



EUROPEAN COMMISSION

SECRETARIAT-GENERAL

PV(2024) 2485 final

- English translation of the French version which is authentic -

Brussels, 10 April 2024

TEXTE EN

MINUTES

**of the 2485th meeting of the Commission
held in Brussels
(Berlaymont)
on Tuesday 5 March 2024
(morning)**

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Single sitting: Tuesday 5 March 2024 (morning)

The sitting opened at 9.08 with Ms von der LEYEN, President, in the chair.

Present:

Ms von der LEYEN	President	
Ms VESTAGER	Executive Vice-President	
Mr DOMBROVSKIS	Executive Vice-President	
Mr ŠEFČOVIČ	Executive Vice-President	Items 1 to 8/9 (in part)
Mr BORRELL i FONTELLES	High Representative / Vice-President	
Ms JOUROVÁ	Vice-President	
Ms ŠUICA	Vice-President	
Mr SCHINAS	Vice-President	
Mr HAHN	Member	
Mr GENTILONI	Member	
Mr WOJCIECHOWSKI	Member	
Mr BRETON	Member	
Ms FERREIRA	Member	
Ms KYRIAKIDES	Member	
Mr REYNDERS	Member	Items 8/9 (in part) to 10
Mr LENARČIČ	Member	
Mr VÁRHELYI	Member	
Ms URPILAINEN	Member	
Mr SINKEVIČIUS	Member	
Ms McGUINNESS	Member	
Ms IVANOVA	Member	
Mr HOEKSTRA	Member	

Absent:

Mr SCHMIT	Member
Ms DALLI	Member
Ms JOHANSSON	Member
Ms VĂLEAN	Member
Ms SIMSON	Member

The following sat in to represent absent Members of the Commission:

Ms ASTERIADI	Deputy Head of Cabinet to Mr ŠEFČOVIČ	Items 8/9 (in part) and 10
Mr KASEL	Head of Cabinet to Mr SCHMIT	
Ms TUTS	Head of Cabinet to Mr REYNDERS	Items 1 to 8/9 (in part)
Mr VELLA	Head of Cabinet to Ms DALLI	
Ms WEBBER	Head of Cabinet to Ms JOHANSSON	
Mr RĂZVAN	Policy Adviser in Ms VĂLEAN's cabinet	
Mr GRASSI	Head of Cabinet to Ms SIMSON	

The following also sat in:

Mr SEIBERT	Head of Cabinet to the PRESIDENT
Mr CALLEJA CRESPO	Director-General, Legal Service
Ms SPINANT	Director-General, DG Communication
Mr MAMER	Head of the Spokesperson's Service and Chief Spokesperson of the Commission
Ms PETKOVA	Director of Coordination and Administration in the PRESIDENT's cabinet
Mr WHELAN	Adviser in the PRESIDENT's cabinet
Ms SEMLALI	Policy Assistant in the PRESIDENT's cabinet
Ms ALLOUIS-LE LOSTEC	Head of Unit in the Secretariat-General
Ms BUKA	Secretariat-General

Secretary: Ms JUHANSONE, Secretary-General, assisted by Ms DEPREZ, Director in the Secretariat-General.

1. AGENDAS

(OJ(2024) 2485/FINAL; SEC(2024) 2485/FINAL)

The Commission took note of that day's agenda and of the tentative agendas for forthcoming meetings.

2. WEEKLY MEETING OF HEADS OF CABINET

The Commission took note of the Secretary-General's report on the weekly meeting of Heads of Cabinet held on Monday 4 March 2024.

3. APPROVAL OF THE MINUTES

(PV(2024) 2479; PV(2024) 2479, PART II; PV(2024) 2480; PV(2024) 2480, PART II; PV(2024) 2481; PV(2024) 2481, PART II)

The Commission approved the minutes of its 2479th, 2480th and 2481st meetings of 24 and 31 January and 6 February 2024, and held over approval of the minutes of its 2482nd, 2483rd, and 2484th meetings of 14, 21 and 27 February 2024 for a later date.

4. INTERINSTITUTIONAL RELATIONS

(RCC(2024) 74)

The Commission took note of the record of the meeting of the Interinstitutional Relations Group (GRI) held on Friday 1 March 2024 (RCC(2024) 74).

