated to SMEs;’,  |                          |
| Article 5, first paragraph, point (5)                                       |  |  |   |                          |
| 59  | (5) in Article 11(1) the second sub-paragraph is replaced by the following:  | (5) in Article 11(1) the second sub-paragraph is replaced by the following:  | (5) in Article 11(1) the second sub-paragraph is replaced by the following:   |                          |
| Article 5, first paragraph, point (5), amending provision, first paragraph  |  |  |   |                          |
| 60  | ‘<br>In certain duly substantiated circumstances, Union funding may also be granted without a call for proposals in accordance with Article 198 of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council*, including in cases provided for in the first | ‘<br>In certain duly substantiated <u>and exceptional</u> circumstances, Union funding may also be granted without a call for proposals <u>to a research and development action that has previously received Member State or Union funding following competitive calls for proposals</u> , in accordance with Article 198 of Regulation (EU, | ‘<br>In certain duly substantiated <b>and exceptional</b> circumstances, Union funding may also be granted without a call for proposals in accordance with Article 198 of Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council*, including in cases provided for in |                          |

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|   | subparagraph, point (e), of that Article.’;  | Euratom) 2024/2509 of the European Parliament and of the Council*; <del>including in cases provided for in the</del> first subparagraph, point (e), <del>of that Article</del> .’;   | the first subparagraph, point (e), of that Article.’;  |                          |
| Article 5, first paragraph, point (5), amending provision, second paragraph |  |  |  |                          |
| 61  | _____  | _____  | _____  |                          |
| Article 5, first paragraph, point (5), amending provision, third paragraph  |  |  |  |                          |
| 62  | * Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <a href="http://data.europa.eu/eli/reg/2024/2509/oj">http://data.europa.eu/eli/reg/2024/2509/oj</a> ).; | * Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <a href="http://data.europa.eu/eli/reg/2024/2509/oj">http://data.europa.eu/eli/reg/2024/2509/oj</a> ).; | * Regulation (EU, Euratom) 2024/2509 of the European Parliament and of the Council of 23 September 2024 on the financial rules applicable to the general budget of the Union (OJ L, 2024/2509, 26.9.2024, ELI: <a href="http://data.europa.eu/eli/reg/2024/2509/oj">http://data.europa.eu/eli/reg/2024/2509/oj</a> ).; |                          |
| Article 5, first paragraph, point (6)                                       |  |  |  |                          |
| 63  | (6) Article 12 is replaced by the following:   | (6) Article 12 is replaced by the following:   | (6) Article 12 is replaced by the following:   |                          |
| Article 5, first paragraph, point (6), amending provision, first paragraph  |  |  |  |                          |
| 64  | ‘<br>Article 12  | ‘<br>Article 12  | ‘<br>Article 12  |                          |
| Article 5, first paragraph, point (6), amending provision, second paragraph |  |  |  |                          |
| 65  | Award criteria   | Award criteria   | Award criteria   |                          |

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| Article 5, first paragraph, point (6), amending provision, article 12, numbered paragraph (-1)            |  |   |  |                          |
| 65a   |  | <u>-1. In accordance with Article 203 of Regulation (EU, Euratom) 2024/2509, each proposal shall be assessed on the basis of the following criteria:</u>  |  |                          |
| Article 5, first paragraph, point (6), amending provision, article 12, numbered paragraph (-1), point (a) |  |   |  |                          |
| 65b   |  | <u>(a) its contribution to excellence in the defence domain, in particular by showing that the expected results of the proposed action present significant advantages over existing defence products or technologies;</u>   |  |                          |
| Article 5, first paragraph, point (6), amending provision, article 12, numbered paragraph (-1), point (b) |  |   |  |                          |
| 65c   |  | <u>(b) its quality and efficiency of the implementation of the action;</u>  |  |                          |
| Article 5, first paragraph, point (6), amending provision, numbered paragraph (1)                         |  |   |  |                          |
| 66  | 1. In accordance with Article 203 of Regulation (EU, Euratom) 2024/2509, each proposal shall be assessed on the basis of one or more of the following criteria as set out in the work programme: | 1. In <del>accordance with Article 203 of Regulation (EU, Euratom) 2024/2509</del> <u>addition to the criteria mentioned in paragraph -1</u> , each proposal shall be assessed on the basis of one or more of the following criteria, as set out in the work programme: | 1. In accordance with Article 203 of Regulation (EU, Euratom) 2024/2509, each proposal shall be assessed on the basis of one or more of the following criteria as set out in the work programme, <b>on a call-by-call basis:</b> |                          |
| Article 5, first paragraph, point (6), amending provision, numbered paragraph (1), point (a)              |  |   |  |                          |

