



EUROPEAN COMMISSION

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*Mr Liviu DRAGNEA
President of the
Camera Deputaților
Palace of the Parliament
Str. Izvor nr. 2-4, sector 5
RO – 050563 BUCHAREST*

Dear President,

The Commission would like to thank the Camera Deputaților for its Opinion on the European Defence Action Plan {COM(2016) 950 final}. This Action Plan represents a significant milestone in the Commission's policy to support Europe's defence industry and to enhance European defence cooperation. It outlines a wide range of measures to support the competitiveness and innovative capability of Europe's defence industry and to strengthen the Single Market in the sector.

The Commission is pleased that the Camera Deputaților, in its Opinion, broadly supports the goals of the European Defence Action Plan and welcomes this opportunity to respond to a number of issues raised in the Opinion.

The Commission fully shares the Camera Deputaților's view that the security situation facing Europe is deteriorating and that the Union needs to respond collectively to face these serious and complex threats. This collective action needs measures to strengthen the abilities of Member States to respond to such challenges and to ensure a certain level of strategic autonomy. This is a central objective of the Action Plan.

In preparing the Action Plan, the Commission was determined to use, to the maximum extent as permitted under the Treaties, instruments and funding to support Europe's defence industry and thereby broaden European defence co-operation. The Action Plan recognises that defence is primarily a competence of Member States and so aims to support regional and Union-wide efforts at defence cooperation rather than to replace those efforts. The measures proposed are also designed to reduce the fragmentation of the European defence market, unnecessary duplication and improve interoperability.

The Commission recognises the concern expressed by the Camera Deputaţilor that all Member States should be involved in this effort. The Action Plan highlights a number of measures to support cross-border market access by defence-related small and medium-sized enterprises and to involve all Member States. These are also principles that will apply in the newly-launched European Defence Fund where Member States will be involved in developing the work programmes and where the interests of small and medium-sized enterprises are taken into account.

The Commission recognises further the importance of involving the industry in taking forward the objectives of the Action Plan. To this end, the Commission has created a Consultation Forum with industry which met for the first time on 19 April 2017. The industry will also play a role in the European Defence Fund through the Advisory Group that is being set up to support the Preparatory Action. A similar approach is envisaged for the European Defence Industrial Development Programme under the Capability Window.

The Commission takes note of the Camera Deputaţilor's position concerning the treatment of national capital contributions in relation to the Stability and Growth Pact but states that expenditures made in the context of the capability window will be accounted for in line with the general accounting framework for fiscal expenditures.

The Commission agrees with the Camera Deputaţilor that cooperation between the European Union and NATO is more important than ever. The Joint European Union/NATO Declaration signed in Warsaw on 8 July 2016 represents an important milestone in this regard. The implementation of the Declaration is key priority for the European Union. It goes hand in hand with the implementation of the European Union's Global Strategy on Security and Defence and the Action Plan.

However, the Commission notes the Camera Deputaţilor's request for the Commission to carry out an analysis of the compatibility of Member State commitments towards third countries and organisations in the European Union. While the Commission recognises that such an assessment could be important, this is a matter for Member States.

The Commission has addressed the issues raised by the Camera Deputaţilor concerning the governance, operation and financing of the European Defence Fund in its Communication on Launching the European Defence Fund of 7 June 2017. The Commission welcomes the support of the Camera Deputaţilor on the use of European Union funds to support defence research and takes this opportunity to restate its ambition to have a substantial European Defence Research Programme under the next Multiannual Financial Framework.

The Commission notes the Camera Deputaţilor's concern regarding the risk of a two-speed European Defence Union. In that regard, the Commission would like to underline the Council's commitment to enhance the effectiveness of the Common Security and Defence Policy and maintenance of Member States' capabilities, supported by a stronger European Defence Technological and Industrial Base¹. Furthermore, the key principles for establishing a Permanent Structured Cooperation, as adopted by the Council on 15 May 2017, emphasise inclusiveness. The Permanent Structured Cooperation should be open to all Member States willing to make the necessary binding commitments and meeting the criteria. Furthermore,

¹ See Foreign Affairs Council Conclusions - 14149/16.

the governance of the Permanent Structured Cooperation, following its establishment, would include a layer at Council level where all Member States are present to ensure transparency and overall coordination.

The Commission shares the Camera Deputaţilor's view that the Common Security and Defence Policy should be a structured and effective policy, generating added value and not just representing the sum of the Member States' national policies. This is indeed the approach taken by the European Union as demonstrated in the High Representative's Implementation Plan for the European Union's Global Strategy on Security and Defence and its follow up through related Council Conclusions in 2016² and 2017³.

The Commission wishes to reassure the Camera Deputaţilor that the consultation process the Commission has established with Member States in the preparation of the Action Plan and the European Defence Fund will continue. This will take place in different fora such as the Programme Committee for the Preparatory Action on Defence Research and in Council working groups. The Commission also plans further meetings of its Implementation Steering Group to discuss the implementation of the Action Plan and the European Defence Fund.

The Commission hopes that the clarifications provided in this reply address the issues raised by the Camera Deputaţilor and looks forward to continuing our political dialogue in the future.

Yours faithfully,

*Frans Timmermans
First Vice-President*

*Elżbieta Bienkowska
Member of the Commission*

² 14149/16.

³ 9178/17.