The Commission approved the lines proposed for the following points:

- **Establishment of a Union certification framework for carbon removals (Regulation) – PEREIRA report – 2022/0394 (COD)**

Line set out in SI(2024) 146.

- **Ambient air quality and cleaner air for Europe (recast – Directive) – LÓPEZ report – 2022/0347 (COD)**

Line set out in SI(2024) 147.

- **European Health Data Space (Regulation) – SOKOL & TARDINO report – 2022/0140 (COD)**

Line set out in SI(2024) 145.

- **Interinstitutional ethics body – COM(2023) 311**

Line set out in SI(2024) 149.

- **Single European Sky:**
 - **Implementation of the Single European Sky (recast – Regulation) – MARINESCU report – 2013/0186 (COD)**
 - **Amendment of Regulation (EU) 2018/1139 as regards the capacity of the European Union Aviation Safety Agency to act as performance review body of the Single European Sky (Regulation) – LIBERADZKI report – 2020/0264 (COD)**

Line set out in SI(2024) 150.

- **Transfer of proceedings in criminal matters (Regulation) – KANKO report – 2023/0093 (COD)**

Line set out in SI(2024) 158.

- **Packaging and packaging waste, amendment of Regulation (EU) 2019/1020 and Directive (EU) 2019/904, and repeal of Directive 94/62/EC (Regulation) – RIES report – 2022/0396 (COD)**

Line set out in SI(2024) 159/2.

- **Amendment of Regulations (EU) No 1024/2012 and (EU) 2018/1724 as regards the use of the Internal Market Information System and the Single Digital Gateway for the purposes of certain requirements laid down by Directive (EU) .../... of the European Parliament and of the Council on European cross-border associations [COM(2023)516] (Regulation) – LAGODINSKY report – 2023/0314 (COD)**

Line set out in SP(2024) 159/2.

- **Amendment of Regulation (EU) No 2022/869 of the European Parliament and of the Council as regards the Union list of projects of common interest and projects of mutual interest – 2023/3007 (DEA) – C(2023) 7930**

Line set out in SP(2024) 166.

- **Withdrawal of the Union from the Energy Charter Treaty (Council Decision) – 2023/0273 (NLE)**
- **Approval of the withdrawal of the European Atomic Energy Community from the Energy Charter Treaty (Council Decision) – COM(2023) 446**

Line set out in SI(2024) 156.

- **Non-paper of the Commission services on the deployment of the Hybrid Rapid Response Teams**

Line set out in SI(2024) 148.

- **Authorisation for the opening of negotiations between the European Union**

and the Swiss Confederation on institutional solutions for EU-Switzerland agreements related to the internal market, on agreements that form the basis for Switzerland's permanent contribution to the Union's cohesion and for Switzerland's association to Union programmes (Council Decision) – COM(2023) 798

Line set out in SI(2024) 132.

- **Position to be taken on behalf of the European Union within the EU-UK specialised committee on energy established by the Trade and Cooperation Agreement between the European Union and the European Atomic Energy Community, of the one part, and the United Kingdom of Great Britain and Northern Ireland, of the other part, on the adoption of the guidance on frameworks for cooperation (Council Decision) – 2024/0022 (NLE)**

Line set out in SI(2024) 153.

The Commission approved the line proposed for the following point, for transmission to the European Parliament:

- **Commission replies to the non-legislative resolutions adopted by the European Parliament at its plenary sessions of October II, November II and December 2023 as well as January 2024**

Line set out in SP(2024) 145/4.

The Commission approved the line proposed for the following point and took note of the compromise text:

- **Financial rules applicable to the general budget of the Union (recast – Regulation) – HOHLMEIER & UŠAKOVŠ report – 2022/0162 (COD)**

Line set out in SP(2024) 149 and compromise text in its annex, further to note SI(2023) 522 already approved by the Commission on 19 December 2023 by

written procedure.

The Commission took note of the following points:

- **Substantiation and communication of explicit environmental claims (Green Claims Directive) (Directive) – ENGERER & ANSIP report – 2023/0085 (COD)**

Information set out in SP(2024) 147/2.

- **Amendment of Directive 2008/98/EC on waste (Directive) – ZALEWSKA report – 2023/0234 (COD)**

Information set out in SP(2024) 148.

