EUROPEAN
COMMISSION

Brussels, 3.7.2026
COM(2026) 358 final

2026/0192 (NLE)

Proposal for a

COUNCIL IMPLEMENTING DECISION

on the identification of European Defence Projects of Common Interest under Regulation (EU) 2025/2643 of the European Parliament and of the Council

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

• Reasons for and objectives of the proposal

Regulation (EU) 2025/2643 of the European Parliament and of the Council establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products ('the EDIP Regulation') provides, in Article 35, the possibility for the identification of European Defence Projects of Common Interest ('EDPCIs').

EDPCIs shall consist of collaborative industrial projects aimed at reinforcing the competitiveness of the EDTIB throughout the Union while contributing to the development of Member States' military capabilities critical for the security and defence interests of the Union and including those capabilities securing access to all operational domains.

Pursuant to Article 35(3) of Regulation (EU) 2025/2643, the Council, acting on a proposal from the Commission, may adopt implementing acts identifying EDPCIs. The present proposal fulfils that requirement by setting out a first set of projects that meet the conditions laid down in the EDIP Regulation in order to identify them as EDPCIs.

The list of projects under this proposal is based on an assessment by the Commission, with the support of the High Representative of the Union for Foreign Affairs and Security Policy (the 'High Representative') as well as the European Defence Agency (EDA), of the compliance of the projects submitted by Member States in accordance with Article 35(4) against the criteria set out in the EDIP Regulation. The projects proposed to be identified as EDPCIs are considered to make a substantial contribution to the Union's defence readiness by fostering collaborative development and procurement, by supporting the ramp-up of industrial capacities where necessary, and by improving interoperability and standardisation across participating Member States.

2. LEGAL BASIS, SUBSIDIARITY AND PROPORTIONALITY

• Legal basis

The legal basis for the proposal for a Council Implementing Decision is Article 35(3) of Regulation (EU) 2025/2643. That provision empowers the Council, acting on a proposal from the Commission, to adopt an implementing act identifying European Defence Projects of Common Interest.

• Subsidiarity

The proposal concerns an area of shared competence, in particular the industrial dimension of the Union's defence readiness. The objectives pursued by the proposal cannot be sufficiently achieved by Member States acting alone.

Under Article 35 of Regulation (EU) 2025/2643, the identification of EDPCIs requires a Union-level assessment of projects against common criteria laid down in the EDIP Regulation and a common determination that the projects serve a common European interest. Action at Union level is necessary to ensure consistency, transparency and equal treatment in the identification of such projects, and to provide a common framework for projects whose rationale and effects are inherently transnational.

- **Proportionality**

The proposal complies with the principle of proportionality as set out in Article 5 of the Treaty on European Union. It is limited to what is necessary to implement Article 35(3) of the EDIP Regulation.

The proposed Council Implementing Decision does not create obligations beyond those necessary for the identification of EDPCIs under the legal framework established by the basic act.

3. BUDGETARY IMPLICATIONS

The funding of EDPCIs may be provided by the budgetary envelope identified for that purpose in the Work Programme adopted pursuant to Article 21 of the EDIP Regulation. This decision is without prejudice to any subsequent decision to award Union funding.

Following their establishment, the group of Member States (and potential future Structures for European Armament Programme) participating in an EDPCI would be eligible and granted funding under Article 35 of the EDIP Regulation in accordance with a dedicated procedure.

4. OTHER ELEMENTS

- **Procedural steps for the identification of European Defence Projects of Common Interest (EPDCIs)**

(1) The Commission launched on 16 February 2026 a call for expression of interest aimed at consulting EU Member States in an inclusive manner on the identification of possible European Defence Projects of Common Interest (EDPCIs), pursuant to Article 35 of Regulation (EU) 2025/2643. By the deadline of 29 May 2026, Member States submitted nine project proposals for possible EDPCIs.

(2) The Commission invited the High Representative of the Union for Foreign Affairs and Security Policy (the 'High Representative') through the European External Action Service (EEAS), including the EU Military Staff (EUMS), as well as the European Defence Agency (EDA), to provide their expertise with a view to ensuring consistency with the priorities and objectives referred to in Article 35(2), points (b), (c) and (d), and to complement the information provided by Member States regarding project proposals.

(3) The Commission verified that all Member States and associated countries, and, where relevant, Ukraine, were informed of the emergence of a project and were given the opportunity to participate.

(4) The Commission verified, considering also the information provided by the EEAS, including EUMS, and EDA, the compliance of the project proposals for possible EDPCIs under the call for expression of interest against the criteria laid down in Article 35(2) of Regulation (EU) 2025/2643.

