

Position paper on the Defence Omnibus

BDLI (German Aerospace Industries Association)

BDSV (German Security and Defence Industry Association)



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Introduction

In the face of global crises and security policy challenges, the European defence industry is under increasing pressure to expand its production capacities, accelerate innovation cycles and make supply chains resilient. However, the regulatory framework at EU (European Union) level has not yet been sufficiently tailored to the specific needs of the defence industry sector. With the „Defence Omnibus“, the European Commission has announced an important instrument for reducing bureaucracy and structural simplification. The BDLI welcomes this initiative and formulates key proposals and demands below.

Conclusion

The Defence Omnibus is an opportunity to remove regulatory blockades and strengthen the competitiveness of the European defence industry. The BDLI calls on the European Commission to swiftly implement the measures outlined here to secure Europe's security, sovereignty and innovative strength in the long term.

1. EU legal framework for defence projects

Harmonisation of IPR (Intellectual Property Rights) regulations and templates for MoUs within EDF (European Defence Fund)

There are currently different requirements for intellectual property rights (IPR) by national defence ministries, which makes it difficult to form consortia and draft contracts. Standardised regulations and MoU (Memorandum of Understanding) templates would significantly improve the coordination and efficiency of EDF projects.

Centralised Ownership Control Database (OCA)

An EU-wide database in which companies only have to register their ownership structure and other standardised information once would reduce the repetition of recurring applications and facilitate consortium formation.

Mutual recognition of production authorisations

Until now, new production lines have always had to be authorised nationally – without mutual recognition. Mutual recognition across the EU would speed up authorisation processes and facilitate capacity expansion.

2. Planning and authorisation procedures

Temporary exemptions from the EIA (Environmental Impact Assessment) Directive for defence investments

The environmental impact assessment (EIA) often delays defence projects requiring approval. A temporary exemption for security-relevant investments would create planning certainty.

Introduction of an EU-wide prioritisation mechanism

Similar to the Net Zero Industry Act, there should be an instrument at EU level that prioritises strategic investments in the defence industry and simplifies approval procedures.

3. Material availability and supply chains

Fast-track process for critical substances

Many key materials (e.g. PFAS (perfluorinated and polyfluorinated alkyl substances)) are subject to strict authorisation processes that are time-consuming. A prioritised procedure with accelerated testing for defence-relevant materials is necessary.

Building up strategic raw material reserves

The availability of critical raw materials must also be ensured in the event of a crisis. Defence-specific reserves should be built up in a targeted manner and secured via European production structures.

Exemptions for classified products

Reporting obligations such as SCIP (Substances of Concern In articles as such or in complex objects (Products)) or REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals) Art. 33 are problematic for products with national safety relevance. An exemption for classified products is necessary to avoid safety risks and data leakage.

4. Staff availability and promotion

Support for training courses in the defence sector via the Cohesion Fund

The shortage of skilled labour is a growing problem in the sector. Funding programmes for dual training or specialist training in defence professions should be made eligible for funding via the cohesion or structural funds.

Recognition of the defence sector in EU education funding

Defence-related vocational training and courses of study must be recognised as eligible qualifications in EU programmes (e.g. Erasmus (EU programme for education, training, youth and sport)+, ESF (European Social Fund Plus)+).

5. ESG (Environmental, Social, Governance) regulations and financing

Classify defence spending for NATO/EU members as sustainable in the sense of the taxonomy

Arms exports to allies for defence purposes are relevant to security. These should be considered sustainable within the framework of the EU taxonomy, analogous to the regulation for nuclear energy.

Reduction of reporting obligations (e. g. CSRD (Corporate Sustainability Reporting Directive)) to Tier 1 suppliers

The complete tracking of ESG data across several supply chain levels is unrealistic. Limiting it to Tier 1 suppliers increases feasibility without loss of transparency.

“Comply or explain” approach for DNSH (Do No Significant Harm) criteria

Companies should have the option to deviate from certain reporting requirements, provided this is justified and transparent. This increases the practicability of regulation for the industry.