- **Industrial emissions:**
 - **Amendment of Directive 2010/75/EU of the European Parliament and of the Council of 24 November 2010 on industrial emissions (integrated pollution prevention and control) and Council Directive 1999/31/EC of 26 April 1999 on the landfill of waste (Directive) – KANEV report – 2022/0104 (COD)**
 - **Reporting of environmental data from industrial installations and establishment of an Industrial Emissions Portal (Regulation) – KANEV report – 2022/0105 (COD)**

Compromise texts in SP(2024) 150 and SP(2024) 151, further to note SI(2023) 540, already approved by the Commission on 12 December 2023.

- **Establishment of the Union Customs Code and the European Union Customs Authority, and repeal of Regulation (EU) No 952/2013 (Regulation) – CLUNE report – 2023/0156 (COD)**

Information set out in SP(2024) 155.

- **Safety of toys and repeal of Directive 2009/48/EC (Regulation) – WALSMANN report – 2023/0290 (COD)**

Information set out in SP(2024) 157.

- **Compulsory licensing for crisis management and amendment of Regulation (EC) 816/2006 (Regulation) – VÁZQUEZ LÁZARA report – 2023/0129 (COD)**

Information set out in SP(2024) 156.

- **Amendment of Council Directive 96/53/EC laying down for certain road vehicles circulating within the Community the maximum authorised dimensions in national and international traffic and the maximum authorised weights in international traffic (Directive) – GARCÍA MUÑOZ report – 2023/0265 (COD)**

Information set out in SP(2024) 158.

- **Establishment of a common framework for media services in the internal market (European Media Freedom Act) and amendment of Directive 2010/13/EU (Regulation) – VERHEYEN report – 2022/0277 (COD)**

Compromise text in SP(2024) 144, further to note SI(2024) 13, which the Commission had already approved on 16 January 2024 by written procedure, and to note SI(2024) 37, which the Commission had already approved on 24 January 2024.

- **Amendment of Regulation (EC) No 1272/2008 of the European Parliament and of the Council on classification, labelling and packaging of substances and mixtures (Regulation) – SPYRAKI report – 2022/0432 (COD)**

Compromise text in SP(2024) 152, further to note SI(2023) 559, which the

Commission had already approved on 19 December 2023.

- **Type-approval of motor vehicles and engines and of systems, components and separate technical units intended for such vehicles, with respect to their emissions and battery durability (Euro 7) and repeal of Regulations (EC) No 715/2007 and (EC) No 595/2009 (Regulation) – VONDRA report – 2022/0365 (COD)**

Compromise text in SP(2024) 153, further to note SI(2024) 8 already approved by the Commission on 16 January 2024 by written procedure.

- **Definition of criminal offences and penalties for the violation of Union restrictive measures (Directive) – IN 'T VELD report – 2022/0398 (COD)**

Compromise text in SP(2024) 154, further to note SI(2023) 576 already approved by the Commission on 19 December 2023 by written procedure.

- **Stabilisation of the Bulgarian and Romanian pilot projects for migration and border management**

Information set out in SI(2024) 154.

- **Results of the European Parliament plenary session of February II 2024**

Information set out in SP(2024) 127.

5. COORDINATION OF EXTERNAL ACTION (RCC(2024) 11)

The Commission took note of the operational conclusions in RCC(2024) 11 of the meeting of the Group for External Coordination (EXCO) held on Wednesday 28 February 2024.

6. WRITTEN PROCEDURES, EMPOWERMENT AND DELEGATION OF POWERS

6.1. WRITTEN PROCEDURES APPROVED

(SEC(2024) 75 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 26 February and 3 March 2024.

6.2. EMPOWERMENT

(SEC(2024) 76 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted between 26 February and 3 March 2024.

6.3. DELEGATION / SUBDELEGATION OF POWERS

(SEC(2024) 77 ET SEQ.)

The Commission took note of the Secretariat-General's memoranda recording decisions adopted under the delegation and subdelegation procedures between 26 February and 3 March 2024 archived in Decide.

6.4. SIGNIFICANT WRITTEN PROCEDURES

(SEC(2024) 78 AND /2)

The Commission took note of the significant written procedures for which the time limit expired between 4 and 8 March 2024.

