Council of the European Union
General Secretariat

PUBLIC

Interinstitutional files:
2025/0103 (COD)

Brussels, 13 October 2025

WK 13569/2025 INIT

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WORKING DOCUMENT

From:	General Secretariat of the Council
To:	Delegations
Subject:	Proposal for a Regulation as regards incentivising defence-related investments in the EU budget to implement the ReArm Europe Plan ('mini-omnibus') - Four-column table

Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL amending Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153, (EU) 2023/1525 and 2024/795, as regards incentivising defence-related investments in the EU budget to implement the ReArm Europe Plan (Text with EEA relevance)

2025/0103(COD)

DRAFT [ReArm_Defence mini-omnibus_2025/0103(COD)_DRAFT_10h41_13.10.2025]

13-10-2025 at 16h57

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
Formula				
1	2025/0103 (COD)	2025/0103 (COD)	2025/0103 (COD)	
Document Stage				
2	Proposal for a	Proposal for a	Proposal for a	
Document Type				
3	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL	
Document Purpose				
4	amending Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153, (EU) 2023/1525 and 2024/795, as regards incentivising defence-related investments in the EU budget to implement the ReArm Europe Plan	amending Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153~~, *(EU) 2023/1525*~~ and 2024/795, as regards incentivising defence-related investments in the EU budget to implement the ReArm Europe Plan	amending Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153~~, (EU) 2023/1525~~ and 2024/795, as regards incentivising defence-related investments in the EU budget to implement the ReArm Europe Plan	
EEA Relevance				
5	(Text with EEA relevance)	(Text with EEA relevance)	(Text with EEA relevance)	
Formula				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
6	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,	
Citation 1				
7	Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 114, 164, 172, 173, Article 175, third paragraph, Articles 176, 177 and 178,182 183, 188, 192(1) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Articles 114, 164, 172, 173, Article 175, third paragraph, Articles 176, 177 and 178,182 183, 188, 192(1) thereof,	Having regard to the Treaty on the Functioning of the European Union, and in particular Articles ~~114, 164, 172, 173~~**164, 172, 173(3)**, Article 175, third paragraph, Articles ~~176,~~ 177 and ~~178,182 183, 188,~~ **178,182(1) and (4), 183, 188, second paragraph,**192(1) thereof,	
Citation 2				
8	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,	Having regard to the proposal from the European Commission,	
Citation 3				
9	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,	After transmission of the draft legislative act to the national parliaments,	
Citation 4				
10	Having regard to the opinion of the European Economic and Social Committee[1], _____ 1. OJ C , , p. .	Having regard to the opinion of the European Economic and Social Committee[1], _____ 1. OJ C , , p. .	Having regard to the opinion of the European Economic and Social Committee[1], _____ 1. OJ C , , p. .	
Citation 5				
11	Having regard to the opinion of the Committee of the Regions[1], _____ 1. OJ C , , p. .	Having regard to the opinion of the Committee of the Regions[1], _____ 1. OJ C , , p. .	Having regard to the opinion of the Committee of the Regions[1], _____ 1. OJ C , , p. .	
Citation 6				

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12	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,	Acting in accordance with the ordinary legislative procedure,	
Formula				
13	Whereas:	Whereas:	Whereas:	
Recital 1				
14	(1) The unprecedented geopolitical instability and the rapid deterioration of regional and global threat levels require an urgent and significant step up of the Union spending on research and development, industrial capacity and development of infrastructures connected with security and defence. As identified in the Joint White Paper for European Defence Readiness 2030, the Union should do more to support the urgent need to increase European defence-related investments with the Union budget.	(1) The unprecedented geopolitical instability and the rapid deterioration of regional and global threat levels***, in particular Russia's war of aggression against Ukraine launched in 2014, its continued aggressive rhetoric toward the Union, and the threat of its conventional military attack against the Union's Eastern Flank, as well as the instability in the Middle East and in the Southern Neighbourhood*** require an urgent and significant step up of the Union spending on research and development, industrial capacity and development of infrastructures connected with ***resilience,*** security and defence. As identified in the Joint White Paper for European Defence Readiness 2030, the Union should do more to support the urgent need to increase European defence-related investments with the Union budget.	(1) The unprecedented geopolitical instability and the rapid deterioration of regional and global threat levels require an urgent and significant step up of the Union spending on research ~~and~~ **,**development **and innovation**, industrial capacity and development of infrastructures connected with security and defence. As identified in the Joint White Paper for European Defence Readiness 2030, the Union should do more to support the urgent need to increase European defence-related investments with the Union budget.	
Recital 1a				
14a		***(1a) In addition, Member States are to increase their defence***		

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		spending to strengthen the Union's deterrence and defence posture not only by modernising armed forces and replenishing military stockpiles, but also by investing in critical infrastructure, joint capabilities, and defence technological innovation. Sustained and increased defence expenditure is indispensable for the safeguarding of European sovereignty, upholding collective security commitments within the North Atlantic Treaty Organization (NATO), and ensuring the Union's capacity to respond swiftly and decisively to the full spectrum of military and hybrid threats.		
Recital 1b				
14b		***(1b) As was stated in the reports of Enrico Letta[1], Mario Draghi[2] and Sauli Niinistö[3], the lack of an internal market for defence is hindering the ramp-up of much-needed industrial production and innovation regarding military and dual-use products. In order to reduce unnecessary fragmentation, to strengthen the European Defence Technological and Industrial Base (EDTIB), and to enhance European strategic autonomy and readiness the Union should further stimulate the Union-level cooperation of their defence***		

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		industry and the development of joint projects. The industry would benefit from an inclusive approach within the internal market and its accelerators for research, development and innovation. The leveraging of Union funding programmes to support defence-related technologies and products is therefore intended not only to serve as a stepping-stone towards a genuine Defence Union, but also to enhance civil-military cooperation across Member States in light of mutually beneficial spill-overs. _____ *1. Report of 10 April 2024 commissioned by the Council and the European Commission, entitled 'Much more than a market'.* *2. Report of 9 September 2024 commissioned by the European Commission, entitled 'The Future of European Competitiveness'.* *3. Report of 30 October 2024 commissioned by the European Commission and the High Representative of the European Union for Foreign Affairs and Security Policy, entitled 'Safer Together Strengthening Europe's Civilian and Military Preparedness and Readiness' (the 'Niinistö report').*		
Recital 1c				
14c		***(1c) Given the Union's intention to open existing programmes to provide more support to defence-related investments with the Union budget, the funded projects should***		

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		be aligned with the Union's strategic security interests and take into account the European security architecture. This encompasses an alignment with the priorities set out by the Joint White Paper for European Defence Readiness 2030 and with the collective commitments within NATO, which remains a cornerstone of Europe's collective defence. In light of the persistent Russian threat, Russia's full-scale aggression against Ukraine, and the intensifying use of hybrid, cyber and subversive tactics against the Union, the latter must strengthen practical cooperation with NATO, NATO members, and trusted, like-minded partners, particularly in defence research, capability development, and military mobility. Closer coordination between the Union and NATO not only avoids duplication and enhances interoperability but also reinforces a united transatlantic response to common security challenges.		
Recital 1d				
14d		***(1d) Investing in the development of cutting-edge dual-use capabilities should be promoted as it contributes to the Union's broader societal resilience, security and competitiveness objectives.***		

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		While noting the necessity of ensuring equitable geographic distribution of defence-related investments for Union-wide cohesion and resilience, specific consideration should be given to the Union's external border regions due to their unique security challenges, such as Europe's Eastern flank bordering Russia, Belarus, and Ukraine. These areas are at the frontline of potential conflicts and are vulnerable to external threats, making it crucial to enhance local defence capabilities and foster resilience within communities.		
Recital 1e				
14e		***(1e) Given that Ukraine's sovereignty, resilience, and industrial capacity are essential to European security, efforts should be undertaken to explore pathways for the future integration of Ukraine's defence industry into relevant Union programmes, and to support its efforts to modernise, innovate, and align with European standards. Such cooperation would contribute to strengthening Ukraine's resilience and the Union's broader security and industrial objectives.***		
Recital 1f				

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14f		***(1f) Recognising the strategic importance of fostering efficiency, reducing unnecessary duplications and fragmentation of the Union's defence industry, the Commission should, where appropriate, prioritise projects that promote cross-border cooperation, facilitate technology transfers between different Member States, the establishment of interchangeable or common frameworks, or further advance the integration of the defence industry, including by demonstrating Member States commitments to jointly own, use, and manage final products in a coordinated manner.***		
Recital 2				
15	(2) The Strategic Technologies for Europe Platform (STEP) established by Regulation (EU) 2024/795 of the European Parliament and of the Council[1] is an initiative aimed at boosting Union competitiveness by mobilizing funds from 11 existing Union programmes towards critical technologies in 3 strategic sectors: digital technologies and deep tech innovation, clean and resource-efficient technologies, and biotechnologies. As such, it is a good vehicle to mobilise, in a coordinated and synergetic manner, Union resources towards defence,	(2) The Strategic Technologies for Europe Platform (STEP) established by Regulation (EU) 2024/795 of the European Parliament and of the Council[1] is an initiative aimed at boosting Union competitiveness by mobilizing funds from 11 existing Union programmes towards critical technologies in 3 strategic sectors: digital technologies and deep tech innovation, clean and resource-efficient technologies, and biotechnologies. As such, it is a good vehicle to mobilise, in a coordinated and synergetic manner ***and by enhancing civil-military***	(2) The Strategic Technologies for Europe Platform (STEP) established by Regulation (EU) 2024/795 of the European Parliament and of the Council[1] is an initiative aimed at boosting Union competitiveness by mobilizing funds from 11 existing Union programmes towards critical technologies in 3 strategic sectors: digital technologies and deep tech innovation, clean and resource-efficient technologies, and biotechnologies. As such, it is a good vehicle to mobilise, in a coordinated and synergetic manner, Union resources towards defence,	

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	including key digital frontier technologies required for the development of defence products and technologies. _____ 1. Regulation (EU) 2024/795 of the European Parliament and of the Council of 29 February 2024 establishing the Strategic Technologies for Europe Platform (STEP), and amending Directive 2003/87/EC and Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241 (OJ L, 2024/795, 29.2.2024, ELI: http://data.europa.eu/eli/reg/2024/795/oj)	***cooperation***, Union resources towards defence ***and security technologies***, including key digital frontier technologies required for the development of defence products and technologies. _____ 1. Regulation (EU) 2024/795 of the European Parliament and of the Council of 29 February 2024 establishing the Strategic Technologies for Europe Platform (STEP), and amending Directive 2003/87/EC and Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241 (OJ L, 2024/795, 29.2.2024, ELI: http://data.europa.eu/eli/reg/2024/795/oj)	including key digital frontier technologies required for the development of defence products and technologies. _____ 1. Regulation (EU) 2024/795 of the European Parliament and of the Council of 29 February 2024 establishing the Strategic Technologies for Europe Platform (STEP), and amending Directive 2003/87/EC and Regulations (EU) 2021/1058, (EU) 2021/1056, (EU) 2021/1057, (EU) No 1303/2013, (EU) No 223/2014, (EU) 2021/1060, (EU) 2021/523, (EU) 2021/695, (EU) 2021/697 and (EU) 2021/241 (OJ L, 2024/795, 29.2.2024, ELI: http://data.europa.eu/eli/reg/2024/795/oj)	
Recital 3				
16	(3) While support to technologies having defence implications is possible today under the 3 existing strategic sectors identified in STEP, it appears necessary to increase the potentialities of development of research, industry and innovation in the defence area by setting out a fourth strategic sector in STEP focussed on defence technologies. This new strategic sector should ensure that the STEP incentives are used to increase Union funding in defence technologies and contribute to European competitiveness in line with STEP objectives. Defence technologies should be understood	(3) While support to technologies having defence implications is possible today under the 3 existing strategic sectors identified in STEP, it appears necessary to increase the potentialities of development of research, industry and innovation in the defence ***and security*** area by setting out a fourth strategic sector in STEP focussed on defence ***and security*** technologies***, without compromising Union's intended technological leadership in the existing sectors***.***– The added fourth strategic sector should include those enhancing societal resilience, understood as ability to withstand,***	(3) While support to technologies having defence implications is possible today under the 3 existing strategic sectors identified in STEP, it appears necessary to increase the potentialities of development of research, industry and innovation in the defence area by setting out a fourth strategic sector in STEP focussed on defence technologies. This new strategic sector should ensure that the STEP incentives are used to increase Union funding in defence technologies and contribute to European competitiveness in line with STEP objectives. Defence technologies should be understood	

