

Informal meeting of the Heads of State or Government

Versailles Declaration

10 and 11 March 2022

1. Two weeks ago Russia brought war back to Europe. Russia's unprovoked and unjustified military aggression against Ukraine grossly violates international law and the principles of the UN Charter and undermines European and global security and stability. It is inflicting unspeakable suffering on the Ukrainian population. Russia, and its accomplice Belarus, bear full responsibility for this war of aggression and those responsible will be held to account for their crimes, including for indiscriminately targeting civilians and civilian objects. In this respect we welcome the decision of the prosecutor of the International Criminal Court to open an investigation. We call for the safety and security of Ukraine's nuclear facilities to be ensured immediately with the assistance of the International Atomic Energy Agency. We demand that Russia ceases its military action and withdraws all forces and military equipment from the entire territory of Ukraine immediately and unconditionally, and fully respects Ukraine's territorial integrity, sovereignty and independence within its internationally recognised borders.

2. We commend the people of Ukraine for their courage in defending their country and our shared values of freedom and democracy. We will not leave them alone. The EU and its Member States will continue to provide coordinated political, financial, material and humanitarian support. We are committed to provide support for the reconstruction of a democratic Ukraine once the Russian onslaught has ceased. We are determined to increase even further our pressure on Russia and Belarus. We have adopted significant sanctions and remain ready to move quickly with further sanctions.
3. Countless people are fleeing the war in Ukraine. We offer temporary protection to all war refugees from Ukraine. We commend European countries, notably at the borders with Ukraine, for showing immense solidarity in hosting Ukrainian war refugees. The EU and its Member States will continue to show solidarity and provide humanitarian, medical and financial support to all refugees and the countries hosting them. We call for funds to be made available without delay through a swift adoption of the proposal on Cohesion's Action for Refugees in Europe (CARE) and through ReactEU. We call on Russia to fully abide by its obligations under international humanitarian law. It must ensure safe and unhindered humanitarian access to the victims and internally displaced persons in Ukraine, and allow safe passage for those civilians who want to leave.
4. The European Council acknowledged the European aspirations and the European choice of Ukraine, as stated in the Association Agreement. On 28 February 2022, exercising the right of Ukraine to choose its own destiny, the President of Ukraine submitted the application of Ukraine to become a member of the European Union. The Council has acted swiftly and invited the Commission to submit its opinion on this application in accordance with the relevant provisions of the Treaties. Pending this and without delay, we will further strengthen our bonds and deepen our partnership to support Ukraine in pursuing its European path. Ukraine belongs to our European family.
5. The Council has invited the Commission to submit its opinions on the applications of the Republic of Moldova and Georgia.

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6. Russia's war of aggression constitutes a tectonic shift in European history. At our meeting in Versailles, we discussed how the EU can live up to its responsibilities in this new reality, protecting our citizens, values, democracies, and our European model.
7. Confronted with growing instability, strategic competition and security threats, we decided to take more responsibility for our security and take further decisive steps towards building our European sovereignty, reducing our dependencies and designing a new growth and investment model for 2030.

In this respect, we addressed today three key dimensions:

- a) Bolstering our defence capabilities;
- b) Reducing our energy dependencies; and
- c) Building a more robust economic base.

I. BOLSTERING OUR DEFENCE CAPABILITIES

8. In December 2021, we decided that the European Union would take more responsibility for its own security and, in the field of defence, pursue a strategic course of action and increase its capacity to act autonomously. The transatlantic relationship and EU-NATO cooperation, in full respect of the principles set out in the Treaties and those agreed by the European Council, including the principles of inclusiveness, reciprocity and decision-making autonomy of the EU, are key to our overall security. A stronger and more capable EU in the field of security and defence will contribute positively to global and transatlantic security and is complementary to NATO, which remains the foundation of collective defence for its members. The solidarity between Member States is reflected in Article 42(7) TEU. More broadly, the EU reaffirms its intention to intensify support for the global rules-based order, with the United Nations at its core.

9. In view of the challenges we face and in order to better protect our citizens, while acknowledging the specific character of the security and defence policy of certain Member States, we must resolutely invest more and better in defence capabilities and innovative technologies. We therefore agreed to:
 - a) increase substantially defence expenditures, with a significant share for investment, focusing on identified strategic shortfalls, and with defence capabilities developed in a collaborative way within the European Union;
 - b) develop further incentives to stimulate Member States' collaborative investments in joint projects and joint procurement of defence capabilities;
 - c) invest further in the capabilities necessary to conduct the full range of missions and operations, including by investing in strategic enablers such as cybersecurity and space-based connectivity;
 - d) foster synergies between civilian, defence and space research and innovation, and invest in critical and emerging technologies and innovation for security and defence;
 - e) take measures to strengthen and develop our defence industry, including SMEs.

10. We also need to best prepare for fast-emerging challenges by:
 - a) protecting ourselves against ever-growing hybrid warfare, strengthening our cyber-resilience, protecting our infrastructure – particularly our critical infrastructure – and fighting disinformation;
 - b) enhancing the security and defence dimension of space industries and activities;
 - c) accelerating ongoing efforts to enhance military mobility throughout the EU.

11. We invite the Commission, in coordination with the European Defence Agency, to put forward an analysis of the defence investment gaps by mid-May and to propose any further initiative necessary to strengthen the European defence industrial and technological base.
12. In parallel to these efforts, we will support our partners through all available instruments, including through an increased use of the European Peace Facility.
13. The forthcoming Strategic Compass will provide guidance for action across these security and defence dimensions to make the European Union a stronger and more capable security provider.