6.5. COMMISSION DECISION GRANTING A DELEGATION OF POWERS RELATING TO THE APPROVAL OF THE FUNDING OF INDIRECT ACTIONS UNDER THE HORIZON EUROPE PROGRAMME AND REPEALING DECISION C(2021) 9089

(C(2024) 1497)

The Commission decided to grant a delegation of powers to the Directors-General of Directorates-General RTD, EAC, AGRI, CNECT, DEFIS, ENER, GROW, HOME and MOVE, in order to adopt, on behalf of the Commission and under its responsibility, within their respective competences for the implementation of the budget of the Horizon Europe Programme, and subject to the conditions set out in Articles 3 to 6 of this Decision repealing Decision C(2021) 9089, decisions approving the funding of indirect actions under the Horizon Europe Programme, pursuant to Decision (EU) 2021/764.

The Commission adopted the Decision in C(2024) 1497.

7. ADMINISTRATIVE AND BUDGETARY MATTERS (SEC(2024) 79)

ADMINISTRATIVE MATTERS (PERS(2024) 23)

7.1. DG MIGRATION AND HOME AFFAIRS – EXTENSION OF THE TERM OF OFFICE OF THE EXECUTIVE DIRECTOR OF THE EUROPEAN UNION AGENCY FOR ASYLUM (EUAA)

On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Ms JOHANSSON, the Commission decided:

- to propose to the Management Board of the European Union Agency for Asylum (EUAA) to extend the term of office of Ms Nina GREGORI as Executive Director for five years with effect from 16 June 2024, in accordance with Article 46(5) of Regulation (EU) 2021/2303;
- to ask Ms JOHANSSON, the Member of the Commission responsible, to communicate this decision to the Management Board of the European Union Agency for Asylum (EUAA).

These decisions would take effect immediately.

7.2. DG TRADE – CLOSURE OF AN INTERNAL SELECTION PROCEDURE (AT GRADE AD14/15) AND AUTHORISATION FOR INTERNAL AND INTERINSTITUTIONAL RE-PUBLICATION (AT GRADE AD14/15) AND EXTERNAL RE-PUBLICATION (AT GRADE AD14) OF THE VACANCY NOTICE FOR A DIRECTOR POST (PERS(2024) 24)

On a proposal from Mr HAHN, in agreement with the PRESIDENT and after consulting Ms DOMBROVSKIS, the Commission decided:

- to close with immediate effect the selection procedure for the post of Director of the ‘Multilateral Affairs, Strategy, Analysis, Evaluation’ Directorate in DG Trade, without making an appointment;
- to authorise the internal, interinstitutional and external re-publication of the vacancy notice set out in PERS(2024) 24, in accordance with Article 29(1)(a)(i) and (iii), Article 29(1)(b) and Article 29(2) of the Staff Regulations.

These decisions would take effect immediately.

7.3. DG COMMUNICATION – APPOINTMENT OF A DIRECTOR AT GRADE AD14/15 (PERS(2024) 25 TO /3)

The Commission had before it applications under Article 29(1)(a)(i) and (iii) of the Staff Regulations for the post of Director of the ‘Political Communication and Services’ Directorate in DG Communication (PERS(2024) 25).

It took note of the opinions of the Consultative Committee on Appointments of 20 and 22 February 2024 (PERS(2024) 25/2 and /3).

The Commission proceeded to compare the applicants' qualifications for the post. On a proposal from Mr HAHN, in agreement with the PRESIDENT, it then decided to appoint Mr Alexander WINTERSTEIN to the post.

This decision would take effect on a date to be determined.

8. JOINT COMMUNICATION TO THE EUROPEAN PARLIAMENT, THE COUNCIL, THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND THE COMMITTEE OF THE REGIONS – A NEW EUROPEAN DEFENCE INDUSTRIAL STRATEGY: ACHIEVING EU READINESS THROUGH A RESPONSIVE AND RESILIENT EUROPEAN DEFENCE INDUSTRY

(JOIN(2024) 10 TO /3; RCC(2024) 78)

9. PROPOSAL FOR A REGULATION 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

(COM(2024) 150 TO /4; RCC(2024) 78)

The PRESIDENT introduced the very first European Defence Industrial Strategy and the new Defence Industry Programme, which aimed to strengthen Europe's competitiveness and security.