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	as those referred to in the Annex to Directive 2009/43/EC and include, in particular, technologies in the areas identified by the European Council on March 6th 2025, namely: air and missile defence, artillery systems, including deep precision strike capabilities, missiles and ammunition, drones and anti-drone systems, strategic enablers, including in relation to space and critical infrastructure protection, military mobility, cyber, artificial intelligence and electronic warfare. As regards artificial intelligence, AI Gigafactories should become key infrastructures to expand rapidly the power of AI in defence technologies.	***adapt to, and recover from natural and human-caused disruptions, shocks and stresses - while maintaining core functions, structures, and values, including trust and participation of citizens in democracy and democratic institutions and strengthening integrity of elections and checks and balances.*** This new strategic sector should– ensure that the STEP incentives are used to increase Union funding in ***innovative*** defence ***and security*** technologies ***with the aim to respond effectively to current and emerging threats and enhance the Union's strategic autonomy*** and contribute to European competitiveness in line with STEP objectives. Defence technologies should be understood as those referred to in the Annex to Directive 2009/43/EC and include, in particular, technologies in the areas identified by the European Council on March 6th 2025, namely: air and missile defence, artillery systems, including deep precision strike capabilities, missiles and ammunition, drones and anti-drone systems, strategic enablers, including in relation to space and critical infrastructure protection, military mobility, cyber, artificial intelligence and electronic warfare. ***Security technologies should be***	as those **necessary for the development and manufacturing of defence products, including those defence-related products** referred to in the Annex to Directive 2009/43/EC ~~and include, in particular~~**. Consistent with the approach applied to the other three sectors set out in Article 2(1)**, **point (a), of Regulation 2024/795, the Commission should update the guidance provided for in the STEP regulation to clarify how defence** technologies ~~in the areas identified by the European Council on March 6th 2025, namely: air and missile defence, artillery systems, including deep precision strike capabilities, missiles and ammunition, drones and anti-drone systems, strategic enablers, including in relation to space and~~**could be considered to be** critical ~~infrastructure protection, military mobility, cyber, artificial intelligence and electronic warfare~~. As regards artificial intelligence, AI Gigafactories– should become key infrastructures to expand rapidly the power of AI in defence technologies.	

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		understood, but not limited to, technologies intended to support the prevention of, detection of, protection against, response to, and recovery from, security threats, such as terrorism, hybrid threats, critical infrastructure protection, cybersecurity and disaster-resilient societies. The development of such technologies is essential to enhancing the Union's internal security, safeguarding its strategic interests, and ensuring the resilience of Member States' societies and economies against destabilisation attempts. The Commission should issue guidance on the interpretation and understanding of defence and security technologies, including those enhancing societal resilience, to ensure consistent application of relevant legal provisions. As regards artificial intelligence, AI Gigafactories– should become key infrastructures to expand rapidly the power of AI in defence technologies.		
Recital 4				
17	(4) In addition, in order to optimise the capacity of the programmes covered by STEP to mobilize Union's resources towards defence, it is necessary to clarify that these programmes can pursue objectives and activities that are related to	(4) In addition, in order to optimise the capacity of the programmes covered by STEP to mobilize Union's resources towards defence***'s needs***, it is necessary to clarify that these programmes can pursue objectives and activities that are	(4) In addition, in order to optimise the capacity of the programmes covered by STEP to mobilize Union's resources towards defence, it is necessary to clarify that these programmes can pursue objectives and activities that are related to	

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	improving the competitiveness of the European Defence Technological and Industrial basis (EDTIB) as well as research and development activities in the defence field.	related to improving the competitiveness ***and resilience*** of the European Defence Technological and Industrial basis (EDTIB) as well as research and development activities in the defence field.	improving the competitiveness of the European Defence Technological and Industrial basis (EDTIB) as well as research and development activities in the defence field.	
Recital 5				
18	(5) Horizon Europe established by Regulation (EU) 2021/695 of the European Parliament and of the Council[1] is the Union's key funding programme for research and innovation. The European Innovation Council (EIC) Accelerator established by that Regulation provides support, in particular, for innovations with breakthrough potential and of a disruptive nature with scale-up potential that may be too risky for private investors. SMEs operating within the defence sector require financing for the commercialization of innovative products. However, these companies face higher barriers to access finance compared to SMEs in other sectors. Whereas the support to defence research and development is done through the European Defence Fund (EDF), which is a specific programme of Horizon Europe, it is appropriate to open the EIC Accelerator for actions with potential dual-use applications. Support to scale-up under the EIC	(5) Horizon Europe established by Regulation (EU) 2021/695 of the European Parliament and of the Council[1] is the Union's key funding programme for research and innovation***, playing a pivotal role for global scientific and technological leadership of the Union***. The European Innovation Council (EIC) Accelerator established by that Regulation provides support, in particular, for innovations with breakthrough potential and of a disruptive nature with scale-up potential that may be too risky for private investors. SMEs***, start-ups and some small mid-cap enterprises*** operating within the defence sector require financing for the commercialization of innovative products. However, these companies face higher barriers to access finance compared to ~~***SMEs***~~***entities*** in other sectors. Whereas the support to defence research and development is done through the European Defence Fund (EDF), which is a specific	(5) Horizon Europe established by Regulation (EU) 2021/695 of the European Parliament and of the Council[1] is the Union's ~~key~~ funding programme for research and innovation. The European Innovation Council (EIC) Accelerator established by that Regulation provides support, in particular, for innovations with breakthrough potential and of a disruptive nature with scale-up potential that may be too risky for private investors. SMEs operating within the defence sector require financing for the commercialization of innovative products. However, these companies face higher barriers to access finance compared to SMEs in other sectors. Whereas the support to defence research and development is done through the European Defence Fund (EDF), which is a specific programme of Horizon Europe, it is appropriate to open the EIC Accelerator for actions with potential dual-use applications. Support to scale-up under the EIC	

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	Accelerator should also be extended to non-bankable SMEs, including start-ups and non-bankable small mid-caps, including entities which have already received support from the Accelerator carrying out breakthrough and disruptive non-bankable innovation with a focus on defence applications. This justifies a targeted exception to the principle set out in Article 7(1) of Regulation (EU) 2021/695 of the European Parliament and of the Council according to which research and innovation activities under Horizon Europe have an exclusive focus on civil applications while not undermining the objective of ensuring unnecessary duplications. _____ 1. Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170 12.5.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/695/2024-03-01)	programme of Horizon Europe, it is appropriate to open the EIC Accelerator ***to support breakthrough and disruptive innovation for civil applications*** ~~*for actions*~~ with potential dual-use***, provided that such*** applications ***are primarily designed for civil use***. Support to scale-up under the EIC Accelerator should also be extended to non-bankable SMEs, including start-ups and non-bankable small mid-caps, including entities which have already received support from the Accelerator carrying out breakthrough and disruptive non-bankable innovation ~~*with a focus on*~~***, including*** defence ~~*applications*~~***and security technologies, referred to in Article 2(1)(a)(iv) [of the STEP Regulation], provided they demonstrate dual-use potential***. This justifies a targeted exception to the principle set out in Article 7(1) of Regulation (EU) 2021/695 of the European Parliament and of the Council according to which research and innovation activities under Horizon Europe have an exclusive focus on civil applications while not undermining the objective of ensuring unnecessary duplications. ***The Commission should ensure proper oversight of the application of the targeted exception, including through the collection and***	Accelerator S**TEP Scale-up Scheme** should also be extended to non-bankable SMEs, including start-ups and non-bankable small mid-caps, including entities which have already received support from the Accelerator carrying out breakthrough and disruptive non-bankable innovation **in critical technologies** with a focus on defence applications**. Scale up support in the form of direct equity investment, whereby funding is provided directly to companies, is not available under existing defence-focused funding instruments, in particular the EDF and the Defence Equity Facility deployed under InvestEU. Opening the EIC Accelerator STEP Scale Up calls to innovation in critical technologies with focus on defence applications is therefore necessary to support companies investing in the defence sector, while ensuring complementarity with other existing Union instruments**. This justifies a targeted exception to the principle set out in Article 7(1) of Regulation (EU) 2021/695 of the European Parliament and of the Council according to which research and innovation activities under Horizon Europe have an exclusive focus on civil applications while not	

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		reporting of appropriate data, without creating additional administrative burdens for applicants and beneficiaries. _____ 1. Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170 12.5.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/695/2024-03-01)	undermining the objective of ensuring unnecessary duplications. _____ 1. Regulation (EU) 2021/695 of the European Parliament and of the Council of 28 April 2021 establishing Horizon Europe – the Framework Programme for Research and Innovation, laying down its rules for participation and dissemination, and repealing Regulations (EU) No 1290/2013 and (EU) No 1291/2013 (OJ L 170 12.5.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/695/2024-03-01)	
Recital 5a				
18a			**(5a) As innovation activities that have dual-use applications may affect Union strategic assets, interests, autonomy or security or strategic interests of the Union and its Member States, it may be necessary to adapt, in the relevant work programmes under Horizon Europe, the eligibility rules so that it is possible to limit the participation to legal entities established only in Member States or to legal entities established in specified associated countries in addition to Member States, or to exclude the participation of legal entities that are established in the Union or in associated countries and that are directly or indirectly controlled by non-associated third**	

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			countries or by legal entities of non-associated third countries. Therefore, Article 48(2) of Regulation (EU) 2021/695 should be amended to allow for such a possibility. This possibility to adapt the eligibility rules in the relevant work programmes is specific to new innovation activities that have dual-use applications and does not affect the rules governing the support to activities with civilian applications under Horizon Europe nor the funding of such activities.	
Recital 5b				
18b			**(5b) As innovation activities that have defence applications may significantly affect the security and defence interests of the Union and its Member States, it is necessary to set out specific eligibility rules which ensure consistency with other Union instruments in the defence industry sector and which take into account Russia's war of aggression against Ukraine. Those rules should limit the participation to legal entities established in Member States, Members of the European Free Trade Association (EFTA) which are members of the European Economic Area (EEA members) or Ukraine. They**	

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			should also exclude the participation of legal entities directly or indirectly controlled by countries other than Member States, EEA members and Ukraine or by legal entities of countries other than Member States, EEA members and Ukraine. By derogation, legal entities established in the Union or in an EEA member country and controlled by a third country other than an EEA member and Ukraine or by an entity of a third-country other than an EEA member and Ukraine should be eligible to be a beneficiary if they have been subject to screening within the meaning of Regulation (EU) 2019/452 and, where necessary, to appropriate mitigation measures, or if guarantees approved in accordance with the national procedures of the Member State or the EEA member country in which the legal entities are established are made available to the Commission.	
Recital 6				
19	(6) Moreover, to ensure that appropriate resources are directed to the funding of dual use and defence projects under Horizon Europe it is appropriate to derogate to Article	(6) Moreover, to ensure that appropriate resources are directed to the funding of ~~*dual use*~~***dual-use*** and defence ~~*projects*~~***applications*** under Horizon Europe it is appropriate to	(6) ~~Moreover~~**Recognising the urgent and extraordinary need to further strengthen the Union's sovereignty and security as underlined by the Strategic**	

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	212(3) of the Financial Regulation in order to ensure that repayments, including reimbursed advances, revenues and unused amounts net of fees and costs of EIC blended finance investment component of the EIC pilot under Horizon 2020 are not directed to the Union budget but reinvested in the EIC Fund in order to finance additional projects in dual use and defence benefitting from the amended scope . The timeframe set out in Article 212(3) of the Financial Regulation should also be adapted, by inserting a derogation, to allow for that possibility.	derogate to Article 212(3) of the Financial Regulation in order to ensure that repayments, including reimbursed advances, revenues and unused amounts net of fees and costs of EIC blended finance investment component of the EIC pilot under Horizon 2020 are not directed to the Union budget but reinvested in the EIC Fund in order to finance additional ~~*projects in dual use*~~***dual-use*** and defence ***applications*** benefitting from the amended scope . The timeframe set out in Article 212(3) of the Financial Regulation should also be adapted, by inserting a derogation, to allow for that possibility.	**Technologies for Europe Platform (STEP) Regulation (2024/795)**, **and** to ensure ~~that appropriate~~**the rapid mobilisation and reinvestment of financial** resources ~~are directed to the funding of dual use~~**in critical sectors including dual-use** and defence projects under **the EIC accelerator under** Horizon Europe**,** it is appropriate to derogate ~~to~~**from** Article 212(3) of the Financial Regulation ~~in order to ensure that~~**. Given these circumstances and the need for a rapid availability of funds, it is particularly necessary to allow for** repayments, including reimbursed advances, revenues and unused amounts net of fees and costs of EIC blended finance investment component of the EIC pilot under Horizon 2020 ~~are not~~**to be reinvested in the EIC Fund rather than be** directed to the Union budget ~~but reinvested in the EIC Fund~~**,** in order to finance ~~additional~~**projects with civil applications, as well as** projects in ~~dual use~~**dual-use** and defence ~~benefitting~~**that benefit** from the amended scope~~-~~. The timeframe set out in Article 212(3) of the Financial Regulation should also be ~~adapted~~**modified to ensure meaningful implementation under exceptional circumstances**, by inserting a derogation, to allow for that possibility.	

