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MEETING DOCUMENT

From:	Presidency
To:	Ad Hoc Working Party on the Multiannual Financial Framework (AHWP MFF) - European Competitiveness Fund
Subject:	Regulation on establishing the European Competitiveness Fund (ECF), including the specific programme for defence research and innovation activities, repealing Regulations (EU) 2021/522, (EU) 2021/694, (EU) 2021/697, (EU) 2021/783, and amending Regulations (EU) 2021/696, (EU) 2023/588, (EU) [EDIP] - Presidency Discussion Paper on Article 50 Ad hoc Working Party meeting on 8 September 2026

Presidency Discussion Paper – Article 50



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Introduction

The ECF Team of the Irish Presidency wishes to thank both the Cyprus and Danish Presidencies for the work undertaken during their respective Presidency terms to advance the Council position on the European Competitiveness Fund. Their good stewardship of discussions within the ECF Working Party resulted in the Council reaching a (partial) partial general approach (PGA) on the ECF in June.

However, given the sensitive nature regarding third country participation in the defence and space elements of the ECF for many Member States, it was not possible to achieve a full PGA during the Cyprus Presidency. The responsibility of finalising this remaining aspect of the Council position now falls to Ireland.

Positions of Member States

The Commission's original proposal on Article 50(1) (Complementary rules on the association of third countries), envisaged that participation to defence-related activities under the ECF shall be open to the participation of EFTA/EEA members as well as Ukraine. In addition, and complementary to the provisions of Article 11 (Association of third countries to activities under the ECF), Article 50(2) allows for participation of other third countries on the basis of an association agreement with a third country under a number of conditions.

It is clear that Member States support the increased development of European defence and security, which was highlighted in the European Council's conclusions of June 2026, where leaders reiterated the urgent need to strengthen the European defence technological and industrial base, increase efforts to adapt and ramp up production capacities and deliver, through research, new technologies and innovation, the defence industrial transformation necessary to meet the defence readiness objective.

The task for the MFF Ad Hoc Working Party on the ECF is to translate those shared objectives on defence and security into an effective legal instrument that will help fund those objectives.

In relation to Article 50 and the association of third countries to the defence section of ECF, Member States have expressed a wide spectrum of views as to the extent to which third countries can participate in defence-related activities under the ECF. Member States' views range from allowing the possibility of third country participation in order to strengthen existing defence alliances and security cooperation in Europe, to focussing defence-related activities of the ECF within the Union (and EFTA/EEA, Ukraine) to limit reliance on non-EU actors.

The Irish Presidency is of the view that further discussion is required to reach a compromise that can be broadly supported in the Council.

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Options

To commence this discussion, the Irish Presidency has identified 3 options for Member State consideration.

Option 1: Keeping the original Commission text, allowing the participation of EFTA/EEA, as well as Ukraine to the defence chapter of the ECF, in addition to other third country entities via Article 11, under the conditions established by Article 50. This option is supported by at least 11 Member States, as per a non-paper distributed by Germany on 27th August 2026.

Option 2: Restricting access to the defence-related aspects of the ECF to only EU Member States, EFTA/EEA and Ukraine, without the possibility of participation of additional third countries. This approach is modelled on the European Defence Industry Programme (EDIP).

Option 3: In recognising the willingness of Member States to find a compromise, the Presidency understands that Member States want to retain control over which third countries can participate in defence-related activities funded under the ECF, as well as actively inputting and influencing the scope of a third country's participation. On that basis, the Irish Presidency will develop a compromise text that would provide for additional controls and safeguards governing the extent to which a third country may participate. Those controls and safeguards may include;

a) requiring the conclusion of a security and defence partnership with the EU,
b) additional conditional criteria that a third country needs to fulfil before being eligible for participation,
c) a specific association agreement for defence-related actions that would be separate from a wider Association Agreement for the ECF and concluded on the basis of a full Article 218 TFEU procedure.
d) an obligation from the Commission to discuss with Member States, the merits of the association of a third country that has expressed interest in participating in the ECF defence-related activities, before submitting its recommendations to the Council as per Article 218 TFEU process,

Member States are invited to share their views on the options presented above, clearly specifying their preference(s), including whether the outline of 'Option 3' may provide a basis for compromise and which of the presented or additional controls and safeguards should be considered.

Next Steps

On the basis of discussion at the Working Party and the potential areas for compromise that may be identified during the debate, the Presidency will develop a text proposal in accordance with the outcomes of the discussion and with the aim of attracting support from a clear majority of Member States in the Council.

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