She began by recognising the importance of the previous initiatives that had prepared the ground for that day's proposals, in particular the creation of the European Defence Fund (EDF) and the establishment of the Permanent Structured Cooperation (PESCO) framework for joint purchases and capability development. These initiatives, aligned with the objectives of the North Atlantic Treaty Organisation (NATO), reflected the EU's commitment to complementing NATO

capabilities. However, she considered that the changing security landscape, shaped by new and re-emerging threats, now required a more comprehensive and strategic response.

The PRESIDENT explained that that day's initiatives prioritised the development of tangible resources and equipment to strengthen Europe's military capabilities. To achieve this, the strategy underlined the importance of close cooperation between key actors: the Member States, the European External Action Service (EEAS), the European Defence Agency and the Commission. She considered it essential to deepen this cooperation in order to forge a unified and coherent European security strategy.

Ms VESTAGER highlighted the crucial role of a revitalised European defence industry, which would be strong and inclusive thanks to the participation of companies of all sizes and from all Member States. This inclusiveness would ensure a broad and diversified industrial base capable of responding to Europe's evolving defence needs.

The European Defence Industry Programme was a necessary response to the limits, revealed by the war in Ukraine, of Europe's industrial capability to meet the growing demand for military equipment. She added that the current procurement system was hampering economies of scale by encouraging production cycles at national level.

Recognising that an increase in defence budgets would have to go hand in hand with better investment, Ms VESTAGER defended the need for a more unified and European approach. The data collected suggested that, since the beginning of Russia's war of aggression against Ukraine, 80% of defence acquisitions had been made from non-European sources, with 60% having been made from the United States. These figures highlighted the vast potential of a revitalised European defence industry, not only to meet Europe's needs, but also to create a more secure and strategically independent European bloc.

To achieve the ambitious objectives set out in the strategy, Ms VESTAGER presented the key proposals designed to give new impetus to the European defence industry and make it more resilient in the current geopolitical context.

First, a joint programming and procurement function would be established, to be supervised by the newly created Defence Industrial Readiness Board. This Board would be composed of representatives of the Commission, the European Defence Agency and the High Representative of the Union for Foreign Affairs and Security Policy, with the full involvement of Member States, promoting a unified approach to defence product planning and procurement.

Second, a permanent European defence programme would be created to replace existing temporary initiatives such as the Act in Support of Ammunition Production (ASAP) and the European Defence Industry Reinforcement through common Procurement Act (EDIRPA). Ms VESTAGER stressed that this programme would provide more stable and sustainable support to the European defence industry.

Third, the new legal framework would encourage Member States to make joint purchases by allowing smaller buyers to join contracts concluded on advantageous terms. This would result in greater effort sharing and would mitigate risk.

Fourth, Member States would be empowered to set up European Defence Projects of Common Interest, a mechanism to foster deeper industrial cooperation in the area of strategic defence technologies.

Finally, an initial budget of EUR 1.5 billion would be allocated to encourage participation and innovation in industry. Ms VESTAGER clarified that, while the sum might seem modest, it would nonetheless be used strategically for incentives and grants, which should ultimately have a significant impact on procurement decisions.

The proposed package aimed to bring about a paradigm shift in European defence procurement. The aim was to acquire at least 40% of defence equipment

collaboratively by 2030, and to gradually increase European defence equipment procurement in such a way that at least 50% of the dedicated budget was spent in the EU by 2030 and 60% by 2035. Ms VESTAGER added that cooperation on the development of advanced defence equipment and dual-use technologies would help to strengthen both European production capabilities and Ukraine's ability to defend itself.

She concluded that a stronger European defence industry offered many benefits, including by consolidating European security, reducing dependence on external suppliers and contributing to a NATO that would be stronger in the long term.

Mr BORRELL noted that, while defence policy was an essential national competence of the Member States, there was growing interest in greater collaboration on EU military capability. He highlighted the significant potential for the production of military equipment within the EU, but drew attention to the 'silent disarmament' trend observed in Europe since the 2009 euro crisis. This trend, documented in the annual reports of the European Defence Agency, was characterised by a gradual reduction in military capabilities up to 2014. Russia's annexation of Crimea in the same year had marked a decisive turning point, and had sounded a first alarm on the need to react.