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Recital 7				
20	(7) The European Defence Fund (EDF) set out in Regulation (EU) 2021/697 of the European Parliament and of the Council[1], is the leading programme for enhancing the competitiveness, innovation, efficiency and technological autonomy of the Union's defence industry. The EDF also aims at supporting actions that are conducive to developing disruptive technologies for defence. In order to better address the specificities of such actions, such as their small scale or their need for a quick support, it is appropriate to simplify the procedures to decide on the support of these actions while in the same time framing the conditions for the decision on such a support in the work programme. . 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: http://data.europa.eu/eli/reg/2021/697/2024-03-01).	(7) The European Defence Fund (EDF) set out in Regulation (EU) 2021/697 of the European Parliament and of the Council[1], is the leading programme for enhancing the competitiveness, innovation, efficiency and technological autonomy of the Union's defence industry. The EDF also aims at supporting actions that are conducive to developing disruptive technologies for defence. In order to better address the specificities of such actions, ***and in particular technologies demonstrating rapid deployment capability,*** such as their small scale or their need for a quick support, it is appropriate to ***significantly shorten and*** simplify the procedures to decide on the support of these actions while in the same time framing the conditions for the decision on such a support in– the work programme.— ***and without undermining the principle of excellence***. 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: http://data.europa.eu/eli/reg/2021/697/2024-03-01).	(7) The European Defence Fund (EDF) set out in Regulation (EU) 2021/697 of the European Parliament and of the Council[1] , is the leading programme for enhancing the competitiveness, innovation, efficiency and technological autonomy of the Union's defence industry. The EDF also aims at supporting actions that are conducive to developing disruptive technologies for defence. In order to better address the specificities of such actions, such as their small scale or their need for a quick support, it is appropriate to simplify the procedures to decide on the support of these actions while in the same time framing the conditions for the decision on such a support in the work programme.—. 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: http://data.europa.eu/eli/reg/2021/697/2024-03-01).	
Recital 8				

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
21	(8) It is also necessary to exploit synergies between EDF and other Union programmes. To that purpose, it should be possible for Member States, European Union institutions, bodies and agencies, third countries, international financial institutions or other third parties to provide voluntary contributions to the Programme, as external assigned revenues. Voluntary transfers of resources allocated to Member States in shared management to the EDF and the combination of contributions from EDF with other Union programmes for specific actions should be possible, provided that the cumulative Union support does not exceed the total eligible costs of the action.	(8) It is also necessary to exploit synergies between EDF and other Union programmes. To that purpose, it should be possible for Member States, European Union institutions, bodies and agencies, third countries, international financial institutions or other third parties to provide voluntary contributions to the Programme, as external assigned revenues. Voluntary transfers of resources allocated to Member States in shared management to the EDF and the combination of contributions from EDF with other Union programmes for specific actions should be possible, provided that the cumulative Union support does not exceed the total eligible costs of the action.	(8) It is also necessary to exploit synergies between EDF and other Union programmes. To that purpose, it should be possible for Member States, European Union institutions, bodies and agencies, third countries, international financial institutions or other third parties to provide voluntary contributions to the ~~Programme~~**Fund**, as external assigned revenues. Voluntary transfers of resources allocated to Member States in shared management to the EDF and the combination of contributions from EDF with other Union programmes for specific actions should be possible, provided that the cumulative Union support does not exceed the total eligible costs of the action.	
Recital 9				
22	(9) The Digital Europe Programme (DEP) established by Regulation (EU) 2021/694 of the European Parliament and of the Council[1] aims to support and accelerate the digital transformation of the European economy, industry and society and to improve the competitiveness of Europe in the global digital economy. In this context, the programme should also aim at supporting, in particular, projects, services and competences with	(9) The Digital Europe Programme (DEP) established by Regulation (EU) 2021/694 of the European Parliament and of the Council[1] aims to support and accelerate the digital transformation of the European economy, industry and society and to improve the competitiveness of Europe in the global digital economy. In this context, the programme should also aim at supporting, in particular, projects, services and competences with	(9) The Digital Europe Programme (DEP) established by Regulation (EU) 2021/694 of the European Parliament and of the Council[1] aims to support and accelerate the digital transformation of the European economy, industry and society and to improve the competitiveness of Europe in the global digital economy. In this context, the programme should also aim at supporting, in particular, projects, services and competences with	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	potential dual-use application under all its specific objectives. _____ 1. Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240 (OJ L 166 11.5.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/694/2023-09-21)	potential dual-use application under all its specific objectives. ***This would contribute to strengthening Europe's societal and democratic resilience in the face of ongoing hybrid attacks, foreign interference and emerging threats in the digital domain - an escalation that has intensified markedly since Russia's invasion of Ukraine.*** _____ 1. Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240 (OJ L 166 11.5.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/694/2023-09-21)	potential dual-use application under all its specific objectives. _____ 1. Regulation (EU) 2021/694 of the European Parliament and of the Council of 29 April 2021 establishing the Digital Europe Programme and repealing Decision (EU) 2015/2240 (OJ L 166 11.5.2021, p. 1, ELI: http://data.europa.eu/eli/reg/2021/694/2023-09-21)	
Recital 10				
23	(10) To enhance technological sovereignty and competitiveness, the Union needs the computing, cloud and data infrastructures that AI leadership requires. As part of the AI Continent strategy, the AI factories and Gigafactories are essential for the Union to be able to compete on the global level and ensure its strategic autonomy and competitiveness in science, dual use research and in critical industrial sectors, including the defence industry. Such next-generation models require extensive connected computing infrastructure for	(10) To enhance technological sovereignty and competitiveness, the Union needs the computing, cloud and data infrastructures that AI leadership requires. As part of the AI Continent strategy, the AI factories and Gigafactories are essential for the Union to be able to compete on the global level and ensure its strategic autonomy and competitiveness in science, ~~*dual use*~~***dual-use*** research and in critical industrial sectors, including the defence industry. Such next-generation models require extensive connected computing infrastructure	(10) To enhance technological sovereignty and competitiveness, the Union needs the computing, cloud and data infrastructures that AI leadership requires. As part of the AI Continent strategy, the AI factories and Gigafactories are essential for the Union to be able to compete on the global level and ensure its strategic autonomy and competitiveness in science, ~~dual use~~ research **with dual-use potential** and in critical industrial sectors, including the defence industry. Such next-generation models require extensive connected computing	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	breakthroughs in specific domains including defence. It is therefore appropriate to add, in the Specific Objective 1 – High Performance Computing of DEP, a supplementary operational objective dedicated to the deployment and operation of AI Factories and new generation of IA Gigafactories specialised in developing, training, and running the most complex, very large, AI models and applications, including hardware and software necessary for such deployment.	for breakthroughs in specific domains including defence.– It is therefore appropriate to add, in the Specific Objective 1 – High Performance Computing of DEP, a supplementary operational objective dedicated to the deployment and operation of AI Factories and new generation of IA Gigafactories specialised in developing, training, and running the most complex, very large, AI models and applications, including hardware and software necessary for such deployment. ***In line with the Union's ambition towards strategic autonomy, technological leadership and improved competitiveness, and to mitigate the environmental footprint of digital technologies, it is important to ensure that the deployed digital infrastructure and technologies, including AI, aim to be resource-efficient and follow circularity principles.***	infrastructure for breakthroughs in specific domains including defence. It is therefore appropriate to add, in the Specific Objective 1 – High Performance Computing of DEP, a supplementary operational objective dedicated to the deployment and operation of AI Factories and new generation of ~~IA~~**AI** Gigafactories specialised in developing, training, and running the most complex, very large, AI models and applications, including hardware and software necessary for such deployment.	
Recital 11				
24	(11) In the specific Objective 5 of DEP – Deployment and Best Use of Digital Capacity and interoperability, it is also necessary to add, in the operational objective defined to support the public sector and areas of public interest, a reference to defence in order to clarify that the financial contribution	(11) In the specific Objective 5 of DEP – Deployment and Best Use of Digital Capacity and interoperability, it is also necessary to add, in the operational objective defined to support the public sector and areas of public interest, a reference to defence in order to clarify that the financial contribution	(11) In the specific Objective 5 of DEP – Deployment and Best Use of Digital Capacity and interoperability, it is also necessary to add, in the operational objective defined to support the public sector and areas of public interest, a reference to defence in order to clarify that the financial contribution	

	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	of the Union under such an Objective can be extended to that sector.	of the Union under such an Objective can be extended to that sector. ***Support for the public sector should be accompanied by measures that strengthen the capacity of Union-based companies to supply, develop, and innovate in the field of digital infrastructure services.***	of the Union under such an Objective can be extended to that sector.	
Recital 12				
25	(12) It is also necessary to adapt the eligibility rules that might be set out in the work programme of DEP so that it is possible to provide that legal entities established in associated countries and legal entities that are established in the Union but are controlled from third countries are not eligible to participate in all or some actions focused on technologies with dual-use potential under any specific objective. In such cases, calls for proposals and calls for tenders should be restricted to legal entities established or deemed to be established in Member States and controlled by Member States or by nationals of Member States.	(12) It is also necessary to adapt the eligibility rules that might be set out in the work programme of DEP so that it is possible to provide***, for duly justified security reasons,*** that legal entities established in associated countries***, other than Ukraine or members of the EFTA which are members of the EEA,*** and legal entities that are established in the Union but are controlled from third countries***, other than Ukraine or members of the EFTA which are members of the EEA,*** are not eligible to participate in all or some actions focused on technologies with dual-use potential under any specific objective. In such cases, calls for proposals and calls for tenders should be restricted to legal entities established or deemed to be established in ~~*Member States*~~ and controlled by Member States**,** ***Ukraine or members of the EFTA which are members of the EEA, or***	(12) It ~~is also~~**may also be** necessary to adapt ~~the eligibility rules that might be set out~~**,** in the work programme of DEP**, the eligibility rules in specific and duly justified cases** so that it is possible to provide that legal entities established in associated countries and legal entities that are established in the Union but are controlled from third countries are not eligible to participate in all or some actions focused on technologies with dual-use potential under any specific objective. **Provision should therefore be made to allow for such a possibility.** In such cases, calls for proposals and calls for tenders should be restricted to legal entities established or deemed to be established in Member States and controlled by Member States or by nationals of Member States.	

