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**COVER NOTE**

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From:	European Defence Agency
To:	Delegations
Subject:	2022 Coordinated Annual Review on Defence Report

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Delegations will find attached the Coordinated Annual Review on Defence (CARD) Report 2022.

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Encl.: Coordinated Annual Review on Defence (CARD) Report 2022

## 2022 COORDINATED ANNUAL REVIEW ON DEFENCE REPORT

### INTRODUCTION

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1. During the 2nd CARD cycle, **Russia's war of aggression against Ukraine** has dramatically reshaped **Europe's security situation**. The return of war in Europe reaffirms the necessity for Member States to be able to face a large-scale military conflict involving a symmetric opponent. This calls for increasing the capacity and willingness to conduct the **full spectrum of military tasks**, including high-intensity operations. In this context, and in response to European Union (EU) leaders tasking in the **Versailles Summit declaration**<sup>1</sup> of March 2022, the European Defence Agency (EDA) provided an **analysis of defence investment gaps** across three time horizons. First the analysis encourages Member States to **improve the readiness** of their forces and capabilities and replenish stocks, then to **augment** and **modernise** them. The need to scale up military capabilities has been reflected in national and collective decisions. The EU's Strategic Compass<sup>2</sup> – endorsed in March 2022 by Member States – identifies the need to invest more and better in defence, based on current and future threats and challenges.
2. This changing security environment will have an enduring yet incremental impact on the EU defence landscape. The most visible responses from participating Member States (pMS) are **defence spending increases**. Although not fully allocated yet, additional funds will **improve readiness and close long-standing capability gaps**. While these changes took place in the middle of the current CARD cycle, they did not preclude the present report from providing a comprehensive picture of the EU defence landscape, based on pMS' plans and programmes for capability development, Research and Technology (R&T), defence industry support and aspects of missions and operations that pMS are involved in. This report is built upon the most current information provided by pMS in bilateral meetings and exchanges up until October 2022. It offers **key strategic and political messages** derived from the 2022 CARD Aggregated Analysis, **actionable recommendations** and **options to generate collaborative projects**.
3. The **EU Defence Initiatives** (CARD, PESCO, EDF) have the full support of all pMS. Still, these initiatives **have not reached their full potential**, also compounded by the COVID-19 pandemic. Only modest progress was made to turn collaborative opportunities presented in the 2020 CARD cycle into concrete cooperation. No improved **coherence of the EU defence landscape** has yet been observed. However, the political guidance of the first semester 2022 has given impetus towards new collaborative endeavours (see 'Defence Cooperation' section). In terms of **defence spending**, the **positive trend** seems to be accelerating, in line with announcements from the majority of pMS. It remains to be seen whether pMS will follow a coordinated approach which would ensure greater efficiency and interoperability of armed forces, and avoid further fragmentation.

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<sup>1</sup> The Versailles Declaration, 10 and 11 March 2022, [20220311-versailles-declaration-en.pdf \(europa.eu\)](https://www.europa.eu/press-room/media/30482/20220311-versailles-declaration-en.pdf).

<sup>2</sup> A Strategic Compass for Security and Defence, March 2022, [strategic\\_compass\\_en3\\_web.pdf \(europa.eu\)](https://www.europa.eu/press-room/media/30482/strategic_compass_en3_web.pdf).

4. In the current security situation, national defence planning remains mainly focused on **repairing the past** through satisfying urgent and previously deferred requirements, rather than **winning the future** by investing in innovative, and possibly common capabilities. **Existing prioritisation tools** – namely the Capability Development Plan (CDP) including the High-Impact Capability Goals (HICGs), the Overarching Strategic Research Agenda (OSRA), and Key Strategic Activities (KSA) – are **widely considered as useful and relevant**. The measures proposed to strengthen the European Defence Technological and Industrial Base (EDTIB), including through fostering joint procurement for urgent defence needs<sup>3</sup>, are also appreciated and point in the right direction. Yet, a more coordinated and synergic use of these tools to achieve concrete objectives has still to be devised at both EU and pMS level. More **ambitious, clear, and concrete EU Capability Development Priorities** need to be agreed in the ongoing revision of the CDP, not only to address short-term gaps, but also to prepare jointly the next planning horizon and to develop high-end capabilities in cooperation. Finally, fully implementing CARD focus areas<sup>4</sup> and further developing them into projects will ensure that pMS are in the future equipped to respond to a much more threatening environment.

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<sup>3</sup> Joint Communication of the European Commission and the High Representative presented to the European Council on 30-31 May 2022, [join\\_2022\\_24\\_2\\_en\\_act\\_part1\\_v3\\_1.pdf \(europa.eu\)](#).