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| 67   | (a) its contribution to excellence in the defence domain, in particular by showing that the expected results of the proposed action present significant advantages over existing defence products or technologies;  | <del>(a) its contribution to excellence in the defence domain, in particular by showing that the expected results of the proposed action present significant advantages over existing defence products or technologies;</del>  | (a) its contribution to excellence in the defence domain, in particular by showing that the expected results of the proposed action present significant advantages over existing defence products or technologies;  |                          |
| Article 5, first paragraph, point (6), amending provision, numbered paragraph (1), point (b) |   |  |   |                          |
| 68   | (b) its contribution to the innovation or potential of disruption of the European defence industry, in particular by showing that the proposed action includes ground-breaking or novel concepts and approaches previously not applied in defence sector; | <del>(b)</del> (a) its contribution to the innovation or potential of disruption of the European defence industry, in particular by showing that the proposed action includes ground-breaking or novel concepts and approaches previously not applied in defence sector; | (b) its contribution to the innovation or potential of disruption of the European defence industry, in particular by showing that the proposed action includes ground-breaking or novel concepts and approaches previously not applied in defence sector; |                          |
| Article 5, first paragraph, point (6), amending provision, numbered paragraph (1), point (c) |   |  |   |                          |
| 69   | (c) its contribution to the competitiveness of the European Defence Technological and Industrial Base by creating new market opportunities across the Union and beyond and accelerating the growth of companies throughout the Union;                     | <del>(c)</del> (b) its contribution to the competitiveness of the European Defence Technological and Industrial Base by creating new market opportunities across the Union and beyond and accelerating the growth of companies throughout the Union;                     | (c) its contribution to the competitiveness of the European Defence Technological and Industrial Base by creating new market opportunities across the Union and beyond and accelerating the growth of companies throughout the Union;                     |                          |
| Article 5, first paragraph, point (6), amending provision, numbered paragraph (1), point (d) |   |  |   |                          |
| 70   | (d) its contribution to reducing dependency on non-Union sources and strengthening security of supply;  | <del>(d)</del> (c) its contribution to reducing dependency on non-Union sources and strengthening security of supply <u>of defence</u>   | (d) its contribution to reducing dependency on non-Union sources and strengthening security of supply;  |                          |