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		their ~~***or by***~~ nationals ***This beneficial treatment strengthens Europe's overall digital ecosystem by fostering shared security interests, enhancing mutual resilience to existing and emerging technological threats, and deepening strategic partnerships that benefit the stability and competitiveness of the continent*** ~~***of Member States***~~.		
Recital 13				
26	(13) Regulation (EU) 2023/1525 of the European Parliament and of the Council supporting ammunition production (ASAP)[1] was adopted to financially support the urgent strengthening of the EDTIB responsiveness and ability to ensure the timely availability and supply of ground-to-ground and artillery ammunition as well as missiles. Voluntary transfers of resources allocated to Member States in shared management to the ASAP instrument as well as additional voluntary contributions from Member States or other relevant stakeholders should contribute to pursue the support to ramping up the Union's manufacturing capacities beyond 30 June 2025. Regulation (EU) 2023/1525 should therefore be amended to introduce such a possibility. Since that Regulation	*deleted*	*deleted*	

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	has shown is usefulness to develop new production capacities of powder/propellant, explosives, shells, testing capacity, and missiles all across the Union, it is appropriate to ensure that its application is extended until 31 December 2026. _____ 1. Regulation (EU) 2023/1525 of the European Parliament and of the Council of 20 July 2023 on supporting ammunition production (ASAP) (OJ L 185, 24.7.2023, p. 7–25, ELI: http://data.europa.eu/eli/reg/2023/1525/oj)			
Recital 14				
27	*(14)* The Connecting Europe Facility (CEF) set out in Regulation (EU) 2021/1153 of the European Parliament and of the Council,[1] aims to accelerate investment in the field of trans-European networks, enabling synergies between the transport, energy and digital sectors. In order to support the connected computing infrastructure required by defence products and technologies and beyond these areas, the objectives of the CEF digital sector within that Regulation should be extended to the deployment and provision of digital capacities such as cloud, AI and AI Gigafactories. _____ 1. Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting	(14) The Connecting Europe Facility (CEF) set out in Regulation (EU) 2021/1153 of the European Parliament and of the Council,[1] aims to accelerate investment in the field of trans-European networks, enabling synergies between the transport, energy and digital sectors. In order to support the connected computing infrastructure required by defence products and technologies and beyond these areas, the objectives of the CEF digital sector within that Regulation should be extended to the deployment and provision of digital capacities such as cloud, AI and AI Gigafactories. ***In order to minimise environmental impact, optimise the use of scarce materials, and ensure long-term sustainability in line with the***	(14) The Connecting Europe Facility (CEF) set out in Regulation (EU) 2021/1153 of the European Parliament and of the Council~~,~~[1]**,** aims to accelerate investment in the field of trans-European networks, enabling synergies between the transport, energy and digital sectors. In order to support the connected computing infrastructure required by defence products and technologies and beyond these areas, the objectives of the CEF digital sector within that Regulation should be extended to the deployment and provision of digital capacities such as cloud, AI and AI Gigafactories. _____ 1. Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting	

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (OJ L 249 14.7.2021, p. 38, ELI: http://data.europa.eu/eli/reg/2021/1153/2024-07-18)	***Union's climate and circular economy objectives, it is important that the deployed capacities aim to be resource-efficient and follow circularity principles.*** _____ 1. Regulation (EU) 2021/1153 of the European Parliament and of the Council of 7 July 2021 establishing the Connecting Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (OJ L 249 14.7.2021, p. 38, ELI: http://data.europa.eu/eli/reg/2021/1153/2024-07-18)	Europe Facility and repealing Regulations (EU) No 1316/2013 and (EU) No 283/2014 (OJ L 249 14.7.2021, p. 38, ELI: http://data.europa.eu/eli/reg/2021/1153/2024-07-18)	
Recital 15				
28	(15) Military mobility is also one of the objectives of the CEF programme. The Joint White Paper for European Defence Readiness 2030 recognised military mobility as an essential enabler for European security and defence and stressed the Union added-value in supporting dual-use infrastructure for mobility. The mid-term review of the European Regional Development Fund (ERDF) and the Cohesion Fund both established by Regulation (EU) 2021/1058 of the European Parliament and of the Council[1] introduced the possibility to invest in defence or dual use infrastructure to foster military mobility benefiting from a pre-financing of 30% of the amounts programmed and the possibility to apply a Union	(15) Military mobility is also one of the objectives of the CEF programme. The Joint White Paper for European Defence Readiness 2030 recognised military mobility as an essential enabler for European security and defence and stressed the Union added-value in supporting dual-use infrastructure for mobility. ~~*The mid-term review of the European Regional Development Fund (ERDF*~~ ***The Trans-European Transport Network (TEN-T)*** ~~*and the Cohesion Fund both established by Regulation (EU) 2021/1058 of the European Parliament and of the Council*[1] *introduced the possibility to invest in defence or dual use*~~***policy serves as a key strategic instrument in building***	(15) Military mobility is also one of the objectives of the CEF programme. The Joint White Paper for European Defence Readiness 2030 recognised military mobility as an essential enabler for European security and defence and stressed the Union added-value in supporting dual-use infrastructure for mobility. The mid-term review of the European Regional Development Fund (ERDF) and the Cohesion Fund both established by Regulation (EU) 2021/1058 of the European Parliament and of the Council[1] introduced the possibility to invest in defence or ~~dual use~~**dual-use** infrastructure to foster military mobility benefiting from a pre-financing of ~~30%~~**20%** of the amounts programmed and the	

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
	financing of up to 100%. In cases where Member States transfer resources allocated to them in shared management to CEF they should benefit from the same conditions on pre-financing and co-financing for dual-use transport infrastructure projects as introduced in the ERDF and Cohesion Fund. In such a case, these amounts should be reserved to projects developing the Military Mobility corridors as identified by the Member States in Military Requirements for Military Mobility within and beyond the Union as well as digital connectivity and capacities.. _____ 1. Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (OJ L 231 30.6.2021, p. 60, ELI: http://data.europa.eu/eli/reg/2021/1058/2024-12-24)	***the Union's cross-border transport infrastructure. Although originally intended for civilian purposes it also holds a remarkable potential for dual-use, military and civilian. In line with the Strategic Compass, the Union aims to strengthen the dual-use transport*** infrastructure ***of the Trans-European Transport Network (TEN-T) in close cooperation with NATO and other like-minded partners. The objective to complete the TEN-T core network by 2030 remains unchanged.The Trans-European Transport Network (TEN-T) policy serves as a key strategic instrument in building the Union's cross-border transport infrastructure. Although originally intended for civilian purposes it also holds a remarkable potential for dual-use,*** ~~*to foster*~~ military ~~*mobility benefiting from a pre-financing of 30% of the amounts programmed and the possibility to apply a*~~***and civilian. In line with the Strategic Compass, the*** Union ~~*financing of up to 100%. In cases where Member States transfer resources allocated to them in shared management to CEF they should benefit from the same conditions on pre-financing and co-financing for*~~***aims to strengthen the*** dual-use transport infrastructure ~~*projects as introduced in the ERDF*~~	possibility to apply a Union financing ~~of up to~~**increased by 10 percentage points above the co-financing rate applicable, not exceeding** 100%. In cases where Member States transfer resources allocated to them in shared management to CEF they should benefit from the same conditions on pre-financing and co-financing **rates** for dual-use transport infrastructure projects as introduced in the ERDF and Cohesion Fund. In such a case, these amounts should be reserved to projects developing the Military Mobility corridors as identified by the Member States in Military Requirements for Military Mobility within and beyond the Union as well as digital connectivity and capacities.~~.~~ _____ 1. Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (OJ L 231 30.6.2021, p. 60, ELI: http://data.europa.eu/eli/reg/2021/1058/2024-12-24)	

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		~~*and Cohesion Fund. In such a case, these amounts should be reserved to projects developing the Military Mobility corridors as identified by the Member States in Military Requirements for Military Mobility within and beyond the Union as well as digital connectivity and capacities*~~***of the Trans-European Transport Network (TEN-T) in close cooperation with NATO and other like-minded partners. The objective to complete the TEN-T core network by 2030 remains unchanged***~~.~~ ~~*1. Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (OJ L 231 30.6.2021, p. 60, ELI: http://data.europa.eu/eli/reg/2021/1058/2024-12-24)*~~		
Recital 15a				
28a		***(15a) Actions financed under CEF should contribute to the improvement and acceleration of the Trans-European Transport Network (TEN-T) and be designed for interoperability and compatibility with civilian use. Investment in dual-use infrastructure benefits both military readiness and civilian connectivity. Given the 94% overlap between the military mobility corridors and***		

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		TEN-T dual-use infrastructure, funding of military mobility will benefit civilian use.		
Recital 15b				
28b		***(15b) The Niinistö report specifically refers to the need to intensify further work on priority dual-use transport corridors for military movements and the extension of fuel-supply chains for the armed forces along those corridors, as well as stockpiling and strategic reserves of energy. This position is echoed in NATO statements, which note that major infrastructure gaps remain particularly along its Eastern Flank. Estimates indicate that the Union requires an initial investment of at least EUR 70 billion to adapt its transport and logistics infrastructure for the rapid movement of troops and equipment across Union territory in the event of conflict. The Union should give special consideration to the necessary development of dual-use fuel infrastructure, whose core task is to ensure civilian needs, such as ensuring supplies to civil aviation, and that switches to military mode in wartime. This development should contribute not only to civil logistics and military mobility but also to transition towards a more***		

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		sustainable transport and energy system in line with objectives of AFiR and ReFuelAviationEU.		
Recital 15c				
28c		***(15c) Furthermore, in relation to military mobility, there is a need to increase the protection of European territories from conventional military threats. Adapting the TEN-T to dual-use infrastructure requirements may, where appropriate, include measures to safeguard assets intended for civilian–defence use with regard to military counter-mobility and related risks, by designing, reinforcing, and protecting the infrastructure so that it is less vulnerable to disabling, blocking, or destruction by hostile acts, hazards, or sabotage.***		
Recital 15d				
28d		***(15d) The mid-term review of the European Regional Development Fund (ERDF) and the Cohesion Fund both established by Regulation (EU) 2021/1058 of the European Parliament and of the Council[1] introduced the possibility to invest in defence or dual-use infrastructure to foster military mobility benefiting from a pre-financing of [30%] of the amounts programmed and the possibility to***		

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
		apply a Union financing of up to 100 %. In cases where Member States transfer resources allocated to them in shared management to CEF, they should benefit from the same conditions on pre-financing and co-financing for dual-use transport infrastructure projects as introduced in the ERDF and Cohesion Fund. In such a case, these amounts should be reserved to projects developing the Military Mobility corridors as identified by the Member States in Military Requirements for Military Mobility within and beyond the Union as well as digital connectivity and capacities, including the availability of appropriate logistics hubs for the deployment and subsequent redeployment of forces to and from the Union. ***_____*** ***1. Regulation (EU) 2021/1058 of the European Parliament and of the Council of 24 June 2021 on the European Regional Development Fund and on the Cohesion Fund (OJ L 231 30.6.2021, p. 60, ELI: http://data.europa.eu/eli/reg/2021/1058/2024-12-24)***		
Recital 15e				
28e		***(15e) In order to accelerate the swift and seamless movement of personnel, material and assets within the Union, Member States are encouraged to cooperate closely***		

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		to achieve a swift upgrading of the "hot spots" infrastructure within the four military mobility corridors, and particularly focus on the cross-border sections of these corridors, including rail, ports, and airports of these corridors, which have an impact in the short term. Priority investments on these corridors, their cross-border sections and the hot spots identified by the Commission should be carried out in cooperation with NATO.		
Recital 15f				
28f		***(15f) In light of the increased European defence-related investments with the Union budget, it is essential to ensure that such resources are allocated transparently, aligned with the Union's strategic interests, and protected from misuse or diversion. The Commission should develop appropriate measures, if duly justified to safeguard the Union's strategic interests, to enhance transparency, including clear identification of beneficiaries and ownership structures, while duly protecting confidential information. These principles should guide future instruments supporting Union defence objectives.***		
Recital 15g				

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	CLEAN Commission Proposal	VS.EC EP Mandate	VS.EC Council Mandate	VS.EC Draft Agreement
28g		***(15g) Taking into account the urgency of the situation, the necessity to boost financially defence-related projects in Europe, and the expiry of the Recovery and Resilience Facility (RRF) established by Regulation (EU) 2021/241 of the European Parliament and of the Council[1] in August 2026, Member States may consider to use the already existing possibility to amend their National Recovery and Resilience Plans to reallocate resources to their financial contributions towards Union defence industrial instruments. This would follow the already existing logic of using RRF funds in innovation within the space sector with nearly half of the Member States mentioning space-related actions in their RRF plans, including both traditional space nations and newer actors. Such reallocated Member State contributions are to be used for the benefit of the Member State concerned for the purpose of contributing to the achievement of one or more of the objectives set out in Article 4 of Regulation (EU, Euratom) No 2021/241.*** _____ ***1. Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery***		

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		and Resilience Facility (OJ L 57, 18.2.2021, p. 17; ELI: http://data.europa.eu/eli/reg/2021/241/oj).		
Recital 15h				
28h		***(15h) In accordance with the Financial Regulation, Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council[1] and Council Regulations (EC, Euratom)No 2988/95[2], (Euratom, EC) No 2185/96[3] and (EU) 2017/1939[4], the financial interests of the Union are to be protected by means of proportionate measures, including measures relating to the prevention, detection, correction and investigation of irregularities, including fraud, to the recovery of funds lost, wrongly paid or incorrectly used, and, where appropriate, to the imposition of administrative penalties. In particular, in accordance with Regulations (Euratom, EC) No 2185/96 and (EU, Euratom) No 883/2013, the European Anti-Fraud Office (OLAF) has the power to carry out administrative investigations, including on-the-spot checks and inspections, with a view to establishing whether there has been fraud, corruption or any other illegal activity affecting the financial interests of the Union. The European Public Prosecutor's***		

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		Office (EPPO) is empowered, in accordance with Regulation (EU) 2017/1939, to investigate and prosecute criminal offences affecting the financial interests of the Union as provided for in Directive (EU) 2017/1371 of the European Parliament and of the Council[5]. In accordance with the Financial Regulation, any person or entity receiving Union funds is to cooperate fully in the protection of the financial interests of the Union, to grant the necessary rights and access to the Commission, OLAF, the Court of Auditors and, in respect of those Member States participating in enhanced cooperation pursuant to Regulation (EU) 2017/1939, the EPPO, and to ensure that any third parties involved in the implementation of Union funds grant equivalent rights.		