<sup>4</sup> See the 'Developing focus area' section.

## DEFENCE SPENDING

5. The 2020 CARD recommendation to **increase defence expenditure**, which corresponds to the first PESCO commitment, was largely followed. Larger budgets, especially for investment, have been observed in almost all pMS. Despite the COVID-19 pandemic, which has negatively impacted on security of supply, training and deliveries, the **defence expenditure** of pMS grew significantly to **€214 bn in 2021** (+6%) and it is estimated to further grow by up to €70 bn by 2025. In 2021, defence investment reached 24% of total defence expenditure, or €52 bn (up from 22% in 2019).

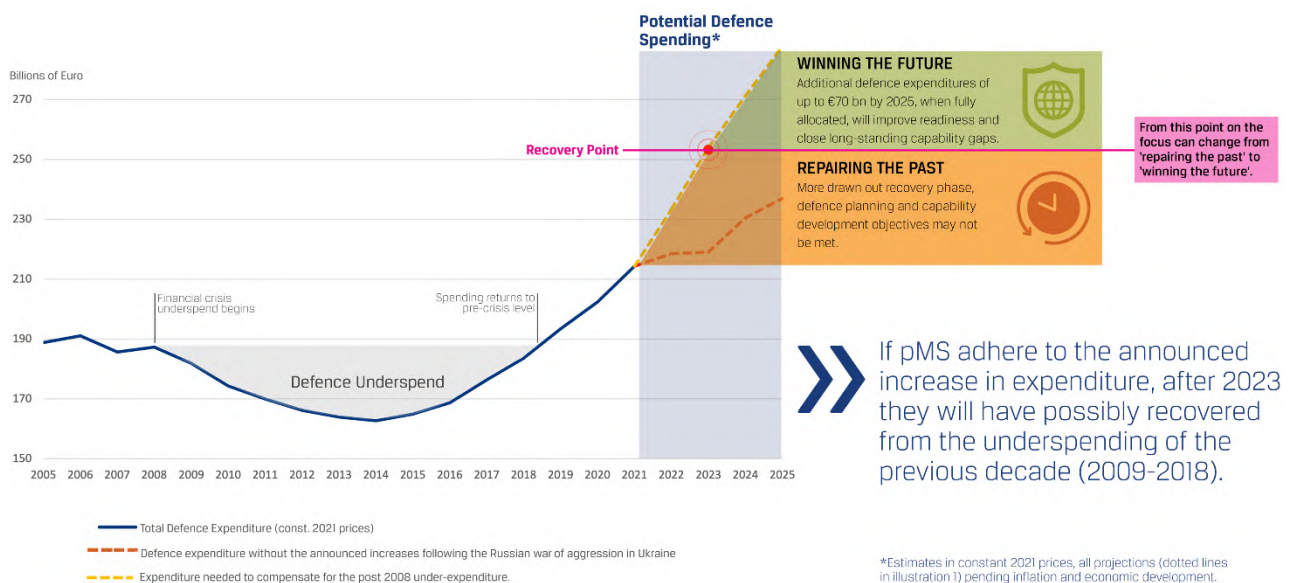


Illustration 1

6. Budget increases announced by most pMS are both **an opportunity and a challenge**. On one hand, rising budgets provide more room **to cooperate** on acquiring or developing new capabilities. On the other hand, decisions could be taken in isolation **without considering** their medium to long-term impact on the EU defence landscape. This **risk** seems further substantiated by some pMS currently favouring individual, non-EU off-the-shelf procurements over long-term investments into Research & Development (R&D), including Research & Technology (R&T), and by the lack of progress achieved regarding collaborative and coordinated spending.

## 7. Defence Spending Recommendations:

- a) Ensure that **the increase in defence spending** contributes to **meeting EU and pMS defence needs** and closing capability gaps, while reducing the fragmentation of the EU defence landscape through **joint capability projects**;
- b) Indicate **milestones to achieve the agreed collective benchmarks** for defence investment by 2025 in line with PESCO's more binding commitments;
- c) Continue to **harmonise the type of data and information** on actual and forecasted defence spending (short, medium and long-term), to facilitate the analysis of trends and to identify priorities and improve opportunities for cooperation.

## DEFENCE PLANNING

8. Member States prioritise **high-end capabilities** in the traditional air, maritime and land domains, where the percentage of investment is comparable to the 2020 CARD cycle. The grey area, which represents the amount of pMS investment without an associated programme, has substantially increased from the previous cycle. Accordingly, the space and cyberspace domains as well as joint and enabling capabilities appear to be less funded (see Illustration 2).

