## **EUROPEAN COMMISSION**



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## Dear President,

The Commission would like to thank the Camera Deputaților for its Opinion on the Joint Communication on the Defence Investment Gaps Analysis and Way Forward {JOIN(2022) 24 final} and for its support for increased defence budgets and enhanced cooperation by joint defence initiatives within a framework of shared responsibility.

The aim of the annual ministerial meetings on capabilities, as referred to in the Strategic Compass of March 2022, is to foster greater political ownership to deliver capabilities in a collaborative way and invest together in European Defence. Both within the European Union and the European Defence Agency frameworks, already today experts and high-level officials contribute, prepare and coordinate a number of EU tools, instruments, and initiatives (i.a. the EU Capability Development Plan, the Coordinated Annual Review on Defence and Permanent Structured Cooperation, the European Defence Fund and the EU Rapid Deployment Capacity) to identify requirements, plan, develop, procure and even operate and/or maintain defence capabilities more systematically.

Concretely, the EU Capability Development Plan, currently under revision, can be expected to be adjusted to fully take into account high intensity, symmetric conflicts. The Coordinated Annual Review on Defence (CARD), and its 2022 report, presented by the European Defence Agency (EDA) and discussed in the EDA Steering Board, provides a good overview of the current EU defence landscape, including existing gaps and collaborative opportunities. The Permanent Structured Cooperation (PESCO) offers a framework through which projects aimed at delivering critical capabilities and improving the interoperability of forces are developed in a collaborative way.

In addition, for the purpose of the European Defence Fund (EDF), the Commission benefits from Member States' expertise in the EDF Programme Committee when deciding on funding priorities and financial support to research and develop these future capabilities within the European Union. More joint procurement by making best use of the future European Defence Industry Reinforcement through common Procurement Act (EDIRPA) to be implemented by the Commission with the assistance of a Programme Committee, can help support the goals of strengthening the European Defence Technological and Industrial Base whilst addressing capability gaps and reinforcing our operational readiness.

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Regarding the European defence industry, we are further stepping up the European cooperation in order to incentivise joint procurement, maximise economies of scale and prevent individual race to secure orders that would result in spiralling prices and difficulties for the more exposed Member States to secure indispensable items. To that end, the Commission has established an inclusive approach that will encompass defence industry across the entire Union. As an immediate measure, the Defence Joint Procurement Task Force, set up last June and bringing together the Commission, the European Defence Agency, and the European External Action Service, including the EU Military Staff, has started to collect, aggregate and assess Member States' common short term and critical procurement needs. However, the Task Force will prescribe neither procurement solutions nor a distribution of capabilities. EU Member States remain free to decide what to procure, from whom and how. The procurement and acquisition of defence capabilities remain national competence.

Moreover, we are in a process of intense legislative negotiations on the draft regulation establishing the European Defence Industry Reinforcement through common Procurement Act (EDIRPA) for 2022-2024. The instrument aims at supporting Member States in addressing short-term defence equipment needs through incentivising joint procurement and allowing the European defence industry to respond better to these urgent needs. In doing so, we will support the adaptation of our defence industry and accompany the ramping up of its manufacturing capacities, including at the eastern border of the European Union, so that our defence industry can deal with the sudden increase in demand of defence equipment for high intensity conflict. We are looking forward to a swift adoption of the Regulation.

We agree with your recommendation regarding the need to reduce dependence on third countries and to work for indigenous solutions for the European Union's defence industry. The objective of EDIRPA aims at incentivising joint procurement of defence capabilities that are developed in a collaborative way within the EU. This would complement the European Defence Fund, supporting collaborative defence research and development in the EU, while enabling Member States to procure European systems. By incentivising cooperation both in the research and development as well as in the procurement phases we address the fragmentation issues faced by the European defence technological and industrial base. By offering increased visibility to the European defence industry, we allow it to plan and undertake the necessary investments to increase its production capacity. A coordinated demand and deconfliction of orders will contribute to help industry to plan its adaptation to the new situation. The effective reduction of dependencies can only succeed with the political will and strong engagement of the Member States, including in the realm of developing defence capabilities and minimising strategic dependencies.

The Commission agrees with the Camera Deputaților's assessment on the need to increase the military interoperability between the armed forces of our Member States and with NATO, building on an advanced and strengthened military defence technological and industrial base, as well as the need to develop long-term policies for convergence between Member States as regards the defence industry. The measures undertaken by the Commission are instrumental in this respect.

The Commission takes due note on your recommendation to increase the training capacity of the European Defence Agency and its capacity to coordinate scientific research in the field, as well as the establishment of a guarding mechanism to promote transparency and accountability. The Commission is working in close cooperation with the European Defence Agency, including on implementation of specific defence research projects, as well as in the area of defence innovation and joint procurement.

We also agree with the recommendation to further support defence specific skills as a key measure to ensure the industry is equipped to deliver in short and long term. In addition, the Commission strongly supports the European Security and Defence College providing EU–level training and education, in the field of the Union's Common Security and Defence Policy.

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

Yours faithfully,

Maroš Šefčovič Vice-President Thierry Breton
Member of the Commission