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|  |   | <u>products throughout the Union in response to identified risks;</u>  |   |                          |
| Article 5, first paragraph, point (6), amending provision, numbered paragraph (1), point (e) |   |  |   |                          |
| 71   | (e) its contribution to cross-border cooperation between legal entities established in Member States or associated countries, in particular with SMEs and mid-caps that bring substantial added-value to the action, as recipients, subcontractors involved in the action or as other legal entities in the supply chain; | <del>(e)</del> (d) its contribution to cross-border cooperation between legal entities established in Member States or associated countries, in particular with SMEs and mid-caps that bring substantial added-value to the action, as recipients, subcontractors involved in the action or as other legal entities in the supply chain; | (e) its contribution to cross-border cooperation between legal entities established in Member States or associated countries, in particular with SMEs and mid-caps that bring substantial added-value to the action, as recipients, subcontractors involved in the action or as other legal entities in the supply chain; |                          |
| Article 5, first paragraph, point (6), amending provision, numbered paragraph (1), point (f) |   |  |   |                          |
| 72   | (f) its quality and efficiency of the implementation of the action;   | <del>(f) its quality and efficiency of the implementation of the action;</del>   | (f) its quality and efficiency of the implementation of the action;   |                          |
| Article 5, first paragraph, point (6), amending provision, numbered paragraph (1), point (g) |   |  |   |                          |
| 73   | (g) its contribution to increasing efficiency across the life cycle of defence products and technologies, including cost-effectiveness and the potential for synergies in the procurement, maintenance and disposal processes;  | <del>(g)</del> (e) its contribution to increasing efficiency across the life cycle of defence products and technologies, including cost-effectiveness and the potential for synergies in the procurement, maintenance and disposal processes;  | (g) its contribution to increasing efficiency across the life cycle of defence products and technologies, including cost-effectiveness and the potential for synergies in the procurement, maintenance and disposal processes;  |                          |
| Article 5, first paragraph, point (6), amending provision, numbered paragraph (1), point (h) |   |  |   |                          |
| 74   | (h) its contribution to the further integration of the European   | <del>(h)</del> (f) its contribution to the further integration of the European   | (h) its contribution to the further integration of the European   |                          |



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|  | defence industry throughout the Union, in particular regarding joint use, ownership or maintenance of the final product or technology.   | defence industry throughout the Union, in particular regarding joint use, ownership or maintenance of the final product or technology.  | defence industry throughout the Union, in particular regarding joint use, ownership or maintenance of the final product or technology.   |                          |
| Article 5, first paragraph, point (6), amending provision, numbered paragraph (1), new point (g) |  |   |  |                          |
| 74a  |  | <u>(g) its contribution to addressing the needs of the Member States and the associated countries with the highest exposure to the risk of materialisation of conventional military threats.</u>  |  |                          |
| Article 5, first paragraph, point (6), amending provision, numbered paragraph (2)                |  |   |  |                          |
| 75   | 2. The work programme shall lay down details concerning the selection procedures, and the application of the award criteria listed in paragraph 1. This shall include any weighting of the criteria, scoring thresholds and, where relevant, rules for dealing with ex aequo proposals, taking into consideration the objectives of the call for proposals.; | 2. The work programme shall lay down details concerning the selection procedures, and the application of the award criteria listed in paragraph 1. This shall include any weighting of the criteria, scoring thresholds and, where relevant, rules for dealing with ex aequo proposals, taking into consideration the objectives of the call for proposals. <u>The use of subsets of criteria and their respective weighting shall be clarified in the call for proposal, ensuring full transparency.</u> ; | 2. The work programme shall lay down details concerning the selection procedures, and the application of the award criteria listed in paragraph 1. This shall include any weighting of the criteria, scoring thresholds and, where relevant, rules for dealing with ex aequo proposals, taking into consideration the objectives of the call for proposals.; |                          |