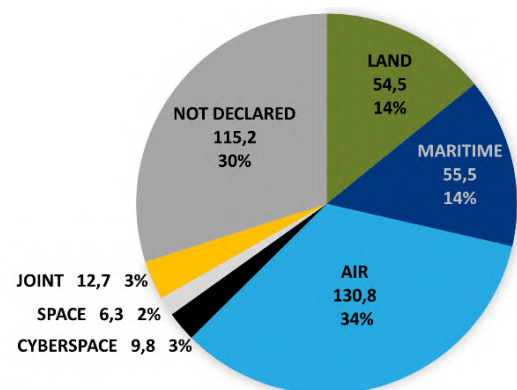


Illustration 2: Total investment in bn€ per operational domain (2019-2025)

9. The **Strategic Compass** factored in the findings of the 2020 CARD Report. The strategic orientation on ambitious **capabilities** outlined in the Strategic Compass needs to be taken forward in pMS capability planning. Achieving tangible results requires envisaging how the **EU defence landscape** shall be shaped in each operational domain in the **long-term**. This **outlook** will describe qualitative and quantitative aspects of capabilities across all domains for full spectrum military operations. Accordingly, the CARD focus areas should be continuously monitored and adapted where relevant, to achieve **more coherence** and **common objectives**.
10. Member States have approved a growing number of activities at EU level. To support more coordinated national planning, despite pMS limits in terms of processing capacity ('single set of experts'), we need to **further improve coherence among EU defence initiatives**, simplifying procedures, increasing information sharing and providing more specific priorities. EU activities and related prioritisation tools need to be presented to pMS in a clear and organised manner to allow them to **systematically integrate an EU dimension into national planning** documents and procedures. This will also further harmonise EU activities with NATO and national priorities to ensure mutual complementarity and coherence.

11. Development programmes are, in most cases, considered by pMS only if their national Defence Technological and Industrial Bases (DTIBs) are deemed capable of engaging in consortia or providing the respective solutions on their own. Member States tend to **procure off-the-shelf** if there is **no national solution** or in case of **time pressure** related to urgent operational requirements or budget implementation. There is a **trend of leaning towards non-EU suppliers**, further bolstered by the Russian war against Ukraine, which entails the risk of increasing fragmentation and non-EU dependencies.
12. Member States stated their intention to strengthen the European **defence industry** and to enhance the **EU's strategic autonomy**. Yet, participation in projects addressing identified EU capability development priorities is considered on an ad-hoc basis **when matching national industrial interests/priorities** and EU funding is available. Ongoing national activities aim to harness the benefits of EU initiatives, support the positioning of national industries both within the EU and on international markets, and improve the coordination between defence planning and industrial policies. The specificities of national DTIBs and industrial policies influence the efforts towards a more harmonised and coordinated approach to industry at EU level.
13. Swift, coordinated, and decisive common actions to **address defence procurement needs** are required to replenish pMS' stocks, improve combat readiness of existing forces and reinforce their endurance, in the short-term. Following the tasking of the 2022 Versailles Summit declaration, work to address urgent gaps<sup>5</sup> has begun.
14. In the medium-term, **joint acquisition of next generation defence capabilities** will have to consider **all elements of a capability development approach**<sup>6</sup>, from concepts to requirements, making best use of existing and future EU tools and incentives.
15. The **digitalisation** of defence capabilities is accelerating, so greater emphasis should be given to synergies and interoperability between pMS, especially for C2/CIS systems, as well as hardening IT systems against cyber threats. C2/CIS systems should evolve in a cooperative and inclusive way, aiming at a future fully interoperable EU system.
16. Steps have been taken to strengthen **defence innovation** and to react to the rapid development of Emerging and Disruptive Technologies (EDTs) such as the establishment of the Hub for EU Defence Innovation (HEDI). Capability-driven innovation and R&T efforts need to be embedded at the core of national defence planning.

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<sup>5</sup> See Fn. 3, annex 'Scoping EU Defence Investment Gaps', [annexe autre acte conjoint.pdf \(europa.eu\)](#).

<sup>6</sup> Lines of Capability Development are: Doctrine and Concept, Organisation, Training, Material, Leadership, Personnel, Facilities and Interoperability (DOTMLPFI).