1. Regulation (EU, Euratom) No 883/2013 of the European Parliament and of the Council of 11 September 2013 concerning investigations conducted by the European Anti-Fraud Office (OLAF) and repealing Regulation (EC) No 1073/1999 of the European Parliament and of the Council and Council Regulation (Euratom) No 1074/1999 (OJ L 248, 18.9.2013, p. 1).
2. Council Regulation (EC, Euratom) No 2988/95 of 18 December 1995 on the protection of the European Communities financial interests (OJ L 312, 23.12.1995, p.

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		1). ***3. Council Regulation (Euratom, EC) No 2185/96 of 11 November 1996 concerning on-the-spot checks and inspections carried out by the Commission in order to protect the European Communities' financial interests against fraud and other irregularities (OJ L 292, 15.11.1996, p. 2).*** ***4. Council Regulation (EU) 2017/1939 of 12 October 2017 implementing enhanced cooperation on the establishment of the European Public Prosecutor's Office ('the EPPO') (OJ L 283, 31.10.2017, p. 1).*** ***5. Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law (OJ L 198, 28.7.2017, p. 29).***		
Recital 16				
29	(16) Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153, (EU) 2023/1525 and (EU) 2024/795 should therefore be amended accordingly.	(16) Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153~~, *(EU) 2023/1525*~~ and (EU) 2024/795 should therefore be amended accordingly.	(16) Regulations (EU) 2021/694, (EU) 2021/695, (EU) 2021/697, (EU) 2021/1153~~, (EU) 2023/1525~~ and (EU) 2024/795 should therefore be amended accordingly.	
Recital 17				
30	(17) Given the urgent need to enable crucial investments in defence in the context of pressing geopolitical challenges, this Regulation should enter into force on the day following that of its publication in the Official Journal of the European Union.	(17) Given the urgent need to enable crucial investments in defence in the context of pressing geopolitical challenges, this Regulation should enter into force on the day following that of its publication in the Official Journal of the European Union.	(17) Given the urgent need to enable crucial investments in defence in the context of pressing geopolitical challenges, this Regulation should enter into force on the day following that of its publication in the Official Journal of the European Union.	
Recital 18				
31	(18) Since the objective of this Regulation, namely to strengthen	(18) Since the objective of this Regulation, namely to strengthen	(18) Since the objective of this Regulation, namely to strengthen	

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	research and development activities in dual use and defence, improve the competitiveness of the Union's defence industry and therefore contribute to the Union's defence by refocusing investments of these critical priorities, cannot be sufficiently achieved by the Member States, but can rather be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives,	research and development activities in ~~*dual use*~~***dual-use*** and defence, improve the competitiveness of the Union's defence industry and therefore contribute to the Union's defence by refocusing investments of these critical priorities, cannot be sufficiently achieved by the Member States, but can rather be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives~~,~~**.**	research and development activities in ~~dual use~~**dual-use** and defence, improve the competitiveness of the Union's defence industry and therefore contribute to the Union's defence **readiness** by refocusing investments of these critical priorities, cannot be sufficiently achieved by the Member States, but can rather be better achieved at Union level, the Union may adopt measures in accordance with the principle of subsidiarity as set out in Article 5 TEU. In accordance with the principle of proportionality as set out in that Article, this Regulation does not go beyond what is necessary to achieve those objectives,	
Recital 18a				
31a		***(18a) This Regulation has implications for the Union budget. Accordingly, the European Parliament's Committee on Budgets adopted a budgetary assessment, which forms an integral part of Parliament's mandate for negotiations.***		
Formula				
32	HAVE ADOPTED THIS REGULATION:	HAVE ADOPTED THIS REGULATION:	HAVE ADOPTED THIS REGULATION:	
Article 1				
33	Article 1	Article 1	Article 1	

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Article 1, first paragraph				
34	Regulation (EU) 2021/694 [Digital Europe Programme] is amended as follows:	Regulation (EU) 2021/694 [Digital Europe Programme] is amended as follows:	Regulation (EU) 2021/694 [Digital Europe Programme] is amended as follows:	
Article 1, first paragraph a				
34a		***(-1) in Article 3(1), the first subparagraph is replaced by the following:***		
Article 1, first paragraph b				
34b		***'1. The general objectives of the Programme shall be to support and accelerate the digital transformation of the European economy, industry and society, to bring its benefits to citizens, public administrations and businesses across the Union, and to improve the competitiveness of Europe in the global digital economy while contributing to bridging the digital divide across the Union and reinforcing the Union's strategic autonomy and societal resilience, through holistic, cross-sectoral and cross-border support and a stronger Union contribution.'***		
Article 1, first paragraph c				
34c		***(-1a) in Article 3(1), second subparagraph, point (b) is replaced by the following:***		
Article 1, first paragraph d				

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34d		***'(b) in the private sector and in areas of public interest, to widen the diffusion and uptake of Europe's key digital technologies, promoting the digital transformation and access to digital technologies, and increasing the resilience against hybrid threats in the digital domain;'***		
Article 1, first paragraph, point (1)				
35	(1) in Article 3 (1), second subparagraph, the following point is added:	(1) in Article 3 (1), second subparagraph, the following point is added:	(1) in Article 3 (1), second subparagraph, the following point is added:	
Article 1, first paragraph, point (1), amending provision, numbered paragraph (c)				
36	‘ (c) support dual-use projects, services, competences and applications.; ’	‘ (c) ***to*** support ***and accelerate*** dual-use projects, services, competences and applications***, strengthening societal resilience.'***; ’	‘ (c) support dual-use projects, services, competences and applications.; ’	
Article 1, first paragraph, point (2)				
37	(2) in Article 4 (1) the following point is added:	(2) in Article 4 (1) the following point is added:	(2) in Article 4 (1) the following point is added:	
Article 1, first paragraph, point (2), amending provision, numbered paragraph (d)				
38	‘ (d) deploy and operate AI Factories and new generation AI Gigafactories specialised in developing, training, and running the most complex, very large, AI models and applications, including hardware and software	‘ (d) deploy and operate AI Factories and new generation AI Gigafactories specialised in developing, training, and running the most complex, very large, AI models and applications, including hardware and software	‘ (d) deploy and operate AI Factories and new generation AI Gigafactories specialised in developing, training, and running the most complex, very large, AI models and applications, including hardware and software	

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	necessary for such deployment.; ,	necessary for such deployment.***'***;	necessary for such deployment.; ,	
Article 1, first paragraph d, point (2), amending provision, numbered paragraph (Da)				
38a		***(2a) in Article 5(1), point (b) is replaced by the following:***		
Article 1, first paragraph d, point (2), amending provision, numbered paragraph (Db)				
38b		***'(b) make the capacities referred to in point (a) accessible to businesses, especially SMEs and start-ups, as well as civil society, not-for-profit organisations, research institutions, universities and public sector, including the armed forces, in order to maximise their benefit to the European society and economy;'***		
Article 1, first paragraph d, point (2), amending provision, numbered paragraph (Dc)				
38c		***(2b) in Article 6(1), point (b) is replaced by the following:***		
Article 1, first paragraph d, point (2), amending provision, numbered paragraph (DCI)				
38d		***'(b) support the building-up and best use of European knowledge, capacity and skills related to cybersecurity, combatting hybrid threats in the digital domain, and the sharing and mainstreaming of best practices;'***		
Article 1, first paragraph d, point (2), amending provision, numbered paragraph (DCII)				
38e		***(2c) in Article 6(1), point (e) is replaced by the following:***		

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Article 1, first paragraph d, point (2), amending provision, numbered paragraph (DCIII)				
38f		***'(e) improve resilience against hybrid threats, cyberattacks, contribute towards increasing risk-awareness and knowledge of cybersecurity processes, support public and private organisations in achieving basics levels of cybersecurity, for example by deploying end-to-end encryption of data and software updates;'***		
Article 1, first paragraph d, point (2), amending provision, numbered paragraph (DCIV)				
38g		***(2d) in Article 6(1), point (ga) is added:***		
Article 1, first paragraph d, point (2), amending provision, numbered paragraph (DCV)				
38h		***'(ga) support the development of advanced threat intelligence and cyber-defence capabilities tailored to defence-related infrastructure, including secure-by-design hardware, intrusion-resilient systems and cryptographic technologies.'*** ,		
Article 1, first paragraph, point (3)				
39	(3) in Article 8 (1), point (a) is replaced by the following:	(3) in Article 8 (1),– point (a) is replaced by the following:	(3) in Article 8 (1),– point (a) is replaced by the following:	
Article 1, first paragraph, point (3), amending provision, numbered paragraph (a)				
40	‘ (a) support the public sector and areas of public interest, such as	‘ (a) support the public sector and areas of public interest, such as	‘ (a) support the public sector and areas of public interest, such as	

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	health and care, education, judiciary, customs, defence, transport, mobility, energy, environment, cultural and creative sectors, including relevant businesses established within the Union, to effectively deploy and access state-of-the-art digital technologies, such as HPC, quantum, AI and cybersecurity;; ,	health and care, education, judiciary, customs***, civil protection***, defence, transport, mobility, energy, environment, cultural and creative sectors, including relevant businesses established within the Union, to effectively deploy and access state-of-the-art digital technologies, such as HPC, quantum, AI and cybersecurity;**'**; ,	health and care, education, judiciary, customs, defence, transport, mobility, energy, environment, cultural and creative sectors, including relevant businesses established within the Union, to effectively deploy and access state-of-the-art digital technologies, such as HPC, quantum, AI and cybersecurity;~~;~~ ,	
Article 1, first paragraph, point (4)				
41	(4) in Article 12, paragraph 5 is replaced by the following:	(4) in Article 12, paragraph 5 is replaced by the following:	(4) in Article 12, paragraph 5 is replaced by the following:	
Article 1, first paragraph, point (4), amending provision, numbered paragraph (5)				
42	‘ 5.The work programme may also provide that legal entities established in associated countries and legal entities that are established in the Union but are controlled from third countries are not eligible to participate in all or some actions under Specific Objective 3 for duly justified security reasons, and in actions focused on technologies with dual-use potential under any specific objective. In such cases, calls for proposals and calls for tenders shall be restricted to legal entities established or deemed to be established in Member States and controlled by Member States or by	‘ 5.The work programme may also provide that legal entities established in associated countries***, other than Ukraine or members of the EFTA which are members of the EEA*** and legal entities that are established in the Union but are controlled from third countries***, other than Ukraine or members of the EFTA which are members of the EEA,*** are not eligible to participate in all or some actions under Specific ~~*Objective*~~***Objectives 2 and*** 3 for duly justified security reasons, and ***particularly*** in actions focused on technologies with dual-use potential under any specific objective. In such	‘ 5.The work programme may also provide that legal entities established in associated countries and legal entities that are established in the Union but are controlled from third countries are not eligible to participate in all or some actions under Specific Objective 3 ~~for duly justified security reasons,~~ and in actions focused on technologies with dual-use potential under any specific objective **for duly justified security reasons**. In such cases, calls for proposals and calls for tenders shall be restricted to legal entities established or deemed to be established in Member States and	

