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General Secretariat

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INFORMATION

From:	General Secretariat of the Council
To:	Budget Committee

Subject:	Proposal for a Council Regulation establishing the Security Action for Europe (SAFE) through the reinforcement of European defence industry Instrument: EP's request to initiate the procedure on budgetary scrutiny of proposals based on Article 122 TFEU with potential appreciable implications for the Union budget
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In the context of the above-mentioned Commission proposal, delegations will find enclosed EP's request to initiate the procedure of budgetary scrutiny for proposals based on Article 122 TFEU with potential appreciable implications for the Union budget.

The President

Mr Adam Szłapka
President-in-Office
Council of the European Union
Rue de la Loi 175
B-1048 Brussels

D 302432 27.03.2025

Dear President,

On 19 March 2025, the Commission presented a proposal for a Council Regulation establishing the Security Action for Europe (SAFE) through the reinforcement of the European defence industry instrument, as one of the five pillars of the ReArm Europe Plan designed to bolster European defence capabilities in a deteriorating security environment.

Regrettably, and despite Parliament's commitment to work with the utmost dispatch in the current context, Article 122 of the Treaty on the Functioning of the European Union (TFEU) has been chosen as the legal basis for the proposed SAFE instrument, entailing a special legislative procedure that undermines Parliament's legislative and budgetary functions.

The Conference of Presidents therefore decided, at its meeting of 26 March 2025, to request, in line with the joint declaration of 16 December 2020¹, that the procedure on budgetary scrutiny of proposals based on Article 122 TFEU be initiated, bearing in mind that this would be without prejudice to any other action that Parliament may take in relation to the legal basis of the proposed SAFE instrument.

Under the terms of the joint declaration, any proposal from the Commission based on Article 122 TFEU must be accompanied by an assessment of the budgetary implications thereof and indicate whether the act in question may, in its view, have appreciable implications for the Union budget. The Commission failed to make any reference to the budgetary scrutiny procedure in its proposal, even though the proposed SAFE instrument, as a lending scheme of up to EUR 150 billion underpinned by a guarantee from the Union, obviously has appreciable implications for the Union budget.

The joint declaration provides for the convening of a Joint Committee consisting of representatives of the Parliament and of the Council to engage in a constructive dialogue on the budgetary implications of the proposed legal act. On that basis, Parliament and the Council shall proceed without delay in establishing the Joint Committee consisting of representatives of the European Parliament and of the Council at the appropriate level, with the Commission providing the necessary active assistance. As set out in the joint declaration, the Joint Committee should conduct its work over a period not exceeding two months.

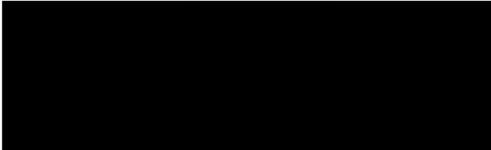
¹ Joint declaration of the European Parliament, the Council and the Commission on budgetary scrutiny of new proposals based on Article 122 TFEU with potential appreciable implications for the Union budget (2020/C 444 I/05), OJ C 444 I, 22.12.2020, p. 5.

I am sure that the three Institutions will collaborate in a highly constructive spirit, with a view to seeking a joint understanding of the budgetary implications of the proposed SAFE instrument, and that the necessary administrative steps can be taken promptly to allow the Joint Committee to commence its work.

The kick-off meeting should be organised as soon as possible, while the Council legislative work on the file is ongoing. This would demonstrate a genuine commitment to respecting previous agreements among the institutions.

A similar letter has been sent to the President of the European Commission.

Yours sincerely,

A large black rectangular redaction box covering the signature area.

Roberta Metsola