#### 17. Defence Planning Recommendations:

- a) Elaborate a **common long-term capability outlook** for the **EU defence landscape** in accordance with the common strategic vision provided by the Strategic Compass and based on the revised Capability Development Plan (CDP) and the focus areas. This will allow pMS to coordinate **defence planning at EU level** in the next planning horizon;
- b) Improve **coherence among EU defence initiatives** to ensure they work more effectively with each other. Continue to mainstream them into **national defence planning and policy documents** including **industrial** ones;
- c) Increase the incentives to **boost defence innovation**, including R&T, to fill technological gaps and reduce industrial dependencies, taking full advantage of HEDI;
- d) Optimise the sharing of **all substantial information on defence plans, programmes and in-service capabilities**, including related timelines, and consolidate the **portfolio of EU defence activities** by improving the usability and relevance of the EU Collaboration in Defence (EUCLID) platform.

## EU CSDP MILITARY LEVEL OF AMBITION AND OPERATIONAL DIMENSION

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### OPERATIONS AND MISSIONS

18. Current Common Security and Defence Policy (CSDP) operations and missions suffer from insufficient manning and capabilities and pMS have not made significant progress on CSDP engagements during the last years. They should increase their engagement, address force generation issues and improve operational effectiveness building on the tasking of the Strategic Compass.

#### 19. Recommendations for Operations and Missions:

- a) Take into account **our strategic environment** along our southern and eastern borders and beyond for CSDP as highlighted in the Strategic Compass to **increase pMS' involvement in missions and operations**, bringing them closer to a **European security and defence culture**;
- b) Further **augment the availability**, including **readiness**, of **forces** for CSDP operations and missions;
- c) Explore **new incentives**, including financial ones, to **increase operational contributions**.

### HIGH IMPACT CAPABILITY GOALS (HICGS) IMPLEMENTATION

20. Member States made significant financial investments in their Armed Forces reflected in the Force Catalogue. Moreover, pMS collectively contributed to the Force Catalogue with greater transparency. These efforts should be continuously pursued to deliver a more precise identification of shortfalls following the next revision of requirements.

## 21. HICG Implementation Recommendations:

- a) Address further the **shortfalls corresponding to strategic enablers** identified in the Progress Catalogue, with specific attention to **innovative solutions** related to **Strategic air transport** (incl. outsized cargo), **Maritime Power projection** and **high-end Air Defence systems**;
- b) Address capabilities allowing a better understanding and an increased **ability to counter opposing actions in the capability area Inform and the Cyberspace domain**. These are also of specific concern when considering emerging hybrid threats;
- c) Jointly research, develop and procure future **interoperable Communication and Information Systems (CIS)**, while reducing fragmentation.

## DEFENCE COOPERATION

22. Member States implement their plans to a large extent nationally, with only 18% of all investment in defence programmes conducted in cooperation (see Illustration 3), as compared to 19% in the last CARD cycle. Key drivers remain primarily nationally defined requirements, followed by NATO targets and eventually EU priorities. Member States **generally consider cooperation** only when it **coincides with national plans**, benefits **national industry**, or consolidates a **strategic partnership**. Many pMS regard European collaborative approaches as more time consuming and complex, and often opt for national solutions or non-EU suppliers. Cooperation primarily takes place among neighbouring pMS in existing cooperation frameworks, while broader **European collaborative approaches are usually not preferred**.

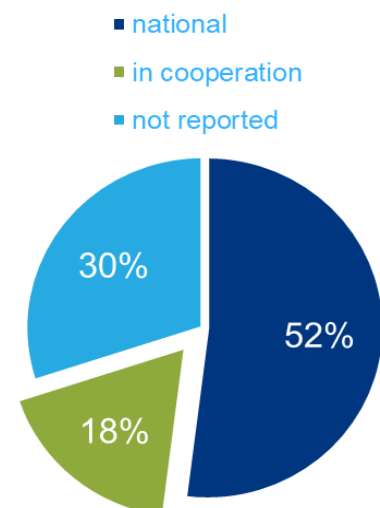


Illustration 3:  
Breakdown of Programmes

23. The **main impediments to cooperation** stem from the complexity of **legislation**, pressing **timelines** and **budget availability** as well as the availability and retention of the **right experts** in the field of planning, R&T, armament and procurement. Fully following and engaging in EU defence initiatives is a challenge for pMS.
24. The **Strategic Compass** emphasises the need for increased cooperation by **taking forward collaborative opportunities** proposed through CARD. Member States commit to intensifying their cooperation on capability development, particularly through PESCO by fulfilling all more binding commitments by 2025 and by developing new ambitious projects.