Russia's brutal war of aggression against Ukraine had revived this sense of urgency, as demonstrated by the massive support provided to Ukraine through the European Peace Facility and bilaterally by the Member States. Against this backdrop of a resurgence of high-intensity warfare in Europe, the EU had approved its Strategic Compass for Security and Defence in order to protect its citizens, values and interests, and to contribute to international peace and security.

Mr BORRELL noted that Russia's war of aggression against Ukraine had revealed certain vulnerabilities within the EU, particularly in the industrial sector. In this context, he welcomed the efforts made to increase industrial capability, but noted

that the significant increases achieved remained insufficient compared to the needs identified.

He highlighted the specificities of the defence sector, which was characterised by a limited number of customers, mainly government entities, whose priorities directly influenced industrial production. The main challenge was therefore to bridge the gap between a supply side organised along national lines and the need for more unified defence capability at European level. In this context, he considered that the Defence Industrial Readiness Board could play a key role in aligning industrial supply with European priorities.

Given budgetary constraints, and despite the complexity of the financing mechanisms of the European Investment Bank (EIB), he argued that the EIB could significantly facilitate access to finance for the defence industry by promoting investment in the production of military equipment. Mr BORRELL also expressed support for the use of revenue from frozen Russian assets, while pointing out that the final decision was for the Member States. He stressed the importance of supporting Ukraine while working closely with NATO, and called on Europeans to take greater responsibility for their own security, in order to minimise dependence on the political vagaries of partners outside the EU.

Mr BRETON stressed that the initiatives presented that day did not involve any changes to the EU Treaties or existing institutional prerogatives. Their main aim was to boost the EU's defence industrial capacity, which was fully in line with the Commission's role. It was imperative to prepare the defence industry for high-intensity conflicts on the European continent. In this context, he emphasised the importance for the EU of stepping up its investment in this area in a more strategic and collective way, so as to respond effectively to current challenges.

He underlined the urgent need to increase and accelerate production, in order to deal with Russian aggression on the EU's borders. The EU defence industry had made significant progress, doubling its munition production capacity in just ten months

without any external financial support. These efforts should be intensified, especially in the areas most exposed to the risks of conventional conflict.

Mr BRETON explained that the first priority had been to identify bottlenecks and work with industry representatives to find tailored solutions, but these measures alone were no longer sufficient. The proposed strategy was therefore aimed at ensuring that the existing initiatives continued and that the achievements in munitions production were replicated throughout the defence industry.

The new European Defence Industry Programme (EDIP) responded precisely to this objective. It also afforded the opportunity to incorporate the Ukrainian defence industry in these efforts, for example by providing for the opening of an innovation office in Kyiv. This sent out a very strong signal, aimed not only at supporting Ukraine's industrial development but also at enhancing European defence expertise through the lessons learned from Ukraine's experience on the ground.

Mr BRETON noted that both the geopolitical context and people's mindsets had changed significantly since the first discussions held on creating a European Defence Fund. Against this backdrop, the Council's adoption of the Strategic Compass in 2022 represented a major step forward in better understanding joint defence efforts in the EU. Given that it was impossible for Member States to act alone, particularly in the contested areas of space, cyber, maritime and air defence, he welcomed Member States' more frequent calls for joint defence projects and for governance and tailored financing to protect all of the EU's territory.

He also highlighted the vital role in the defence sector played by small and medium-sized enterprises (SMEs). He proposed creating an instrument within the EU based on the American model of Foreign Military Sales (FMS), to encourage stable demand, reduce costs and facilitate exports. This approach, which would not need the Commission to be directly involved in procurement, would still provide substantial support to the procurement efforts of the Member States.

Mr BRETON then underlined the crucial support of the European Investment Bank

(EIB), referring to its central and essential role in financing EU policies. He considered that the budget of EUR 1.5 billion provided for under the EDIP for the period 2025-2027 was a first step in the right direction, but it fell far short of meeting Ukraine's urgent needs and the defence industry's demands. He therefore hoped that an interim solution could be found to meet those immediate needs, pending the entry into force of the next Multiannual Financial Framework (MFF) in 2027. In particular, he highlighted how apt it would be – subject to the Member States' approval – to use the revenue from the immobilised Russian assets. This would be viewed as a significant political gesture and would respond to an urgent financial imperative.