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| Article 5, first paragraph, point (7)   |  |  |  |                          |
| 76  | (7) Article 13 is amended as follows:  | (7) Article 13 is amended as follows:  | (7) Article 13 is amended as follows:  |                          |
| Article 5, first paragraph, point (7)(a)  |  |  |  |                          |
| 77  | (a) paragraph 2 is replaced by the following:  | (a) paragraph 2 is replaced by the following:  | (a) paragraph 2 is replaced by the following:  |                          |
| Article 5, first paragraph, point (7)(a), amending provision, numbered paragraph (2)                        |  |  |  |                          |
| 78  | 2. By way of derogation from paragraph 1 of this Article, support from the Fund shall not exceed 20 % of the eligible costs for activities referred to in Article 10(3), point (e), without prejudice to higher funding rates which may apply in accordance with paragraph 3 of this Article.; | 2. By way of derogation from paragraph 1 of this Article, support from the Fund shall not exceed 20 % of the eligible costs for activities referred to in Article 10(3), point (e), without prejudice to higher funding rates which may apply in accordance with paragraph 3 of this Article.; | 2. By way of derogation from paragraph 1 of this Article, support from the Fund shall not exceed 20 % of the eligible costs for activities referred to in Article 10(3), point (e), without prejudice to higher funding rates which may apply in accordance with paragraph 3 of this Article.; |                          |
| Article 5, first paragraph, point (7)(b)  |  |  |  |                          |
| 79  | (b) in paragraph 3, point (b) is replaced by the following:  | (b) in paragraph 3, <del>point (b)</del> <u>is points (a) and (b) are</u> replaced by the following:   | (b) in paragraph 3, point (b) is replaced by the following:  |                          |
| Article 5, first paragraph, point (7)(b), amending provision, article 13, numbered paragraph 3, new point a |  |  |  |                          |
| 79a   |  | <u>'(a) an action developed in the context of a project of PESCO, as established by Council Decision (CFSP) 2017/2315, or in the</u>   |  |                          |

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|  |   | <i><u>context of a Structure for European Armament Programme SEAP, as established by Regulation XXX [EDIP], may benefit from a funding rate increased by an additional 10 percentage points;';</u></i>   |  |                          |
| Article 5, first paragraph, point (7)(b), amending provision, numbered paragraph (b) |   |  |  |                          |
| 80   | ‘<br>(b) an activity may benefit from an increased funding rate, as referred to in this point, where at least 10 % of the total eligible costs of the activity are allocated to SMEs established in Member States or in associated countries and which participate in the activity as recipients, subcontractors or other legal entities in the supply chain. | (b) an activity may benefit from an increased funding rate, as referred to in this point, where at least 10 % of the total eligible costs of the activity are allocated to SMEs established in Member States or in associated countries and which participate in the activity as recipients, subcontractors or other legal entities in the supply chain. <i><u>For SMEs participating as recipients, administrative requirements shall be proportionate to their size and role. The Commission may establish simplified reporting templates and reduced documentation requirements for SMEs.</u></i> | ‘<br>(b) an activity may benefit from an increased funding rate, as referred to in this point, where at least <del>10</del> <b>20</b> % of the total eligible costs of the activity are allocated to SMEs established in Member States or in associated countries and which participate in the activity as recipients, subcontractors or other legal entities in the supply chain. |                          |
| Article 5, first paragraph, point (7)(b), amending provision, second paragraph       |   |  |  |                          |
| 81   | The funding rate may be increased by percentage points equivalent to the percentage of the total eligible   | The funding rate may be increased by percentage points equivalent to the percentage of the total eligible  | The funding rate may be increased by percentage points equivalent to the percentage of the total eligible  |                          |

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|   | costs of the activity allocated to SMEs established in Member States or in associated countries in which recipients that are not SMEs or mid-caps are established and which participate in the activity as recipients, subcontractors or other legal entities in the supply chain, up to an additional 5 percentage points. | costs of the activity allocated to SMEs established in Member States or in associated countries in which recipients that are not SMEs or mid-caps are established and which participate in the activity as recipients, subcontractors or other legal entities in the supply chain, up to an additional 5 percentage points. | costs of the activity allocated to SMEs established in Member States or in associated countries in which recipients that are not SMEs or mid-caps are established and which participate in the activity as recipients, subcontractors or other legal entities in the supply chain, up to an additional <del>5</del> 10 percentage points. |                          |
| Article 5, first paragraph, point (7)(b), amending provision, third paragraph     |   |   |   |                          |
| 82  | The funding rate may be increased by percentage points equivalent to twice the percentage of the total eligible costs of the activity allocated to cross-border SMEs as defined in Article 2, point (6a), which participate in the activity as recipients, subcontractors or other legal entities in the supply chain;; ,   | The funding rate may be increased by percentage points equivalent to twice the percentage of the total eligible costs of the activity allocated to cross-border SMEs as defined in Article 2, point (6a), which participate in the activity as recipients, subcontractors or other legal entities in the supply chain;; ,   | The funding rate may be increased by percentage points equivalent to twice the percentage of the total eligible costs of the activity allocated to cross-border SMEs as defined in Article 2, point (6a); <del>which participate in the activity as recipients, subcontractors or other legal entities in the supply chain;; ,</del>      |                          |
| Article 5, first paragraph, point (8)   |   |   |   |                          |
| 83  | (8) in Article 14, paragraph 1 is replaced by the following:  | (8) in Article 14, paragraph 1 is replaced by the following:  | (8) in Article 14, paragraph 1 is replaced by the following:  |                          |
| Article 5, first paragraph, point (8), amending provision, numbered paragraph (1) |   |   |   |                          |
| 84  | 1. Notwithstanding Article 201 of Regulation (EU, Euratom) 2024/2509, only the financial  | 1. Notwithstanding Article 201 of Regulation (EU, Euratom) 2024/2509, only the financial  | 1. Notwithstanding Article 201 of Regulation (EU, Euratom) 2024/2509, only the financial  |                          |