25. The ‘Scoping EU Defence Investment Gaps’ annex to the Joint Communication on Defence Investment Gaps Analysis and Way Forward following the 2022 Versailles Summit declaration identifies short- to long-term needs and provides recommendations to address them. It reemphasises the commitment to the **focus areas** which remain **relevant** in the current and foreseeable security context. It also identifies **complementary areas** that address critical gaps to face the more demanding security environment.
26. The complexity and associated costs of defence R&T and development remain, rendering cooperative approaches more attractive, by sharing the burden of costs, and striving for defragmentation in future capability development. Working across 15 technology areas that cover the full spectrum of defence capabilities the EDA Capability Area Technology (CapTechs) drive defence cooperation. By focusing on **cooperative design and experimentation** pMS could accelerate innovation for high-end capability development and create new cutting-edge European champions. The impact of **Emerging and Disruptive Technologies (EDTs)** gives rise to new R&T actors in the field of defence.
27. The 2020 CARD Report encouraged pMS to increasingly use **collaborative opportunities** identified while achieving the agreed benchmarks on collaborative defence spending. In the 2022 CARD cycle, proposals to each pMS were drawn from a comprehensive list and **further tailored** based on an analysis of their plans and programmes. An emphasis was placed on collaborative opportunities that are linked to focus areas to prioritise pMS’ European collaborative efforts over time.
28. The CARD Aggregated Analysis revealed slow progress towards the agreed collaboration benchmarks, including in addressing focus areas and other collaborative opportunities. Member States have yet to define structured strategies to increase cooperation, systematically considering collaborative approaches e.g. based on common threat perception. **Cooperation remains the exception rather than the norm** leaving the agreed benchmarks as elusive targets to be reached in the future. The tools made available to facilitate cooperation (prioritisation tools such as CDP, OSRA, KSA) are still not fully integrated in pMS planning processes. Initiatives to fulfil commitment (PESCO) and provide financial stimulus (EDF) have still not reached their full potential. Greater guidance on how to better harmonise national efforts with these tools would be beneficial.

#### 29. Defence Cooperation Recommendations:

- a) Define new **concrete projects** to take forward the existing or possibly updated **focus areas** and enlarge their scope to cover critical gaps in priority areas;
- b) Make use of **collaborative opportunities** identified by CARD, in particular those assessed as ‘most promising’, ‘most pressing’ or ‘most needed’ (see examples in section Collaborative Opportunities), through launching projects within **PESCO** or other **collaborative frameworks**, also considering potential support from the **EDF**;
- c) Further analyse existing cooperative activities to **identify best practices** and means of supporting pMS in developing strategies to increase cooperation and address impediments;
- d) Develop ways to support pMS in adopting the EU approach for **cooperative capability planning, research, development, acquisition, and integration of capabilities through joint armament programmes**, including joint procurement, considering all lines of capability development;
- e) Reinforce the use of **R&T cooperation platforms and frameworks** to stimulate defence innovation and to engage in collaborative research projects, i.e. by making full use of the CapTechs and HEDI.

## COLLABORATIVE OPPORTUNITIES

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30. Collaborative opportunities proposed in CARD **facilitate the identification of new PESCO and EDF projects**. They have been identified by analysing pMS’ plans and individually tailored for discussion during bilateral dialogues.
31. The aim is to raise awareness and inform national policy makers, planners, and the armaments staff at all levels of the **benefits of the envisaged cooperation**. These include stronger partnerships and cohesion among pMS, reduction of R&D, unit, operating and maintenance costs, while increasing interoperability and building-up expertise and strategic industrial know-how.
32. The table below (Illustration 4) shows **examples of collaborative opportunities** matching several of the criteria ‘most promising’, ‘most pressing’ and ‘most needed’, organised per operational domain. A set of updated reports, detailing the potential of related projects, proposals, and models for cooperation is available in the 2022 CARD Aggregated Analysis. A comprehensive collection of all CARD collaborative opportunity reports, currently 127, is available and continuously updated in EUCLID.

33. Based on the collaborative opportunities identified in the 2020 CARD cycle, **PESCO projects have been launched** in the recent past, for example:

- **Main Battle Tanks:** Simulation and Testing Centre (MBT-SIMTEC);
- **Unmanned Maritime Systems:** Medium size Semi-Autonomous Surface Vehicle (M-SASV);
- **Strategic and Tactical Air Transport:** Strategic Air Transport for Outsized Cargo (SATOC) and the Future Medium-sized Tactical Cargo (FMTC);
- **Unmanned Aerial Systems:** Next Generation Small RPAS (NGSR);
- **Earth Observation:** Common Hub for Governmental Imagery (CoHGI);
- **Cyber Training Education and Exercises:** Cyber Ranges Federations (CRF).

