



PUBLIC LAW

Defense Readiness Omnibus

The European Commission has released its ambitious Defense Readiness Omnibus communication, marking a decisive shift towards strengthening Europe's defence capabilities by 2030. This comprehensive package addresses the urgent need to rebuild European defence readiness in response to growing security threats and the ongoing conflict in Ukraine.

Likewise, the Union is enabling Member States to raise up to EUR 800 billion for additional defence spending over the next four years under the ReArm Europe Plan/Readiness 2030. More than half of Member States have already requested activation of the national escape clause under the Stability and Growth Pact to significantly increase their defence spending. Building on the ramp-up in defence investment, the package calls for urgent regulatory reforms to simplify procurement procedures, promote innovation through direct acquisition of cutting-edge products, and strengthen cooperation between Member States by enabling longer and more flexible framework agreements.

Among the key developments, we highlight the following:

○ Defence Procurement Reforms

The Commission proposes that the revision of the public procurement directives should cover several strategic areas, notably the increase of application thresholds, the strengthening of innovation, and greater flexibility in framework agreements. Specifically, it suggests raising the threshold for supply and service contracts to EUR 900,000.00 thereby exempting lower-value contracts from more complex procedures. The proposal also introduces new possibilities for the direct procurement of innovative products resulting from competitive research projects, supporting the transition from research to market. Finally, it foresees the extension of the duration of framework agreements up to 10 years, as well as their opening to participation by other Member States, promoting cross-border cooperation and long-term efficiency.

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○ Intra-EU Transfer Streamlining

In parallel, the Commission is also advancing significant simplifications to the rules governing the transfer of defence products within the EU, aiming to accelerate procedures and strengthen cooperation among Member States. Key measures include the wider use of General Transfer Licences, which would reduce processing times from 6–7 weeks to just 1–3 days. The proposal further introduces exemptions for components intended to be integrated into final products in other Member States, thereby eliminating unnecessary duplication. Additionally, it provides for simplified reporting obligations in relation to technology transfers, fostering a more agile and industry-oriented regulatory environment.

○ European Defence Fund (EDF)

Enhancements are being proposed to the EDF to streamline participation and strengthen industrial cooperation across the EU. These include simplified award criteria and evaluation processes to reduce administrative burdens and accelerate project implementation. The changes would also allow for higher levels of subcontracting – above the current 30% threshold – encouraging broader involvement of SMEs and specialised suppliers. In addition, the validity period for ownership control assessments would be extended from 18 to 36 months, offering greater legal certainty for participating entities. A progressive rollout of the *Secret de l'Union Européenne* system is also foreseen, enabling secure information exchange within EDF-supported projects.

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○ Investment and Financing

Adjustments are being introduced to better align EU funding instruments with the needs of the defence sector. Under the InvestEU Fund, eligibility criteria will be adapted to allow for debt, debt guarantees, and equity financing in defence-related projects, while ensuring appropriate safeguards remain in place. Clarifications are also being made in the context of sustainable finance. Only weapons prohibited by international conventions will be excluded from benchmarks, avoiding overly broad restrictions on legitimate defence activities. The unique characteristics of the defence industry will be acknowledged in sustainability reporting obligations, and specific provisions will allow for the withholding of sensitive information where necessary to protect national and operational security interests.

○ Skills and workforce development

The Commission proposes a set of targeted measures under the Union of Skills initiative to support the defence industry's evolving needs. This includes a strengthened Pact for Skills to promote strategic partnerships and workforce upskilling, the establishment of additional centres of vocational excellence dedicated to defence, and enhanced support for defence-related education through existing European programmes. Furthermore, existing flexibility under the Working Time Directive should be utilised to allow derogations for defence readiness activities during periods of heightened operational demand, ensuring responsiveness without compromising legal safeguards.

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○ **Ukraine cooperation**

In line with the White Paper recommendations, testing activities carried out in Ukraine will become eligible for EDF funding, allowing the European defence industry to benefit from Ukraine's active war situation for rapid testing capabilities and battlefield feedback.

Looking ahead,

This Defence Readiness Omnibus represents a fundamental mindset shift towards defence agility in the Union's legislative framework. The Commission emphasises that "History does not forgive either dithering or delaying" and positions this initiative as crucial for building an independent Europe capable of safeguarding peace and security.

The comprehensive package addresses regulatory hurdles across multiple sectors while maintaining high environmental, social, and safety standards. Implementation will require close cooperation between Member States, industry, and EU institutions to achieve the ambitious 2030 defence readiness timeline. ■