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|   | capacity of a coordinator shall be verified.;  | capacity of a coordinator shall be verified.;  | capacity of a coordinator shall be verified.;  |                          |
| Article 5, first paragraph, point (9)   |  |  |  |                          |
| 85  | (9) in Article 17(2), point (b) is replaced by the following:  | (9) in Article 17(2), point (b) is replaced by the following:  | (9) in Article 17(2), point (b) is replaced by the following:  |                          |
| Article 5, first paragraph, point (9), amending provision, numbered paragraph (b)     |  |  |  |                          |
| 86  | (b) may authorise, in specific cases, the award of multiple contracts within the same procedure (multiple sourcing); | (b) may authorise, in specific cases, the award of multiple contracts within the same procedure (multiple sourcing); | (b) may authorise, in specific cases, the award of multiple contracts within the same procedure (multiple sourcing); |                          |
| Article 5, first paragraph, point (10)  |  |  |  |                          |
| 87  | (10) Article 22 is deleted;  | (10) Article 22 is deleted;  | (10) Article 22 is deleted;  |                          |
| Article 5, first paragraph, point (11)  |  |  |  |                          |
| 88  | (11) Article 23 is amended as follows:   | (11) Article 23 is amended as follows:   | (11) Article 23 is amended as follows:   |                          |
| Article 5, first paragraph, point (11)(a)   |  |  |  |                          |
| 89  | (a) paragraphs 3 and 4 are replaced by the following:  | (a) paragraphs 3 and 4 are replaced by the following:  | (a) paragraphs 3 and 4 are replaced by the following:  |                          |
| Article 5, first paragraph, point (11)(a), amending provision, numbered paragraph (3) |  |  |  |                          |
| 90  | 3. This Regulation shall not affect the Member States'   | 3. This Regulation shall not affect the Member States'   | 3. This Regulation shall not affect the Member States'   |                          |