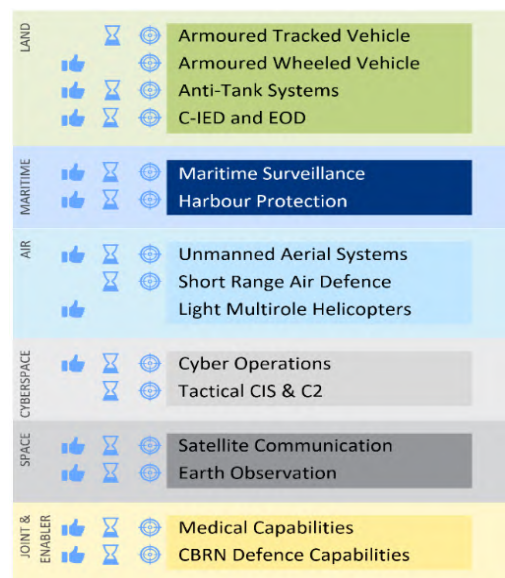
34. **Project proposals** including other models for cooperation stemming from identified collaborative opportunities from the **2022 CARD Aggregated Analysis** still need to be addressed. To highlight just a **few examples**:

- **Unmanned Aerial Systems:** while the Eurodrone and NGSR projects are ongoing, pMS could harmonise requirements for weaponised medium-sized tactical drones in view of joint development and acquisition, and establish respective common training activities. R&T projects on autonomy, UAS coordination and survivability in non-permissive airspace are tackled by upcoming EDA projects.

- **Light Multirole Helicopters:** while several pMS have taken decisions in this respect that make joint procurement less promising, projects could still be launched on joint training and depot-level maintenance, repair and overhaul for commonly used types.

- **Cyber Operations:** pMS are encouraged to build a network of military CERTs in the EU with increased Cyber Situational Awareness and information sharing, e.g. EDA R&T activities on Artificial Intelligence for anomaly detection are about to be launched.
- **Tactical CIS:** develop interfaces to address the lack of interoperability of different tactical C2/CIS architectures.
- **CBRN Defence Capabilities:** pMS expressed high interest in short-term joint procurement of CBRN masks, filters and suits for soldier protection.

35. In line with pMS' responses expressed during bilateral dialogues on collaborative opportunities (in **capability development** and **R&T**), the best way forward to **reinforce the coherence of the EU defence landscape** seems to be using the **focus areas**.



Most: promising (1👍) – pressing (⌚) – needed (🌐)  
Illustration 4: Examples for Collaborative Opportunities

36. Concerning **operational** collaborative opportunities, the proposal to create **long-lasting groupings** of pMS to **provide stand-by forces** and to conduct **regular EU Battlegroup exercises** appears to have raised the interest of many pMS. It will allow, well in advance, to identify groups of pMS capable of contributing to the overall EU Rapid Deployment Capacity architecture and the potential C2 structure. The possibility to create a standard syllabus to **train partner nations** also raised pMS interest. This endeavour could be conducted under the responsibility of multinational headquarters or existing cooperative frameworks that have experience in such missions.

## DEVELOPING FOCUS AREAS

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37. The 2020 CARD Report introduced six focus areas derived from the collaborative opportunities deemed as ‘most promising’, ‘most pressing’ and ‘most needed’. Member States in the Strategic Compass committed to take them forward and to benefit from the envisaged cooperation.
38. Focus areas are **eco-systems** connecting capability development, innovation including R&T, and the industrial dimension; they are **spearheading clusters of projects and activities**. Their implementation has the potential to deliver a significant impact on **pMS capability profiles**, the overall coherence of the **EU defence landscape**, mitigating fragmentation, and a positive effect on the **competitiveness of the EDTIB**. The six focus areas were confirmed by pMS and should be **further developed**, as exemplified below, to better reflect high intensity requirements.

### MBT - ARMoured GROUND COMBAT

A joint approach towards a common next generation platform still appears actionable. In the long-term, the diversity of types shall be reduced, ground vehicles are to be fully digitalised and interoperable, with standardised, modular subsystems and a common logistic support for vehicle families. A wider and more integrated view on armoured ground combat shall include MBTs, anti-tank, wheeled and tracked vehicles and artillery.



Main Battle Tank

### SOLDIER SYSTEMS

Based on a common C2 architecture, electronics, voice and data communication, software, human interface devices, sensors and effectors contribute to the overall interoperability of next generation Soldier Systems, which shall be developed jointly. Sub-systems such as power supply, exoskeletons or improved situational awareness sensors shall be developed according to common standards, as shall be small arms.