- **Detailed explanation of the specific provisions of the proposal**

Article 1 of the Commission proposal of the Council Implementing Decision constitutes the operative provision that indicates that the projects listed in the Annex are to be identified as the first European Defence Projects of Common Interest (EDPCIs), pursuant to Article 35 of Regulation (EU) 2025/2643.

The Annex to the Decision lists the five projects to be identified as EDPCIs and sets out, for each of them, the main objectives and characteristics, the participating countries, and the estimated overall financial size, as requested by Article 35(6) of Regulation (EU) 2025/2643.

Furthermore, in line with Article 35(14), the Commission shall be able, where relevant, to participate in the projects and participating Member States may decide to involve the High Representative and the EDA as observers to an EDPCI. Therefore, the proposed participation of the Commission and the involvement of the High Representative and the EDA as observers is also listed in the Annex, to enhance transparency and provide clarity as to the framework of each identified EDPCI.

- **Detailed explanation on the check of compliance of the EDPCI proposals with the criteria set out in Article 35(2) of the Regulation (EU) 2025/2643**

As a result of the verification process, in accordance with Article 35(3) of Regulation (EU) 2025/2643, the Commission proposes to identify, at this stage, five out of the nine submitted proposals as EDPCIs, namely: DronE and Counter Drone European Resolve (DECODER); Integrated Maritime and Seabed Defence (IMSD); SPACE; EU Federated Integrated Air and Missile Defence including Early Warning (EU-FIAMD), and Eastern Flank Watch (EFW).

The Commission assessed that, in regard of the clarity of their objectives and level of maturity, the five proposals fully meet the criteria set out in Article 35(2) of Regulation (EU) 2025/2643. In particular, they have the potential to significantly strengthen the competitiveness, efficiency and innovation capacity of the EDTIB, contribute to the development of Member States' military capabilities, take into account cooperation in the framework of PESCO and EDA initiatives and projects and relevant activities carried out by NATO, while being inclusive, benefitting a wider part of the Union, being significant in size and scope. Their potential benefits are considered to outweigh their cost.

The Commission considers that, where appropriate and in accordance with Regulation (EU) 2025/2643, the deployment of identified EDPCIs should facilitate cooperation with Ukraine and make use of relevant lessons learned.

DronE and Counter Drone European Resolve (DECODER)

The proposal addresses the strengthening of the competitiveness and innovation capacity of the EDTIB within a long-term perspective, supports market integration, reduction of strategic dependencies and improving interoperability. It demonstrates the important contribution of the project to critical military capabilities for the security and defence interests of the Union, as well as addressing civil-military cooperation and dual use technologies. It takes into account PESCO and EDA initiatives as well as relevant NATO activities.

The proposal provides a strong, well-substantiated case for benefiting a wider part of the Union and involves 26 Member States, as well as additional countries. The proposal provides evidence of significant scope that addresses both technical complexity and a diversity of operational and industrial activities, as well as long-term strategic ambition and substantial estimated overall financial size.

Integrated Maritime and Seabed Defence (IMSD)

The proposal addresses the strengthening of the competitiveness and innovation capacity of the EDTIB and is expected to help extend cross-border cooperation, reduce fragmentation within the strongly fragmented European maritime defence market and generate positive spill-over effects for the civilian sector. The project will also cover cooperation with civil authorities, delivering on the flagship action of the European Ocean Pact on Maritime Domain

Awareness. It contributes to addressing capabilities critical for the security and defence interests of the Union by supporting maritime domain awareness, protection of critical underwater infrastructure, interoperable naval architectures and underwater & seabed warfare capabilities.

The project builds upon several ongoing PESCO and EDA initiatives and takes into account relevant NATO activities. It demonstrates the involvement of a high number of countries (17) and its benefits extend to a wider part of the EU. The project is significant in scope and has a substantial estimated overall financial size.

SPACE

The proposal addresses the strengthening of the competitiveness and innovation capacity of the EDTIB, supports the transformation of mature R&D into sovereign operational capabilities that no single Member State can develop alone, broadens cross-border partnerships, creates new market opportunities and addresses the reduction of structural dependence in the field of space. The project is highly relevant from a military and operational perspective and constitutes a direct and structural contribution to the EU Space Shield.

The project takes into account relevant PESCO projects and aims to reinforce Member States' capabilities and interoperability in consistency with NATO activities. It demonstrates the involvement of a high number of countries (16). It is significant in scope, has a substantial estimated overall financial size and its benefits extend to a wide part of Europe through the inherent Union-wide coverage of space-based capabilities.

EU Federated Integrated Air and Missile Defence including Early Warning

(EU-FIAMD)

The proposal addresses the strengthening of the competitiveness and innovation capacity of the EDTIB and supports the creation and expansion of cooperation among European industry. It will contribute to the creation of a federated system of systems that will provide critical military capabilities, namely collective and integrated air and missile defence (IAMD) to the Member States. It takes into account PESCO and EDA initiatives as well as relevant NATO activities.