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|   | discretion as regards their policy on the transfer and export of defence-related products. As regards transfers, Member States shall endeavour to use general transfer licences as referred to in Article 5 of Directive (EC) 2009/43 of the European Parliament and of the Council* and avoid disproportionate administrative pre-conditions to ensure the smooth implementation of the actions.   | discretion as regards their policy on the transfer and export of defence-related products. As regards transfers, Member States shall <del>endeavour to</del> use general transfer licences as referred to in Article 5 of Directive (EC) 2009/43 of the European Parliament and of the Council* and avoid disproportionate administrative pre-conditions to ensure the smooth implementation of the actions.  | discretion as regards their policy on the transfer and export of defence-related products. As regards transfers, Member States shall endeavour to use <b>all facilitating tools at their disposal, such as</b> general transfer licences, as referred to in Article 5 of Directive (EC) 2009/43 of the European Parliament and of the Council* and avoid disproportionate administrative pre-conditions to ensure the smooth implementation of the actions.   |                          |
| Article 5, first paragraph, point (11)(a), amending provision, numbered paragraph (4), first subparagraph |   |   |   |                          |
| 91  | 4. With regard to results generated by recipients through development actions supported by the Fund, and without prejudice to paragraph 3 of this Article, the Commission shall be notified prior to any transfer of ownership to a non-associated third country or to a non-associated third-country entity, which takes place within 3 years after the final payment of the action. If such a transfer of ownership contravenes the security and defence interests of the Union and its Member States | 4. With regard to results generated by recipients through development actions supported by the Fund, and without prejudice to paragraph 3 of this Article, the Commission shall be notified prior to any transfer of ownership to a non-associated third country or to a non-associated third-country entity, which takes place within 3 years after the final payment of the action. If such a transfer of ownership contravenes the security and defence interests of the Union and its Member States | 4. With regard to results generated by recipients through development actions supported by the Fund, and without prejudice to paragraph 3 of this Article, the Commission shall be notified prior to any transfer of ownership to a non-associated third country or to a non-associated third-country entity, which takes place within 3 years after the final payment of the action. If such a transfer of ownership contravenes the security and defence interests of the Union and its Member States |                          |

|  | CLEAN<br>Commission<br>Proposal  | VS.EC<br>EP Mandate  | VS.EC<br>Council Mandate   | VS.EC<br>Draft Agreement |
|--|--|--|--|--------------------------|
|  | or the objectives set out in Article 3, the support provided from the Fund shall be reimbursed.’;  | or the objectives set out in Article 3, the support provided from the Fund shall be reimbursed. <del>’;</del>  | or the objectives set out in Article 3, the support provided from the Fund shall be reimbursed.’;  |                          |
| Article 5, first paragraph, point (11)(a), amending provision, numbered paragraph (4), second subparagraph |  |  |  |                          |
| 92   |  |  |  |                          |
| Article 5, first paragraph, point (11)(a), amending provision, numbered paragraph (4), third subparagraph  |  |  |  |                          |
| 93   | * Directive 2009/43/EC of the European Parliament and of the Council of 6 May 2009 simplifying terms and conditions of transfers of defence-related products within the Community (OJ L 146, 10.6.2009, p. 1, ELI: <a href="http://data.europa.eu/eli/dir/2009/43/oj">http://data.europa.eu/eli/dir/2009/43/oj</a> ).; | * Directive 2009/43/EC of the European Parliament and of the Council of 6 May 2009 simplifying terms and conditions of transfers of defence-related products within the Community (OJ L 146, 10.6.2009, p. 1, ELI: <a href="http://data.europa.eu/eli/dir/2009/43/oj">http://data.europa.eu/eli/dir/2009/43/oj</a> ).; | * Directive 2009/43/EC of the European Parliament and of the Council of 6 May 2009 simplifying terms and conditions of transfers of defence-related products within the Community (OJ L 146, 10.6.2009, p. 1, ELI: <a href="http://data.europa.eu/eli/dir/2009/43/oj">http://data.europa.eu/eli/dir/2009/43/oj</a> ).; |                          |
| Article 5, first paragraph, point (11)(b)  |  |  |  |                          |
| 94   | (b) the following paragraph 6 is added:  | (b) <del>the following paragraph 6 is added:</del>   | (b) the following paragraph 6 is added:  |                          |
| Article 5, first paragraph, point (11)(b), amending provision, numbered paragraph (6), first subparagraph  |  |  |  |                          |
| 95   | 6. Access rights to the results of development actions shall be granted to the national authorities co-financing the action under fair and reasonable conditions to be agreed upon with the recipients generating those results.   | 6. <del>Access rights to the results of development actions shall be granted to the national authorities co-financing the action under fair and reasonable conditions to be agreed upon with the recipients generating those results.</del>  | 6. Access rights to the results of development actions shall be granted to the national authorities co-financing the action under fair and reasonable conditions to be agreed upon with the recipients generating those results.   |                          |