Soldier Systems

### EUROPEAN PATROL CLASS SURFACE SHIPS

National and multinational projects, e.g. in PESCO, on system and sub-system level shall result in a significant reduction of different types of corvette class vessels and on-board systems while enhancing operational effectiveness of individual platforms. The focus shall be enhanced to multi-dimensional protection of naval forces.



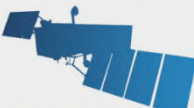
European Patrol Class Surface Ships

Ensure extended surface presence at sea



Counter UAS/ Anti Access/Area Denial (A2/AD)

Countering aerial threats



Defence in Space

Access to space services and the protection of space-based assets



Enhanced Military Mobility

Rapid movement for the security of Europe

### C-UAS/A2AD

Common development building on current PESCO projects to counter the fast increase in air threats shall result in the ability to integrate and combine radars and effectors as active air defence systems. To counter A2AD postures, action shall be taken to close a gap and to jointly develop

Suppression/Destruction of Enemy Air Defence (SEAD/DEAD) capabilities.

### DEFENCE IN SPACE

An effective coordination of cooperative development in the EU shall implement military requirements and improve CIVMIL coherence. Complementarity of EU Space programmes and capabilities and services provided collaboratively or nationally shall be pursued. Building on the progresses made, efforts shall concentrate toward a holistic EU Space capability.

### ENHANCED MILITARY MOBILITY

Synchronisation of digitalisation activities, and further reduction of legal and procedural barriers shall allow fast movements in all domains. Projects, e.g. in PESCO, shall improve infrastructure supported by a network of logistic hubs embedding a Cyber Defence element and include air, sea and road movement assets, bridge-laying capacity and military engineering.

## CONCLUSION – TOWARDS A COHERENT EU DEFENCE LANDSCAPE

39. By 2023 Member States will likely have compensated for the defence spending cuts which followed the 2008 financial crisis with the **announced increases** in defence spending following the Russian war of aggression in Ukraine. Member States prioritise **high-end capabilities**, although they are largely implemented in isolation.
40. **The impact of individual pMS' decision-making** on the EU defence landscape as well as the tools offered by EU defence initiatives **have yet to be systematically considered** in national planning processes. To mitigate associated risks, reflect the upcoming revision of the CDP, and improve overall coherence, an **outlook** of the **EU defence landscape** is required which will thus materialise the common strategic vision provided by the Strategic Compass.

## EXECUTIVE SUMMARY – 2022 CARD REPORT

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**Russia's war of aggression against Ukraine** has dramatically reshaped **Europe's security situation** and will have an enduring yet incremental impact on the EU defence landscape. Today, the most visible response from participating Member States (pMS) is defence **spending increases**, as well as urgent efforts to replenish stocks and improve readiness. In the wake of the Strategic Compass and the Versailles summit declaration, work has also started to further analyse defence investment gaps, fulfil procurement needs, and stimulate defence innovation with the establishment of the Hub for EU Defence Innovation (HEDI) and other initiatives.

The Coordinated Annual Review on Defence (CARD) provides an **overview of the EU defence landscape** to help improve its coherence over time. The 2022 CARD Report is built upon the most current information provided by pMS in bilateral meetings and exchanges up until October 2022. It offers **key strategic and political messages** derived from the 2022 CARD Aggregated Analysis, **actionable recommendations** and **options to generate collaborative projects**.