6. Award procedure

Cancellation of reverse auctions in accordance with Directive 2009/81/EC

These award formats lead to ruinous price competition and harm small and medium-sized enterprises in particular. They should be removed from the procurement law framework.

Longer terms for framework agreements

At present, these are generally limited to seven years. An extension to ten years increases planning security and the industry’s willingness to invest.

Promotion of functional service descriptions

Instead of detailed technical specifications, objectives and functions should be described in order to facilitate innovation and reduce the effort involved in tenders.

7. Intra-community transfer of defence equipment

Strengthening the enforcement of the ICT (Internal Community Transfer) Directive (2009/43/EC)

Although the directive was intended to create standardised rules, it is often inadequately implemented at national level. More binding enforcement would facilitate intra-community transfers.

Introduction of an EU-wide transfer certificate

A standardised certificate would reduce administrative costs, increase legal certainty and speed up cross-border projects.

8. Information exchange & classification

Establishing a common EU security platform

A secure digital platform for the exchange of classified content would significantly improve cooperation in consortia.

Harmonisation of classification levels

Different national classifications hinder cooperation. Harmonised EU logic for classifying information would simplify processes.

9. Certification & recognition

Introduction of an EU-wide cross-certification standard

National authorisation procedures often take a long time and are difficult to compare. A standardised procedure for mutual recognition would speed up processes considerably.

Reduction of special national regulations

The large number of different national requirements causes a great deal of effort in multinational projects. Standardised EU rules are required.

10. Programmes such as EDF, EDIRPA (European Defence Industry Reinforcement through common Procurement Act), ASAP (Act in Support of Ammunition Production)

Standardised MoU and IPR guidelines

Differing requirements between member states lead to delays. Harmonised standards improve the application process and project handling.

Introduction of a standardised digital portal for project management

There are currently various platforms with different requirements (SyGMA (System for Grant Management), S-CIRCABC (Communication and Information Resource Centre for Administrations, Businesses and Citizens)). A standardised, user-friendly platform would be more efficient and secure.

11. Further programmes & simplifications

Defence explicitly eligible for funding in Horizon Europe & InvestEU (Investment Plan for Europe)

Many funding programmes effectively exclude defence. Yet dual-use technologies are increasingly relevant – an opening is required here.

Exceptions for DNSH, Scope 3 (indirect emissions along the value chain), end-user reporting in the ESG area

These obligations lead to potential security risks for defence products. Exemptions are necessary in order to protect sensitive data and reduce the burden on processes.

Harmonisation of definitions & requirements for SMEs (small and medium-sized enterprises)

Small and medium-sized enterprises are particularly affected by regulatory complexity. Standardised terms and adjusted thresholds create clarity and reduce the burden on companies.

About the aerospace industry

The German aerospace industry, represented by the BDLI e.V., is an integral part of the European aerospace industry. As a key strategic industry, the sector plays a decisive role in the technological and economic sovereignty of the European Union. It promotes economic growth, technological innovation and international connectivity. In Germany alone, the industry contributes significantly to GDP with over 115,000 employees and an annual turnover of over 46 billion euros.

Over the decades, Europe has worked together with industry, member states and the European Union to achieve a leading position in the aerospace industry. This must be maintained and further expanded in the face of international competition. In view of far-reaching technological, political and industrial changes, this requires sustained investment in research and innovation.

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About the security and defence industry

The BDSV represents the interests of the German Security and Defence Industry nationally and internationally. Additionally, it aims at increasing the visibility of Germany's highly competitive Security and Defence Industry.

The BDSV is the point of contact for policy-makers, government departments and foreign governments. It fosters the information flow of national and European decision makers on industrial policy, R&D as well as other relevant issues.

The BDSV itself is member of the Federation of German Industries (BDI), the AeroSpace and Defence Industries Association of Europe (ASD) and the NATO Industrial Advisory Group (NIAG).

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