II. REDUCING OUR ENERGY DEPENDENCIES

14. Over the past few years, the European Union has set ambitious targets to reach the objective of climate neutrality by 2050.
15. As the EU works towards achieving that goal, the current situation calls for a thorough reassessment of how we ensure the security of our energy supplies.
16. In this respect, we agreed to phase out our dependency on Russian gas, oil and coal imports as soon as possible, in particular by:
 - a) accelerating the reduction of our overall reliance on fossil fuels, taking into account national circumstances and Member States' choices of their energy mix;
 - b) diversifying our supplies and routes including through the use of LNG and the development of biogas;
 - c) further developing a hydrogen market for Europe;

- d) speeding up the development of renewables and the production of their key components, as well as streamlining authorisation procedures to accelerate energy projects;
- e) completing and improving the interconnection of European gas and electricity networks and fully synchronising our power grids throughout the EU;
- f) reinforcing EU contingency planning for security of supply;
- g) improving energy efficiency and the management of energy consumption, and promoting a more circular approach to manufacturing and consumption patterns.

We invite the Commission to propose a RePowerEU plan to this effect by the end of May.

17. In addition, we will continue working on the following strands:

- a) ensuring sufficient levels of gas storage and putting in place coordinated refilling operations;
- b) monitoring and optimising the functioning of the electricity market;
- c) channelling coordinated investment in energy systems, including providing LNG infrastructure;
- d) enhancing connectivity with our immediate neighbourhood.

18. We invite the Commission to put forward a plan to ensure security of supply and affordable energy prices during the next winter season by the end of March.
19. In parallel we will urgently address and consider concrete options, building on the Commission Communication of 8 March 2022, for dealing with the impact of increased energy prices on our citizens and businesses, especially our vulnerable citizens and SMEs, including at the next meeting of the European Council on 24-25 March 2022.

III. BUILDING A MORE ROBUST ECONOMIC BASE

20. Building on the strengths of the Single Market, which we will continue to complete, we will make Europe's economic base more resilient, competitive and fit for the green and digital transitions, while leaving no one behind.

Reducing our strategic dependencies

21. Looking ahead, the following sectors are instrumental in addressing our strategic dependencies, particularly in the most sensitive areas:

Critical raw materials

We will secure EU supply by means of strategic partnerships, exploring strategic stockpiling and promoting a circular economy and resource efficiency;

Semi-conductors

We will diversify supply value-chains, maintain technological leadership and further develop EU production capacity with the aim of securing, through the European Chips Act, 20 % of the global market share by 2030;

Health

We will focus on supporting innovation and sustainable European production of affordable medicines, fast-tracking the registration of European suppliers, financing research and development and building production capacity for critical products to respond to health crises, including through HERA, and making Europe a leader in biomedicines;

Digital

We will invest in digital technologies, including Artificial Intelligence, Cloud and 5G deployment in Europe and abroad. We will examine the feasibility of creating digital partnerships, strengthen the EU normative framework by swiftly adopting pending legislative acts (in particular the Data Act, the Digital Services Act, the Digital Markets Act, the Artificial Intelligence Act), and weigh in on the standardisation of some key technologies, including the future 6G;

Food

We will improve our food security by reducing our dependencies on key imported agricultural products and inputs, in particular by increasing the EU production of plant-based proteins.

We invite the Commission to present options to address the rising food prices and the issue of global food security as soon as possible.

Action at EU level and beyond

22. At EU level, we will ensure cooperation by fostering industrial initiatives, including through Important Projects of Common European Interest (IPCEIs) and industrial alliances. In addition, we will strengthen the EU's research and innovation capabilities.

23. At global level, we will continue to pursue an ambitious and robust trade policy, multilaterally as well as through trade agreements, and promote our standards, market access, sustainable value chains and connectivity. We will complete our trade and competition policy toolbox with instruments to address distortive effects of foreign subsidies on the Single Market, to protect from coercive measures by third countries, and to ensure reciprocity in opening up public procurement with trading partners. The process leading to trade agreements should be transparent and inclusive so as to ensure successful outcomes.

IV. FOSTERING INVESTMENT

24. We will create an environment that facilitates and attracts private investment by:
- a) drastically reforming, simplifying and fast-tracking administrative procedures to authorise investment projects in the EU;
 - b) creating a simple and predictable regulatory environment, particularly for SMEs;
 - c) promoting skills to meet evolving labour market needs and ensuring quality jobs;
 - d) continuing to promote social cohesion and preserving our social model;
 - e) completing our Single Market in all its dimensions, particularly for digital and services;
 - f) creating more integrated, attractive and competitive European financial markets, enabling the financing of innovation and safeguarding financial stability, by deepening the Capital Markets Union and completing the Banking Union.

25. We will mobilise the necessary European and national public funding to improve access to risk capital, overcome market failures, leverage private investment and encourage innovative projects. We will make best use of EU resources. We will use the budget and the potential of the EIB Group to catalyse investments, including higher risk-financing for entrepreneurship and innovation.
26. Our national fiscal policies will need to take into account the overall investment needs and reflect the new geopolitical situation. We will pursue sound fiscal policies, which ensure debt sustainability for each Member State, including by incentivising investments that are growth-enhancing and key for our green and digital objectives. At the same time we will step up reforms that will enhance competitiveness, foster job creation and develop the growth potential in the European Union.

V. **THE WAY FORWARD**

27. We will take forward this agenda as individual Member States and collectively. We call on the institutions to speed up work on all the issues we discussed. We, as Leaders, will come back to this agenda at our forthcoming meetings in the European Council.
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