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	nationals of Member States. Such restrictions may be applied to access to the capacities deployed under such calls. '	cases, calls for proposals and calls for tenders shall be restricted to legal entities established or deemed to be established in ~~*Member States*~~ and controlled by Member States, ***Ukraine or members of the EFTA which are members of the EEA, or their*** ~~*or by*~~ nationals ~~*of Member States.*~~ **.** Such restrictions may be applied to access to the capacities deployed under such calls. ***The restrictions shall be proportionate and applied only where strictly necessary.';***	controlled by Member States or by nationals of Member States.– Such restrictions may be applied to access to the capacities deployed under such calls. '	
Article 1, first paragraph d, point (4), amending provision, numbered paragraph (5a)				
42a		***(4a) in Article 20 the following point 2a is added:***		
Article 1, first paragraph d, point (4), amending provision, numbered paragraph (5b)				
42b		***'2a. For calls for proposals intended to support dual-use technologies, services, competences or applications, projects with a trans-European dimension, as referred to in paragraph 2, point (d), shall be given priority where multiple applications are submitted.';***		
Article 1, first paragraph d, point (4), amending provision, numbered paragraph (5c)				
42c		***(4b) in Article 24 the following point 3a is added:***		
Article 1, first paragraph d, point (4), amending provision, numbered paragraph (5d)				
42d		***'3a. The Commission shall,***		

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		where appropriate, include in its work programme actions and activities designed to favour the cross-border cooperation of entities, aimed at ensuring broad geographical coverage across the Union and at promoting integrated and Union-wide supply chains.';		
Article 1, first paragraph d, point (4), amending provision, numbered paragraph (5e)				
42e		***(4c) in Annex I, Specific Objective 5, point I, point 4 is replaced by the following:***		
Article 1, first paragraph d, point (4), amending provision, numbered paragraph (5f)				
42f		***'Deploy decentralised solutions and infrastructures required for large-scale digital applications such as connected automated driving, unmanned aerial, ground, surface and underwater vehicles, smart mobility concepts, smart cities, smart rural areas or outermost regions, in support of transport, energy and environmental policies and in coordination with the actions for digitalising the transport and energy sectors under Connecting Europe Facility.';*** ,		
Article 2				
43	Article 2	Article 2	Article 2	
Article 2, first paragraph				

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44	Regulation (EU) 2021/695 [Horizon Europe] is amended as follows:	Regulation (EU) 2021/695 [Horizon Europe] is amended as follows:	Regulation (EU) 2021/695 [Horizon Europe] is amended as follows:	
Article 2, first paragraph, point (1)				
45	(1) In Article 46, the following paragraph 4a is inserted:	(1) in Article 46, the following paragraph 4a is inserted:	(1) In Article 46, the following paragraph 4a is inserted:	
Article 2, first paragraph, point (1), amending provision, numbered paragraph (4a)				
46	‘ 4a. By derogation from Article 212(3) of the Financial Regulation, repayments including reimbursed advances, revenues and unused amounts net of fees and costs of EIC blended finance of the EIC pilot under Horizon 2020 shall be considered to be internal assigned revenues in accordance with Article 21(3), point (f) and Article 21(4) and (5) of the Financial Regulation and the time restriction of two years set out in the second subparagraph of Article 212(3) of the Financial Regulation shall apply as from [date of entry into force of this Regulation]. ,	‘ 4a. By derogation from Article 212(3) of the Financial Regulation, repayments including reimbursed advances, revenues and unused amounts net of fees and costs of EIC blended finance of the EIC pilot under Horizon 2020 shall be considered to be internal assigned revenues in accordance with Article 21(3), point (f) and Article 21(4) and (5) of the Financial Regulation and the time restriction of two years set out in the second subparagraph of Article 212(3) of the Financial Regulation shall apply as from [date of entry into force of this Regulation].**’** ,	‘ 4a. By derogation from Article 212(3) of the Financial Regulation, repayments including reimbursed advances, revenues and unused amounts net of fees and costs of EIC blended finance of the EIC pilot under Horizon 2020 shall be considered to be internal assigned revenues in accordance with Article 21(3), point (f) and Article 21(4) and (5) of the Financial Regulation and the time restriction of two years set out in the second subparagraph of Article 212(3) of the Financial Regulation shall apply as from [date of entry into force of this Regulation]. ,	
Article 2, first paragraph, point (2)				
47	(2) Article 48(1), second subparagraph is amended as follows:	(2) ***in*** Article 48(1), ***the*** second subparagraph is amended as follows:	~~(2)~~**(1a)** Article 48(1), second subparagraph is amended as follows:	
Article 2, first paragraph, point (2)(a)				
48	(a) in point (a), the following sentence is added:	(a) in point (a), the following sentence is added:	(a) in point (a), the following sentence is added:	

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Article 2, first paragraph, point (2)(a), amending provision, first paragraph				
49	‘ As an exception to Article 7(1), such support may include potential dual-use applications.; ,	‘ As an exception to Article 7(1), such support may include ***civil applications with*** potential dual-use***, provided that such*** applications ~~-~~ ***are primarily designed for civil use’***; ,	‘ As an exception to Article 7(1), such support may include potential dual-use applications.; ,	
Article 2, first paragraph, point (2)(b)				
50	(b) in point (b) the following sentence is added:	(b) in point (b) the following sentence is added:	(b) in point (b) the following sentence is added:	
Article 2, first paragraph, point (2)(b), amending provision, first paragraph				
51	‘ As an exception to Article 7(1), such support may include potential dual-use applications.; ,	‘ As an exception to Article 7(1), such support may include ***civil applications with*** potential dual-use***, provided that such*** applications ~~-~~ ***are primarily designed for civil use’***; ,	‘ As an exception to Article 7(1), such support may include potential dual-use applications.; ,	
Article 2, first paragraph, point (2)(c)				
52	(c) in point (c), the following sentence is added:	(c) in point ~~–~~ (c), the following sentence is added:	(c) in point ~~–~~ (c), the following sentence is added:	
Article 2, first paragraph, point (2)(c), amending provision, first paragraph				
53	‘ As an exception to Article 7(1), such support may include potential dual-use applications.; ,	‘ As an exception to Article 7(1), such support may include ***civil applications with*** potential dual-use***, provided that such*** applications ***are primarily designed for civil use****.’*; ,	‘ As an exception to Article 7(1), such support may include potential dual-use applications.; ,	

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Article 2, first paragraph, point (2)(d)				
54	(d) in point (d), the following sentence is added:	(d) in point (d), the following sentence is added:	(d) in point (d), the following sentence is added:	
Article 2, first paragraph, point (2)(d), amending provision, first paragraph				
55	‘As an exception to Article 7(1), such support may include innovation in critical technologies with focus on defence applications.;’	‘As an exception to Article 7(1), such support may include ~~*innovation in critical*~~***defence and security*** technologies ~~*with focus on defence applications.*~~***referred to in Article 2(1)(a)(iv) [of the STEP regulation], provided they demonstrate dual-use potential’***;’	‘As an exception to Article 7(1), such support may include innovation in critical technologies with focus on defence applications.;’	
Article 2, first paragraph, point (2)(d), amending provision, first paragraph a				
55a		***(2a) in Article 50, the following paragraph 1a is added:***		
Article 2, first paragraph, point (2)(d), amending provision, first paragraph b				
55b		***‘1a. The Commission shall guarantee the proper oversight of the application of the exceptions to Article 7(1) provided for in Article 48, including by tracing, monitoring and reporting it in an appropriate publicly available manner, and by providing additional information to the European Parliament concerning support for dual-use applications and critical technologies upon request.’***		

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Article 2, first paragraph, point (1a), second subparagraph				
55c			**(3) In Article 48, paragraph 2 is replaced by the following:**	
Article 2, first paragraph, point (1a), second subparagraph, amending provision, first paragraph				
55d			‘ **2. The beneficiary of the Accelerator shall be a legal entity qualifying as a start-up, an SME or in exceptional cases as a small mid-cap intending to scale up, established in a Member State or associated country.**	
Article 2, first paragraph, point (1a), second subparagraph, amending provision, second paragraph				
55e			**For support under paragraph 1 of this Article that has defence applications, the participation shall be limited to legal entities established in Member States, EEA members, or Ukraine, and the participation of legal entities directly or indirectly controlled by countries other than Member States, EEA members and Ukraine or by legal entities of countries other than Member States, EEA members and Ukraine shall be excluded.**	
Article 2, first paragraph, point (1a), second subparagraph, amending provision, third paragraph				
55f			**By way of derogation from subparagraph 2, a legal entity established in the Union or in an**	

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			EEA member country and controlled by a third country other than an EEA member and Ukraine or by an entity of a third-country other than an EEA member and Ukraine shall be eligible to be a beneficiary under paragraph 1 of this Article if it has been subject to screening within the meaning of Regulation (EU) 2019/452 and, where necessary, to appropriate mitigation measures, or if guarantees approved in accordance with the national procedures of the Member State or the EEA member country in which the legal entity is established are made available to the Commission. The guarantees shall provide assurances that the support for the legal entity would not contravene the security and defence interests of the Union and its Member States as established in the framework of the common foreign and security policy pursuant to Title V of the TEU, including respect for the principle of good neighbourly relations.	
Article 2, first paragraph, point (1a), second subparagraph, amending provision, fourth paragraph				
55g			**For support under paragraph 1 of this Article that has dual-use applications, the work programme may provide that the participation can be limited to legal entities**	

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			established only in Member States or to legal entities established in specified associated countries in addition to Member States. Any limitation of the participation of legal entities established in associated countries which are EEA members shall be in accordance with the terms and conditions of the Agreement on the European Economic Area. For duly justified and exceptional reasons, in order to guarantee the protection of the strategic interests of the Union and its Member States, the work programme may also exclude the participation of legal entities established in the Union or in associated countries directly or indirectly controlled by non-associated third countries or by legal entities of non-associated third countries from individual calls for proposals, or make their participation subject to conditions set out in the work programme.	
Article 2, first paragraph, point (1a), second subparagraph, amending provision, fifth paragraph				
55h			**The proposal may be submitted either by the beneficiary or, subject to the prior agreement by the beneficiary, by one or more natural persons or legal entities intending to establish or support that beneficiary. In the latter case, the funding agreement shall be**	

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			signed only with the beneficiary. ,	
Article 3				
56	Article 3	Article 3	Article 3	
Article 3, first paragraph				
57	Regulation (EU) 2021/697 [European Defence Fund] is amended as follows:	Regulation (EU) 2021/697 [European Defence Fund] is amended as follows:	Regulation (EU) 2021/697 [European Defence Fund] is amended as follows:	
Article 3, first paragraph a				
57a		***(-1) in Article 2, point (15a) is added:***		
Article 3, first paragraph b				
57b		***'(15a) 'small mid-cap enterprise' or ' small mid-cap' means an enterprise fulfilling requirement established by Commission Recommendation on the definition of small mid-cap enterprises [C(2025) 3500 final]';***		
Article 3, first paragraph c				
57c		***(-1a) Article 5 is replaced by the following:***		
Article 3, first paragraph d				
57d		***'The Fund shall be open to the participation of Ukraine and members of the European Free Trade Association which are members of the EEA, in accordance***		