Lastly, Mr BRETON emphasised the importance of setting ambitious goals in order to unite and coordinate efforts. Accordingly, one ambitious goal was for the Member States to achieve 40% of defence procurement jointly by 2030, in order to ensure greater interoperability in line with NATO standards. It was also envisaged that 50% of defence procurement would be carried out within Europe by 2030 and 60% by 2035.

In the course of the discussion that followed, the Commission raised the following main points:

- the College's full support for this very first European Defence Industrial Strategy and for all the ambitious new measures aimed at supporting the development and competitiveness of the EU's defence industry;
- the strong signal sent by the EU regarding its determination to support Ukraine in the long term while decisively strengthening the European pillar of NATO;
- the dissuasive effect of a European defence industry that was stronger and better prepared for geopolitical challenges;

- the value of incorporating Ukraine’s defence industry into the EU’s efforts to increase its armament production capacity and research and innovation capacity in this highly sensitive sector;
- the relevance of the concept of more exposed Member States, which allowed each Member State’s geographic location to be taken into account when implementing the EU’s Defence Industrial Strategy, with a view to ramping up production capacity in these countries;
- the essential role that could be played by the EIB by helping to finance the increase in armament production capacity within the EU;
- in this context, the invitation to set up a dialogue with the EIB’s investor base so as not to call into question its sustainable finance objective;
- the advisability of continuing the work on using the revenue generated by the immobilised Russian assets to support the supply of arms to Ukraine, finance the country’s reconstruction and compensate for the damages caused by Russia’s war of aggression;
- a reminder of the work under way in the G7 on the seizure of all of Russia’s immobilised assets in addition to the revenue generated to date;
- the need to clarify in communications to the public and media that implementing the European Defence Industrial Strategy did not equate to transforming the EU’s economy into a war economy;
- the belief expressed by some that, eventually, the EU would have to move beyond a European industrial strategy for armaments and consider creating a real common European defence;
- the importance of the EU implementing its industrial strategy in complementarity with NATO, particularly as regards the interoperability of the equipment used by its members;

- the usefulness of promoting a debate on the EU's defence and security in the context of the European elections, given the growing interest of European citizens in these issues;
- the need to combat disinformation and other forms of hybrid warfare used by Russia, particularly in the Global South;
- in this connection, a reminder that the EU was still by far the biggest donor of aid to the Global South countries;
- the substantial support of this Commission for finding and implementing European solutions to the major crises of the past five years, especially in the context of the COVID-19 pandemic and Russia's war of aggression against Ukraine.

In reply to some of the points raised, the PRESIDENT drew attention to the terrible social and environmental consequences of the Russian war of aggression against Ukraine, which also warranted defence investments from the point of view of environmental, social and governance consequences. There was also a need to prepare for possible armed conflict in order to ensure peace.

With regard to the potential use of revenues from Russia's immobilised assets, she pointed out that these revenues were earmarked for Ukraine, whether for military support or for rebuilding the country after the war.

She stressed that management of the armed forces came under the sovereignty of each Member State, which decided on their commitment to various missions, whether these were at national level or at the level of NATO, the European Union, the United Nations or even ad hoc voluntary coalitions. On the issue of interoperability of military equipment, what was needed was a change of mentality to prioritise harmonisation with European and NATO standards.

The PRESIDENT noted that 2023 had been marked by a significant drop in European reserves of arms because of increased needs arising from the war in Ukraine, and by a record rate of 80% of arms purchased outside the EU compared with 60% the previous year. Given the increase in defence budgets in all Member States, it was essential to invest better, which above all meant investing together and in Europe.

While acknowledging the growing complexity of the geopolitical landscape, Ms VESTAGER warned against alarmist rhetoric which might not only hamper essential progress, particularly in the green and digital transition, but also affect the EU's global competitiveness. The European defence industry was fragmented across national borders and was to a large degree dependent on imports of defence equipment. A strategic approach was therefore needed to promote cooperation and maximise the potential of the European defence industry. She underlined the need for clear leadership to initiate and lead this collaborative process so that Europeans could unite effectively and strengthen their autonomy.