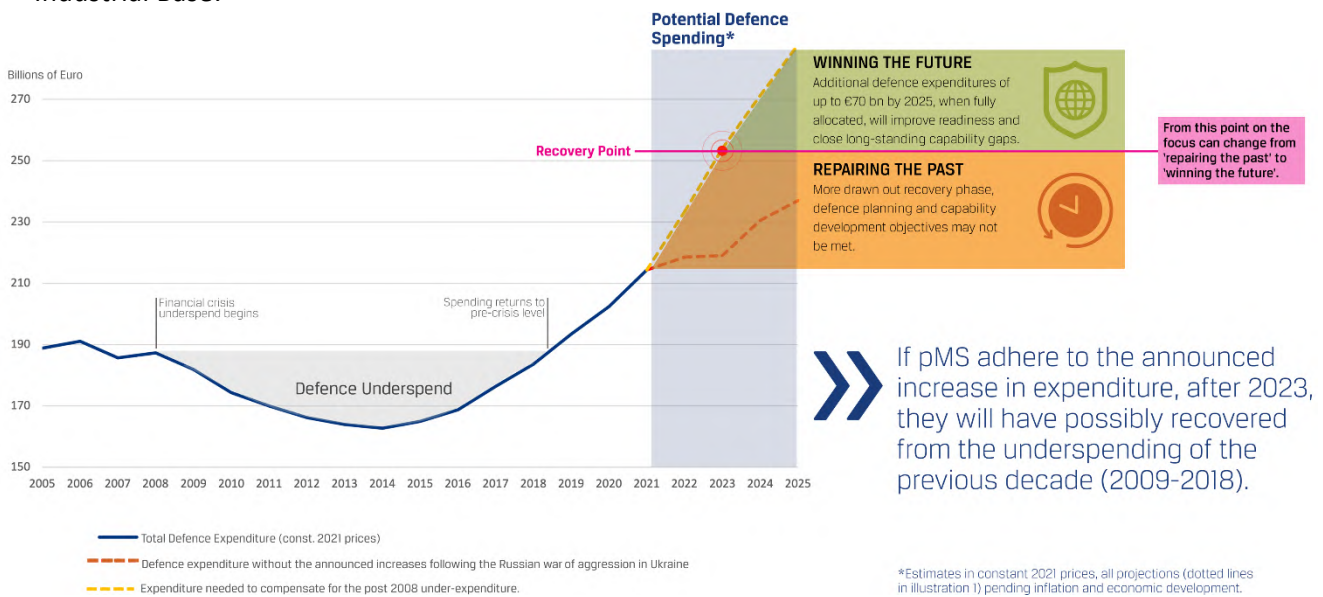
### SPENDING, PLANNING, COOPERATING: MAIN FINDINGS

The 2022 CARD Aggregated Analysis reveals several challenges to be addressed in building a coherent EU defence landscape.

## Defence Spending

Defence spending increases announced by many pMS constitute both an **opportunity and a challenge**: while rising budgets provide more room to cooperate on new capabilities, they can also lead to quick national decisions disregarding the medium to long-term impact on the EU defence landscape.

This risk is already demonstrated by pMS favouring individual, non-EU off-the-shelf procurements over long-term investments into Research & Development (R&D), possibly impeding future cooperation in the EU, further fragmenting the EU defence landscape and weakening the EU's Defence Technological and Industrial Base.



Defence planning by pMS continues to be done **mostly in isolation**, not utilising the EU defence initiatives to their full potential. Current EU operations and missions suffer from insufficient manning and capabilities. Member States should increase availability of forces for CSDP engagements, using the High Impact Capability Goals as a guidance towards the fulfilment of the EU CSDP military level of ambition.

The orientations agreed in the Strategic Compass should be embedded in pMS' capability planning and taken forward to mitigate shortfalls and develop together the next generation of high-end defence capabilities. Accordingly, the CARD focus areas should be continuously adapted, to frame a common long-term capability outlook for the EU defence landscape.



## Defence Cooperation

Many pMS regard defence cooperation as **challenging**, consider it only when it coincides with national plans, and more often opt for national solutions or non-EU suppliers. The main impediments to cooperation stem from complex legislation, pressing timelines, and lack of budget or qualified personnel.

This is where CARD raises awareness and informs national policy makers, planners, and armament staff at all levels of the benefits of EU cooperation, proposing concrete collaborative opportunities that will reinforce the coherence of the EU defence landscape over time.

## 2022 CARD RECOMMENDATIONS

### REPAIR THE PAST – INCREASE DEFENCE EXPENDITURE

- Ensure that **the increase in defence spending** contributes to **meeting EU and pMS defence needs**.
- Close capability gaps, while reducing fragmentation through **joint capability projects**.

### PREPARE TODAY – PLAN TOGETHER FOR 2040

- In accordance with the Strategic Compass' vision, elaborate now a **common long-term capability outlook for the EU defence landscape** based on the revised Capability Development Plan and CARD focus areas.
- Support pMS in adopting an EU approach for **cooperative capability planning**, R&D, acquisition, and integration of capabilities; stimulate defence innovation further.
- Take into account our **strategic environment** for CSDP, bringing pMS closer to a European security and defence culture; and continue increasing the availability and readiness of forces.

### WIN THE FUTURE – A CAPABLE AND COHERENT EUROPEAN DEFENCE

- Take forward **CARD collaborative opportunities** through projects in PESCO, EDF or other frameworks. Define **concrete projects within focus areas** to cover critical gaps.
- Further **improve coherence among EU defence initiatives** (CARD, PESCO, EDF). Continue to mainstream them into national defence planning and policy documents incl. industrial ones.
- **Address further shortfalls in strategic enablers**: strategic air transport, maritime power projection and high-end air defence systems.