The project demonstrates the involvement of a high number of countries (16). It contributes directly to strengthening the collective resilience of the EU through enhanced IAMD, improved protection of critical infrastructure, increased operational coordination of armed forces and the reinforcement of industrial capacities in critical sectors related to air and missile defence. The project is significant in scope and has a substantial estimated overall financial size.

Eastern Flank Watch (EFW)

The proposal addresses the strengthening of the competitiveness and innovation capacity of the EDTIB, market integration, SMEs and mid-caps integration via supply chain diversification as well as reduction of strategic dependencies. It addresses critical capability areas, such as ground combat, C4ISTAR, Air and Missile Defence, drones/counter-drones as well as military mobility. It takes into account PESCO and EDA initiatives and builds on and contributes to relevant NATO activities.

The project demonstrates the involvement of a high number of countries (15). The proposal is structured as a multi-domain capability development initiative and while it is geographically focused on the EU Eastern border, it benefits all Member States against concrete security

threats and is open to extend its geographic area of interest. The project is significant in scope and has a substantial estimated overall financial size as well as long-term ambition.

By contrast, four other proposals, namely European Robotic Combat Units for Land operations (ERCUL), Artillery Systems (ARTISYS), Multi Domain Operation Platform systems (ARCADIA) and European Defence Data Space for AI (EDDS), whilst displaying relevance for strengthening EU defence readiness, were found to not yet fully comply with all criteria set out in Article 35(2) of Regulation (EU) 2025/2643 in respect of the insufficient clarity with which their objectives are described, and of their overall level of maturity, including in terms of their ambition to bring together, under the shared objective of achieving defence readiness, the diversity of relevant industrial players and solutions. Subject to further maturation, these proposals show nonetheless solid potential to be identified as EDPCIs following a subsequent call for expression of interest. In that respect, they may therefore receive EDIP funding to support their further development.

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THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2025/2643 of the European Parliament and of the Council of 16 December 2025 establishing the European Defence Industry Programme and a framework of measures to ensure the timely availability and supply of defence products ('EDIP Regulation')[1], and in particular Article 35(3) thereof,

Having regard to the proposal from the European Commission,

Whereas:

(1) On 16 February 2026, the Commission launched a call for expression of interest aimed at consulting the Member States on the identification of possible European Defence Projects of Common Interest (EDPCIs), pursuant to Article 35 of Regulation (EU) 2025/2643. By the deadline of 29 May 2026, Member States submitted nine project proposals for possible EDPCIs.

(2) In line with Article 35(5)(b) of the EDIP Regulation, the Commission invited the High Representative of the Union for Foreign Affairs and Security Policy (the 'High Representative') through the European External Action Service (EEAS) as well as the European Defence Agency (EDA), to provide their expertise with a view to ensuring consistency with the priorities and objectives referred to in Article 35(2), points (b), (c) and (d), of that Regulation, and to complement the information provided by Member States regarding project proposals.

(3) The Commission verified that all Member States and associated countries, and, where relevant, Ukraine, were informed of the emergence of a project and were given the opportunity to participate.

(4) The Commission verified, considering the information provided by the EEAS and EDA, the compliance of the project proposals for possible EDPCIs under the call for expression of interest against the criteria laid down in Article 35(2) of Regulation (EU) 2025/2643 and proposed to identify five proposals as EDPCIs.

(5) The identified EDPCIs meet the criteria set out in Article 35 (2) of Regulation (EU) 2025/2643. In particular, they have the potential to significantly strengthen the competitiveness, efficiency and innovation capacity of the European Defence Technological and Industrial Base (EDTIB), contribute to the development of Member States' military capabilities, take into account cooperation in the framework of Permanent Structured Cooperation (PESCO) and EDA initiatives and projects and relevant activities carried out by the North Atlantic Treaty Organisation (NATO),

[1] OJ L 2025/2643, 29.12.2025.

while being inclusive, benefit a wider part of the Union, be significant in size and scope, and their potential benefits outweigh their cost.

(6) With respect to each EDPCI proposed for identification, the criterion of relevance is constituted, and the Commission should therefore participate in all EDPCIs proposed for identification in accordance with Article 35(14) of Regulation (EU) 2025/2643. The High Representative and EDA should be involved as observers in all five EDPCIs proposed for identification.

HAS ADOPTED THIS DECISION:

Article 1

The projects listed in the Annex, are identified as European Defence Projects of Common Interest (EDPCIs).

Article 2

This Decision is addressed to the Member States.

Done at Brussels,

For the Council
The President