|  | CLEAN<br>Commission<br>Proposal   | VS.EC<br>EP Mandate   | VS.EC<br>Council Mandate  | VS.EC<br>Draft Agreement |
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| Article 5, first paragraph, point (11)(b), amending provision, numbered paragraph (6), second subparagraph |   |   |   |                          |
| 96   | Terms and conditions for the exercise of such access rights shall be defined in the contractual relationship between the recipients and the national authorities co-financing the action.;  | <del>Terms and conditions for the exercise of such access rights shall be defined in the contractual relationship between the recipients and the national authorities co-financing the action.;</del>   | Terms and conditions for the exercise of such access rights shall be defined in the contractual relationship between the recipients and the national authorities co-financing the action.;  |                          |
| Article 5, first paragraph, point (12)   |   |   |   |                          |
| 97   | (12) in Article 24, paragraph 1 is replaced by the following:   | (12) in Article 24, paragraph 1 is replaced by the following:   | (12) in Article 24, paragraph 1 is replaced by the following:   |                          |
| Article 5, first paragraph, point (12), amending provision, numbered paragraph (1)                         |   |   |   |                          |
| 98   | 1. The Fund shall be implemented by means of annual or multiannual work programmes as referred to in Article 110(2) of the Regulation (EU, Euratom) 2024/2509. Work programmes shall set out, where applicable, the overall amount reserved for blending operations.. | 1. The Fund shall be implemented by means of annual or multiannual work programmes as referred to in Article 110(2) of the Regulation (EU, Euratom) 2024/2509. Work programmes shall set out, where applicable, the overall amount reserved for blending operations.. | 1. The Fund shall be implemented by means of annual or multiannual work programmes as referred to in Article 110(2) of the Regulation (EU, Euratom) 2024/2509. Work programmes shall set out, where applicable, the overall amount reserved for blending operations.; |                          |
| Article 6  |   |   |   |                          |
| 99   | Article 6   | Article 6   | Article 6   |                          |
| Article 6, first paragraph   |   |   |   |                          |



|                             | CLEAN<br>Commission<br>Proposal   | VS.EC<br>EP Mandate   | VS.EC<br>Council Mandate   | VS.EC<br>Draft Agreement |
|-----------------------------|---|---|--|--------------------------|
| 100                         | This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.            | This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.            | This Regulation shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Union.   |                          |
| Article 6, second paragraph |   |   |  |                          |
| 101                         | Article 9(2) second subparagraph and Article 13 of the Regulation (EU) 2021/697, as amended by the present Regulation, shall apply from 1 January 2025. | Article 9(2) second subparagraph and Article 13 of the Regulation (EU) 2021/697, as amended by the present Regulation, shall apply from 1 January 2025. | Article <del>9(2) second</del> <b>9(6) third</b> subparagraph and Article 13 of the Regulation (EU) 2021/697, as amended by the present Regulation, shall apply from 1 January 2025. |                          |
| Article 6, third paragraph  |   |   |  |                          |
| 102                         | This Regulation shall be binding in its entirety and directly applicable in all Member States.  | This Regulation shall be binding in its entirety and directly applicable in all Member States.  | This Regulation shall be binding in its entirety and directly applicable in all Member States.   |                          |
| Formula                     |   |   |  |                          |
| 103                         | Done at Strasbourg,   | Done at Strasbourg,   | Done at Strasbourg,  |                          |
| Formula                     |   |   |  |                          |
| 104                         | For the European Parliament   | For the European Parliament   | For the European Parliament  |                          |
| Formula                     |   |   |  |                          |
| 105                         | The President   | The President   | The President  |                          |
| Formula                     |   |   |  |                          |
| 106                         | For the Council   | For the Council   | For the Council  |                          |
| Formula                     |   |   |  |                          |
| 107                         | The President   | The President   | The President  |                          |