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		with the conditions laid down in the Agreement on the European Economic Area (associated countries).'		
Article 3, first paragraph, point (1)				
58	(1) Article 6 is replaced by the following:	(1) Article 6 is replaced by the following:	(1) Article 6 is replaced by the following:	
Article 3, first paragraph, point (1), amending provision, first paragraph				
59	‘ Article 6	‘ Article 6	‘ Article 6	
Article 3, first paragraph, point (1), amending provision, second paragraph				
60	Support for disruptive technologies for defence	Support for disruptive technologies for defence	Support for disruptive technologies for defence	
Article 3, first paragraph, point (1), amending provision, numbered paragraph (1)				
61	1.The Commission shall support actions that are conducive to developing disruptive technologies for defence in the areas of intervention defined in the work programmes referred to in Article 24.	1.The Commission shall support actions that are conducive to developing disruptive technologies for defence in the areas of intervention defined in the work programmes referred to in Article 24.	1.The Commission shall**, by means of implementing acts, award funding to** support actions that are conducive to developing disruptive technologies for defence in the areas of intervention defined in the work programmes referred to in Article 24. **Those implementing acts shall be adopted in accordance with the examination procedure referred to in Article 34(2).**	
Article 3, first paragraph, point (1), amending provision, numbered paragraph (2)				
62	2.The work programmes shall lay down the most appropriate forms of funding, selection and award criteria and procedures, and implementation for disruptive technologies for	2.The work programmes shall lay down the most appropriate forms of funding, selection and award criteria and procedures, and implementation for disruptive technologies for	2.The work programmes shall lay down the most appropriate forms of funding, selection and award criteria and procedures, and implementation for disruptive technologies for	

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	defence.; ,	defence.**'**; ,	defence.; ,	
Article 3, first paragraph, point (2)				
63	(2) the following Article is inserted:	(2) the following Article is inserted:	(2) the following Article is inserted:	
Article 3, first paragraph, point (2), amending provision, first paragraph				
64	‘ Article 8a	‘ Article 8a	‘ Article 8a	
Article 3, first paragraph, point (2), amending provision, second paragraph				
65	Cumulative funding and transfers of resources	Cumulative funding and transfers of resources	Cumulative funding and transfers of resources	
Article 3, first paragraph, point (2), amending provision, numbered paragraph (1)				
66	1.An action that has received a contribution from another Union programme may also receive a contribution under the Programme, provided that the contributions do not cover the same costs. The rules of the relevant Union programme shall apply to the corresponding contribution to the action. The support from the different Union programmes may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.	1.An action that has received a contribution from another Union programme may also receive a contribution under the Programme, provided that the contributions do not cover the same costs. The rules of the relevant Union programme shall apply to the corresponding contribution to the action. The support from the different Union programmes may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.	1.An action that has received a contribution from another Union programme may also receive a contribution under the ~~Programme~~**Fund**, provided that the contributions do not cover the same costs. The rules of the relevant Union programme shall apply to the corresponding contribution to the action. The support from the different Union programmes may be calculated on a pro-rata basis in accordance with the documents setting out the conditions for support.	
Article 3, first paragraph, point (2), amending provision, numbered paragraph (2), first subparagraph				
67	2.Resources allocated to Member States under shared management may, at the request of the Member	2.Resources allocated to Member States under shared management may, at the request of the Member	2.Resources allocated to Member States under shared management may, at the request of the Member	

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	State concerned, be transferred to the Programme subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060 for 2021-2027. The Commission shall implement those resources directly in accordance with point (a) of the first subparagraph of Article 62(1) of the Financial Regulation or indirectly in accordance with point (c) of that subparagraph. Such resources shall be used for the benefit of the Member State concerned.	State concerned, be transferred to the Programme subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060 for 2021-2027. The Commission shall implement those resources directly in accordance with point (a) of the first subparagraph of Article 62(1) of the Financial Regulation or indirectly in accordance with point (c) of that subparagraph. Such resources shall be used for the benefit of the Member State concerned***, while ensuring the continued adherence to the programme's established standards of excellence set out in Article 12***.	State concerned, be transferred to the ~~Programme~~**Fund** subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060 ~~for 2021-2027~~. The Commission shall implement those resources directly in accordance with point (a) of the first subparagraph of Article 62(1) of~~–~~ the Financial Regulation or indirectly in accordance with point (c) of that subparagraph. Such resources shall be used for the benefit of the Member State concerned.	
Article 3, first paragraph, point (2), amending provision, numbered paragraph (2), second subparagraph				
68	Resources transferred in accordance to paragraph 2 of this Article may, by derogation from Article 13(2) of this Regulation, be used for the purpose of contributing to the funding of eligible actions under Article 10 of this Regulation up to 100 % of the eligible costs.	Resources transferred in accordance to paragraph 2 of this Article may, by derogation from Article 13(2) of this Regulation, be used for the purpose of contributing to the funding of eligible actions under Article 10 of this Regulation up to 100 % of the eligible costs.	**2a.** Resources transferred in accordance to paragraph 2 of this Article may, by derogation from Article 13(2) of this Regulation, be used for the purpose of contributing to the funding of eligible actions ~~under~~**referred to in points (e), (f), (g), and (h) of** Article ~~10~~**10(3)** of this Regulation up to 100 % of the eligible costs.	
Article 3, first paragraph, point (2), amending provision, numbered paragraph (3)				
69	3.Where the Commission has not entered into a legal commitment under direct or indirect management for resources transferred in accordance with paragraph 3 and at	3.Where the Commission has not entered into a legal commitment under direct or indirect management for resources transferred in accordance with paragraph 3 and at	3.Where the Commission has not entered into a legal commitment under direct or indirect management for resources transferred in accordance with paragraph ~~3~~**2** and at	

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	the latest by 30 September 2027, the corresponding uncommitted resources may be transferred back to one or more respective source programmes, at the request of the Member State concerned, in accordance with the conditions set out in the relevant provisions of Regulation (EU) 2021/1060.	the latest by 30 September 2027, the corresponding uncommitted resources may be transferred back to one or more respective source programmes, at the request of the Member State concerned, in accordance with the conditions set out in the relevant provisions of Regulation (EU) 2021/1060.	the latest by 30 September 2027, the corresponding uncommitted resources may be transferred back to one or more respective source programmes, at the request of the Member State concerned, in accordance with the conditions set out in the relevant provisions of Regulation (EU) 2021/1060.	
Article 3, first paragraph, point (2), amending provision, numbered paragraph (4)				
70	4.Member States, European Union institutions, bodies and agencies, third countries, international organisations, international financial institutions or other third parties, may provide additional financial contributions to the Programme. Such financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a), (d), or (e) or Article 21(5) of the Financial Regulation.; ,	4.Member States, European Union institutions, bodies and agencies, third countries, international organisations, international financial institutions or other third parties, may provide additional financial contributions to the Programme. Such financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a), (d), or (e) or Article 21(5) of the Financial Regulation.**'**;	4.Member States, European Union institutions, bodies and agencies, third countries, international organisations, international financial institutions or other third parties, may provide additional financial contributions to the ~~Programme~~**Fund**. Such financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a), (d), or (e) or Article 21(5) of the Financial Regulation.; ,	
Article 3, first paragraph d, point (2), amending provision, numbered paragraph (4a)				
70a		***(2a) in Article 10 (3), a new indent is added:***		
Article 3, first paragraph d, point (2), amending provision, numbered paragraph (4b)				
70b		***'(ia) activities that foster collaboration between European and Ukrainian DTIBs around the development, prototyping, or testing***		

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		of new products or technologies, including disruptive technologies for defence, and that facilitate progressive integration of industrial bases and technology transfers';		
Article 3, first paragraph d, point (2), amending provision, numbered paragraph (4c)				
70c		***(2b) Article 13(2) is replaced by the following:***		
Article 3, first paragraph d, point (2), amending provision, numbered paragraph (4d)				
70d		***'2. By way of derogation from paragraph 1 of this Article:***		
Article 3, first paragraph d, point (2), amending provision, numbered paragraph (4e)				
70e		***(a) for activities referred to in point (e) of Article 10(3), support from the Fund shall not exceed 20 % of the eligible costs, except where such activities are undertaken by a consortium composed exclusively of SMEs or small midcaps, the support, by derogation from first subparagraph of paragraph 3 of this article, may amount to up to 40% of the eligible costs,***		
Article 3, first paragraph d, point (2), amending provision, numbered paragraph (4f)				
70f		***(b) for activities referred to in points (f), (g) and (h) of Article 10(3), support from the Fund `shall not exceed 80 % of the eligible costs, except where activities referred to in Article 10(3), point (f), are undertaken by a consortium composed exclusively of SMEs or***		

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		small midcaps, the support may amount to up to 100% of the eligible costs.';		
Article 3, first paragraph d, point (2), amending provision, numbered paragraph (4g)				
70g		***(2d) in Article 13(3), the following point (d) is added:***		
Article 3, first paragraph d, point (2), amending provision, numbered paragraph (4h)				
70h		***'(d) an activity may benefit from a funding rate increased by an additional 10 percentage points where at least 15 % of the total eligible costs of the activity are allocated to entity established in Ukraine';*** ,		
Article 4				
71	Article 4	Article 4	Article 4	
Article 4, first paragraph				
72	Regulation (EU) 2021/1153 [Connecting Europe Facility]is amended as follows:	Regulation (EU) 2021/1153 [Connecting Europe Facility]is amended as follows:	Regulation (EU) 2021/1153 [Connecting Europe Facility] is amended as follows:	
Article 4, first paragraph, point (1)				
73	(1) Article 3(2) is amended as follows:	~~*(1)*~~***(-1) in*** Article ~~*3(2) is amended as follows*~~***3, paragraph 1 is replaced by the following***:	(1) **In** Article 3(2) **the point (c) is replaced by the following**~~is amended as follows~~:	
Article 4, first paragraph, point (1a)				
73a		***'1. The general objectives of the CEF are to build, develop,***		

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		modernise and complete and make resilient the trans-European networks in the transport, energy and digital sectors and to facilitate cross-border cooperation in the field of renewable energy, taking into account the long-term decar-bonisation commitments and the goals of increasing European competi-tiveness; smart, sustainable and inclusive growth; territorial, social and economic cohesion; and the access to and integration of the internal market, with an emphasis on facilitating the synergies among the transport, energy and digital sectors.';(1) Article 3(2) is amended as follows:		
Article 4, first paragraph, point (1b)				
73b		***(1) Article 3(2) is amended as follows:***		
Article 4, first paragraph, point (1)(c)				
74	(c) point (c) is replaced by the following:	~~*(c)*~~***(a) in*** point ~~*(c)*~~***(a), indent (ii)*** is replaced by the following:	(c) ~~point (c) is replaced by the following:~~	
Article 4, first paragraph, point (1b)(aa)				
74a		***'(ii) to adapt parts of the TEN-T for the dual-use of the transport infrastructure with a view to improving both civilian and military mobility, including through the development of dual-use fuel infrastructure;';(b) point (c) is replaced by the following:***		

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Article 4, first paragraph, point (1)(c), amending provision, numbered paragraph (c)				
75	‘ (c) in the digital sector: to contribute to the development of projects of common interest relating to the deployment of and access to safe and secure very high capacity networks, including 5G systems, to the set-up and deployment of digital capacities such as cloud, AI and AI Gigafactories, to the increased resilience and capacity of digital backbone networks on Union territories by linking them to neighbouring territories, as well as to the digitalisation of transport and energy networks.; ,	‘ (c) in the digital sector: to contribute to the development of projects of common interest relating to the deployment of and access to safe and secure very high capacity networks, including 5G systems, to the set-up and deployment of digital capacities such as cloud, AI and AI ***Factories, including AI*** Gigafactories, to the increased resilience and capacity of digital backbone networks on Union territories by linking them to neighbouring territories, as well as to the ***secure*** digitalisation of transport and energy networks.**’**; ,	‘ (c) in the digital sector: to contribute to the development of projects of common interest relating to the deployment of and access to safe and secure very high capacity networks, including 5G systems, to the set-up and deployment of digital capacities such as cloud, AI and AI Gigafactories, to the increased resilience and capacity of digital backbone networks on Union territories by linking them to neighbouring territories, as well as to the digitalisation of transport and energy networks.; ,	
Article 4, first paragraph, point (2)				
76	(2) in Article 8(4), the following point (f) is added:	(2) in Article 8(4), the following point (f) is added:	(2) in Article 8(4), the following point (f) is added:	
Article 4, first paragraph, point (2), amending provision, numbered paragraph (f)				
77	‘ (f) projects of common interest contributing to the set-up and deployment or significant upgrade of digital capacities, including cloud, AI and AI Gigafactories shall be prioritized according to the extent they significantly contribute to improve the performance, resilience and security of transport, energy and digital infrastructures that are critical	‘ (f) projects of common interest contributing to the set-up and deployment or significant upgrade of digital capacities, including cloud, AI and AI Gigafactories shall be prioritized according to the extent they significantly contribute to improve the performance, resilience and security of transport, energy and digital infrastructures that are critical	‘ (f) projects of common interest contributing to the set-up and deployment or significant upgrade of digital capacities, including cloud, AI and AI Gigafactories shall be prioritized according to the extent they significantly contribute to improve the performance, resilience and security of transport, energy and digital infrastructures that are critical	