Mr BORRELL considered it essential to prepare Europeans for the idea that peace was not a natural state but rather the result of sustained efforts in a complex geopolitical context involving conflict. He called for active support of the European defence industry, pointing out that the usual market mechanisms were insufficient in a sector where supply and demand were controlled by a limited number of players. The immediate challenge was not so much the production capacity of the defence industry as its financing, particularly for ammunition manufacturing. The question of ramping up production capacity would, however, become key in the medium term.

He concluded that, unlike in the United States where the Pentagon acted as a single buyer, the EU had no similar structure. The 27 Member States should strive to ensure better cooperation and foster interoperability in their procurement of defence equipment.

Acknowledging the importance of the geographical situation of Member States, Mr BRETON said that the beneficiaries of the Act in Support of Ammunition Production (ASAP), which would be announced shortly, had been chosen on the basis of this aspect. This consideration had not been taken into account, however, in the context of the European Defence Industry Reinforcing through Common Procurement Act (EDIRPA).

He called for a transformation of the defence industry in line with the United States model which focused on immediately operational military capabilities and equipment reserves under the Foreign Military Sales (FMS) programme. This approach would improve the EU's readiness, enhance the visibility of its defence industry and facilitate exports to third countries.

Faced with Russia's aggressive rhetoric regarding its support for the Global South, Mr BRETON underlined the EU's significant contribution to the Global South as the biggest donor in the world. He emphasised the importance of adopting a unified approach to presenting the impact of European aid, opting for a global message rather than highlighting isolated actions by individual Member States.

Lastly, he praised the excellent collaboration with NATO which had been essential to ensure a mutual understanding of actions and objectives. He confirmed the crucial importance of military interoperability, which was the primary objective of the measures adopted that day to strengthen Europe's defence capability.

Following these presentations, the Commission:

- approved the Joint Communication in JOIN(2024) 10/3 for transmission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions and, for information, to the European Court of Auditors and the national parliaments;
- adopted the proposal for a Regulation in COM(2024) 150/4, for transmission to the European Parliament, the Council, the European Economic and Social

Committee, the Court of Auditors and the national parliaments and, for information, to the Committee of the Regions.

10. OTHER BUSINESS

10.1. RISK MANAGEMENT EXERCISE 2024

(SEC(2024) 93)

Mr HAHN presented to the College the main conclusions of the annual risk management exercise for 2024. He pointed out that the process of identifying and assessing risks was a core management activity which was an integral part of the Commission's governance arrangements. Each year the institution's departments were required to identify risks that could affect the achievement of their objectives, and to ensure that appropriate mitigation measures were in place.

During this exercise, 29 critical risks had been notified by 19 departments compared with 43 risks notified by 22 departments in 2023. While most of these risks concerned specific Directorates-General, four cross-cutting risks had been identified: (i) geopolitical events, (ii) high pressure on human and financial resources, (iii) cybersecurity and (iv) physical security of staff.

Mr HAHN pointed out that the list of critical risks had been approved by the Corporate Management Board and discussed in the Commission's Audit Progress Committee. Based on this exercise, the departments should continue to monitor the critical risks identified and implement mitigation measures in the areas they could influence.

The Commission took note of this information and of document SEC(2024) 93.

10.2. OUTCOME OF THE 13TH MINISTERIAL CONFERENCE OF THE WORLD TRADE ORGANIZATION

Mr DOMBROVSKIS reported to the College on the outcome of the 13th Ministerial Conference of the World Trade Organization (WTO) held in Abu Dhabi (United Arab Emirates) from 26 February to 2 March. The overall outcome of this event had been rather mixed compared with the 2022 Ministerial Conference.

He briefly listed the main positive results of the discussions: the extension of the moratorium on customs duties applied to electronic transmissions, the entry into force of new standards governing domestic regulation in the services sector and the finalisation of a political agreement to promote development investment. He also noted that two new countries had joined the WTO, the Comoros and Timor-Leste. The Ministers had also undertaken to introduce a dispute settlement system that would be fully operational by the end of the year.

Mr DOMBROVSKIS ended by regretting the fact that the Ministers had not reached an agreement on trade in agriculture and fisheries. He nevertheless congratulated Mr WOJCIECHOWSKI and Mr SINKEVIČIUS for their active participation in these negotiations.

The Commission took note of this information.

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The meeting closed at 10.46.