

## 2024 Defence Review paves way for joint military projects

Defence Ministers approved on 19 November 2024 the 2024 Coordinated Annual Review on Defence (CARD) report — the EU's 'State of the Union' on defence. The review identifies actionable collaborative opportunities for Member States to develop critical military capabilities together. For the first time, the adoption of the report is combined with the signature of letters of intent by Member States in four areas: integrated air and missile defence; electronic warfare; loitering munitions; and a combat surface vessel.

In addition, the European Defence Agency released data showing that Member States' defence expenditure is set to reach €326 billion, which represents 1.9% of EU GDP in 2024. Compared to 2021, before Russia's war of aggression against Ukraine, spending this year is up by more than 30%.

The 2024 CARD report, produced by the European Defence Agency (EDA) in coordination with the European External Action Service (EEAS) and the EU Military Staff (EUMS), was approved by Ministers of Defence during the EDA Steering Board.

The report finds that, despite increased defence spending, national efforts alone are

insufficient to allow for EU Member States' armed forces to adequately prepare for high-intensity warfare. Greater cooperation is needed. EU collaboration must accelerate to align national efforts with agreed objectives, converge with NATO and reduce fragmentation, and strengthen Europe's security.

The report urges Member States to address short-term operational needs and long-term priorities at the same time. Russia's war of aggression against Ukraine highlights the need for both advanced technologies and cost-effective capabilities in adequate quantities.

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The report calls on Member States to invest in land, air, and maritime assets in line with the agreed 2023 EU Capability Development Priorities. This includes replenishing stockpiles, modernising ground and air defence systems, and enhancing interoperability. Investments in strategic enablers such as secure and resilient cyber defence, command-and-control (C2) systems, cyber and space situational awareness, and satellite communications, are equally crucial. To strengthen the European Defence Technological and Industrial Base (EDTIB), Member States must reduce reliance on external suppliers, cooperate more closely, and develop secure EU defence supply chains.

Head of the European Defence Agency, High Representative/Vice-President, Josep Borrell said: "The 2024 CARD Report is clear: national efforts, while indispensable, are not enough. The geopolitical landscape makes our cooperation, alongside increased spending, essential to be ready for high-intensity warfare. Member States' total combined defence expenditure is set to reach 1.9% of EU GDP in 2024.

Additional funding for defence should be spent as efficiently as possible, and using part of it through collaborative European investments on capability needs would help. We have identified concrete collaborative opportunities — and Member States are taking action, as demonstrated by the four Letter of Intent signed by respective defence ministers to take concrete action together in those specific areas."

### FOUR COLLABORATIVE OPPORTUNITIES

The CARD process identifies a number of intersections and common ground between Member States' defence plans, based on which EDA identified collaborative opportunities. For the first time, the adoption of the CARD Report is combined with the signature of political letters of intent by a considerable number of Member States. This new development highlights that Member States are interested in working together on developing these military capabilities. The scope of these letters of



intent ranges from short-term joint procurement, through medium-term modernisation and upgrades, to long-term development of future capabilities. These could be implemented through EDA or as Permanent Structured Cooperation (PESCO) projects.

EDA Chief Executive Jiří Šedivý said: “To become a credible security provider, the EU must develop strategic capabilities, including for high-intensity warfare scenarios. Collaborative opportunities will bring national policymakers, planners, and armament experts together to develop relevant military assets. These are in line with NATO priorities. EDA is ready to make these collaborative opportunities a reality.”

For Integrated Air and Missile Defence (IAMD), at least 18 Member States have declared their intention to collectively fill urgent capability gaps in the short term by procuring counter-unmanned aerial systems (C-UAS), ground-based air defence (GBAD), and ammunition. In the medium term, Member States aim to develop technologies to counter swarms of drones and high-velocity threats. In the long term, they plan to build a robust IAMD architecture.

On Electronic Warfare, at least 14 Member States have confirmed their willingness to jointly improve their capabilities through shared procurement of equipment, establishment of data-sharing platforms, and the development of common doctrines, training, exercises, and facilities. In the long term, they will focus on developing future systems, particularly for jamming and counter-jamming

Regarding Loitering Munitions, at least 17 Member States share the intention to aggregate their needs in view of procuring these systems together in the short term, and work on their further development over the medium to long term. They will also work on the use of these systems by creating operational concepts and establishing common terminology, as well as conducting joint training, exercises, and testing.

For the European Combat Vessel (ECV), at least 7 Member States declared their intention to develop the next generation of vessels using a systems-to-hull approach. They plan to harmonise requirements, develop a business case, and prepare for joint procurement by 2040.

### THE COLLABORATIVE OPPORTUNITIES EXPLAINED

- Integrated Air and Missile Defence (IAMD) is crucial for protecting Europe’s critical infrastructure, urban areas, and military forces from an increasingly complex array of airborne threats, including ballistic missiles, cruise missiles, and unmanned aerial systems.
- Electronic Warfare plays a critical role in modern conflicts, enabling the disruption of enemy communications and sensors while protecting friendly forces from detection and interference. This can ensure information dominance and safeguard national security.
- Loitering Munitions are versatile systems that can hover over target areas and engage whenever necessary, combining intelligence-gathering with precision strikes. Recent military operations have all confirmed the disruptive potential of this capability.
- European Combat Vessel (ECV) is the common name to a multipurpose modular surface combat vessel. As it is a large peninsular surrounded almost entirely by sea and with more than 80% of its trade dependent on maritime transport, Europe needs strong capabilities for protecting its waters, while being also able to respond to conflicts abroad.

European Defence Agency data shows that EU Member States are closing the gap in 2024 towards the NATO 2% guideline, as Member States’ total combined defence expenditure is set to reach 1.9% of EU GDP.

This is possible thanks to a more than 30% increase in defence spending compared to 2021, with defence spending in 2024 estimated to have reached €326 billion, exceeding earlier projections. In 2024, Member States are also expected to spend more than €100 billion on investment, which goes beyond the agreed target of dedicating 20% of defence, in line with their commitment under the Permanent Structured Cooperation (PESCO).

Additionally, 10 Member States are projected to allocate more than 30% of their total defence expenditure to investments. Investments in researching, developing, and procuring new defence capabilities are expected to rise from around €59 billion in 2021 to €102 billion in 2024.

### LETTERS OF INTENT ON 4 CAPABILITY AREAS



**Integrated Air & Missile Defence**

**18** MEMBER STATES

- BE
- BG
- CY
- DE
- DK
- EL
- FI
- FR
- HR
- IT
- LV
- LT
- LU
- NL
- PL
- RO
- SI
- SE



**Loitering Munitions**

**17** MEMBER STATES

- BE
- BG
- CY
- CZ
- DE
- EE
- EL
- FI
- FR
- HR
- IT
- LV
- LT
- NL
- PL
- RO
- SI



**Electronic Warfare**

**14** MEMBER STATES

- BE
- CY
- CZ
- DE
- EE
- EL
- FI
- FR
- HR
- IT
- LV
- LT
- PL
- SI



**European Combat Vessel**

**7** MEMBER STATES

- BE
- CY
- EL
- ES
- IT
- NL
- PT