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	for the implementation of the internal market.; ,	for the implementation of the internal market.';	for the ~~implementation~~**proper functioning** of the internal market.; ,	
Article 4, first paragraph, point (2), amending provision, numbered paragraph (fa)				
77a		***(2a) in Article 9, paragraph 2, point (c) is replaced by the following:***		
Article 4, first paragraph, point (2), amending provision, numbered paragraph (fb)				
77b		***'(c) under the specific objective referred to in Article 3(2), point (a)(ii), and in accordance with Article 12, actions or specific activities within an action, supporting parts, new or existing, of the TEN-T suitable for military transport, in order to adapt the TEN-T to dual-use infrastructure requirements, including through the development of dual-use fuel infrastructure;';*** ***Such actions or specific activities within an action [pursuant to the first subparagraph of this point] may include, where relevant, measures to safeguard the infrastructure for civilian-defence dual-use with regard to military counter-mobility and related risks.'***		
Article 4, first paragraph, point (2), amending provision, numbered paragraph (fc)				
77c		***(2b) in Article 9, paragraph 4, point (d) is replaced by the***		

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		following:		
Article 4, first paragraph, point (2), amending provision, numbered paragraph (fd)				
77d		***'(d) actions supporting the protection, deployment of new or the significant upgrading of existing backbone networks or their repair, including submarine cables, within and between Member States and between the Union and third countries, such as the actions listed in Part V, point 3, of the Annex, as well as other actions supporting the deployment of backbone networks referred to in that point;';*** ,		
Article 4, first paragraph, point (3)				
78	(3) in Article 9(4), the following point (f) is added:	(3) in Article 9(4), the following point (f) is added:	(3) in Article 9(4), the following point (f) is added:	
Article 4, first paragraph, point (3), amending provision, numbered paragraph (f)				
79	' (f) actions supporting the set-up and deployment of digital capacities in cloud, AI and AI Gigafactories.; ,	' (f) actions supporting the set-up and deployment of digital capacities in cloud, AI and AI ***Factories, including AI*** Gigafactories.***'***;	' (f) actions supporting the set-up and deployment of digital capacities in cloud, AI and AI Gigafactories.; ,	
Article 4, first paragraph, point (3), amending provision, numbered paragraph (fa)				
79a		***(3a) in Article 12, paragraph 1 is replaced by the following:***		
Article 4, first paragraph, point (3), amending provision, numbered paragraph (fb)				
79b		***'1. Actions contributing to the***		

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		adaptation of the TEN-T core network or comprehensive network as defined by Regulation (EU) No 1315/2013, with the purpose of enabling civilian-defence dual-use of the infrastructure, including dual-use fuel infrastructure, shall be subject to the following additional eligibility rules:'; ,		
Article 4, first paragraph, point (4)				
80	(4) in Article 15 (2), the following point (ba) is added:	(4) in Article 15 (2), the following point (ba) is added:	(4) in Article 15 (2), the following point (ba) is added:	
Article 4, first paragraph, point (4), amending provision, numbered paragraph (ba)				
81	‘ (ba) Subject to the transfer of the necessary resources to the CEF in the context of the mid-term review of programmes supported by the European Regional Development Fund and Cohesion Fund [add legal reference to Regulation adopted pursuant to COM(2025)123, 2025/0084 (COD)], pursuant to Article 4(13), for works relating to the specific objectives referred to in Article 3(2), point (a)(ii), the following conditions apply:	‘ (ba) Subject to the transfer of the necessary resources to the CEF in the context of the mid-term review of programmes supported by the European Regional Development Fund and Cohesion Fund [add legal reference to Regulation adopted pursuant to COM(2025)123, 2025/0084 (COD)], pursuant to Article 4(13), for works relating to the specific objectives referred to in Article 3(2), point (a)(ii), the following conditions apply:	‘ (ba) Subject to the transfer of the necessary resources to the CEF in the context of the mid-term review of programmes supported by the European Regional Development Fund and Cohesion Fund [add legal reference to Regulation adopted pursuant to COM(2025)123, 2025/0084 (COD)], pursuant to Article 4(13), for works relating to the specific objectives referred to in Article 3(2), point (a)(ii), the following conditions apply:	
Article 4, first paragraph, point (4), amending provision, numbered paragraph (ba), point (i)				
82	(i) co-financing rates may be increased to a maximum of 100%;	(i) co-financing rates may be increased to a maximum of 100%***, in particular for projects related to***	(i) co-financing rates may be increased **by 10 percentage points above the co-financing rate**	

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		hot-spots and cross border sections within four priority corridors Military Mobility Corridors identified by the Commission;	**referred to in point (b)**~~to a maximum of 100%~~;	
Article 4, first paragraph, point (4), amending provision, numbered paragraph (ba), point (ii)				
83	(ii) actions are entitled to a pre-financing payment representing at least 30% of the amount allocated in the grant agreement;	(ii) actions are entitled to a pre-financing payment representing at least ***[30%]***~~*30%*~~ of the amount allocated in the grant agreement;	(ii) actions are entitled to a pre-financing payment representing at least ~~30%~~**20%** of the amount allocated in the grant agreement;	
Article 4, first paragraph, point (4), amending provision, numbered paragraph (ba), point (iii)				
84	(iii)actions shall be located on one or more of the four EU Priority Military Mobility Corridors identified by Member States in Annex II to the Military Requirements for Military Mobility within and beyond the Union, as adopted by the Council on [18 March 2025 and with reference ST 6728/25 ADD1] and shall comply with the infrastructure requirements as set out in Commission Implementing Regulation (EU) 2021/1328. ,	(iii)actions shall be located on one or more of the four EU Priority Military Mobility Corridors identified by Member States in Annex II to the Military Requirements for Military Mobility within and beyond the Union, as adopted by the Council on [18 March 2025 and with reference ST 6728/25 ADD1]***, including logistic hubs, and prioritising actions applying to hot spots and cross-border sections of these corridors,*** and shall comply with the infrastructure requirements as set out in Commission Implementing Regulation (EU) 2021/1328. ***To protect the Union's strategic and economic security interests, where appropriate, preference shall be given to the purchase and use of materials, products and technologies which reduce strategic dependencies on third countries.';***	(iii)actions shall be located on one or more of the four EU Priority Military Mobility Corridors identified by Member States in Annex II to the Military Requirements for Military Mobility within and beyond the Union, as ~~adopted~~**approved** by the Council on [18 March 2025 and with reference ST 6728/25 ADD1] and shall comply with the infrastructure requirements as set out in Commission Implementing Regulation (EU) 2021/1328. ,	

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		’		
Article 5				
85	Article 5	*deleted*	*deleted*	
Article 5, first paragraph				
86	Regulation (EU) 2023/1525 [ASAP] is amended as follows:	*deleted*	*deleted*	
Article 5, first paragraph, point (1)				
87	*(1)* in Article 6, the following paragraphs are inserted:	*deleted*	*deleted*	
Article 5, first paragraph, point (1), amending provision, numbered paragraph (3a)				
88	‘ *3a.* Member States, Union institutions, bodies and agencies, third countries, international organisations, international financial institutions or other third parties, may provide additional financial contributions to the Instrument. Such financial contributions shall constitute external assigned revenue within the meaning of Article 21(2), points (a), (d) or (e), or Article 21(5) of the Financial Regulation.	*deleted*	*deleted*	
Article 5, first paragraph, point (1), amending provision, numbered paragraph (3b)				
89	*3b.* Resources allocated to Member States under shared management	*deleted*	*deleted*	

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	may, at the request of the Member States concerned, be transferred to the Instrument subject to the conditions set out in the relevant provisions of Regulation (EU) 2021/1060. The Commission shall implement those resources directly in accordance with Article 62(1), first subparagraph, point (a), of the Financial Regulation or indirectly in accordance with point (c) of that subparagraph. Such resources shall be used for the benefit of the Member State concerned.			
Article 5, first paragraph, point (1), amending provision, numbered paragraph (3c)				
90	*3c.* Resources transferred in accordance to paragraph 3b of this Article may, by derogation from Article 19c(6) of this Regulation, be used for the purpose of contributing to the funding of eligible actions under Article 13 of this Regulation up to 100 % of the eligible costs.	*deleted*	*deleted*	
Article 5, first paragraph, point (1), amending provision, numbered paragraph (3d)				
91	*3d.* Where the Commission has not entered into a legal commitment under direct or indirect management for resources transferred in accordance with paragraph 3 and at the latest by 30 September 2027, the corresponding uncommitted resources may be transferred back to one or more respective source programmes, at the request of the	*deleted*	*deleted*	

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	Member State concerned, in accordance with the conditions set out in the relevant provisions of Regulation (EU) 2021/1060. ,			
Article 5, first paragraph, point (2)				
92	*(2)* in Article 24, the second paragraph is replaced by the following:	*deleted*	*deleted*	
Article 5, first paragraph, point (2), amending provision, first paragraph				
93	‘ This Regulation shall apply until 31 December 2026. That shall not affect the continuation or modification of actions initiated pursuant to this Regulation or any actions necessary to protect the financial interests of the Union. ,	*deleted*	*deleted*	
Article 6				
94	Article 6	Article 6	Article 6	
Article 6, first paragraph -a				
94a		***Regulation (EU) 2024/795, [Strategic Technologies for Europe Platform (STEP)] is amended as follows:***	**Regulation (EU) 2024/795, [Strategic Technologies for Europe Platform (STEP)] is amended as follows:**	
Article 6, first paragraph				
95	In Article 2(1), point (a) of	***(1)*** In Article 2(1), point (a) ~~*of*~~	**(1)** In Article 2(1), point (a) ~~of~~	

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	Regulation (EU) 2024/795, [Strategic Technologies for Europe Platform (STEP)] the following point is added:	~~*Regulation (EU) 2024/795*~~, ~~*[Strategic Technologies for Europe Platform (STEP)]*~~ the following ~~*point*~~***indent*** is added:	~~Regulation (EU) 2024/795~~, ~~[Strategic Technologies for Europe Platform (STEP)]~~ the following point is added:	
Article 6, first paragraph, amending provision, numbered paragraph (iv)				
96	‘ (iv) defence technologies; ’	‘ (iv) defence ***and security*** technologies ***including those enhancing societal resilience’***;	‘ (iv) defence technologies **necessary for the development and manufactuing of defence products, including those defence-related products referred to in the Annex to Directive 2009/43/EC**;	
Article 6, first paragraph, amending provision, numbered paragraph (IVa)				
96a			**(2) In Article 2(7), the following is added before the last sentence:**	
Article 6a, first paragraph, amending provision, numbered paragraph (IVa)				
96a		***(2) In Article 2(2), point (b) is replaced by the following:***		
Article 6, first paragraph, amending provision, numbered paragraph (IVb)				
96b			**‘By [two months after the entry into force of this Regulation], the Commission shall update that guidance to clarify how defence technologies can be considered to be critical.’** ,	
Article 6a, first paragraph, amending provision, numbered paragraph (IVb)				
96c		***‘(b) they contribute to reducing or preventing strategic***		

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		dependencies and vulnerabilities of the Union."' ,		
Article 7				
97	Article 7	Article 7	Article 7	
Article 7, first paragraph				
98	This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union.	This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union.	This Regulation shall enter into force on the day following that of its publication in the Official Journal of the European Union.	
Article 7, second paragraph				
99	This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.	This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.	This Regulation shall be binding in its entirety and directly applicable in the Member States in accordance with the Treaties.	
Formula				
100	Done at Brussels,	Done at Brussels,	Done at Brussels,	
Formula				
101	For the European Parliament	For the European Parliament	For the European Parliament	
Formula				
102	The President	The President	The President	
Formula				
103	For the Council	For the Council	For the Council	
Formula				
104	The President	The President	The President	

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