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LEGISLATIVE ACTS AND OTHER INSTRUMENTS

Subject: COUNCIL RECOMMENDATION assessing the progress made by the participating Member States to fulfil commitments undertaken in the framework of permanent structured cooperation (PESCO)

COUNCIL RECOMMENDATION

of ...

**assessing the progress made by the participating Member States
to fulfil commitments undertaken
in the framework of permanent structured cooperation (PESCO)**

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, and in particular Article 46(6) thereof,

Having regard to Protocol No 10 on permanent structured cooperation established by Article 42 of the Treaty on European Union, attached to the Treaty on European Union and to the Treaty on the Functioning of the European Union,

Having regard to Council Decision (CFSP) 2017/2315 of 11 December 2017 establishing permanent structured cooperation (PESCO) and determining the list of participating Member States¹,

Having regard to the proposal from the High Representative of the Union for Foreign Affairs and Security Policy,

¹ OJ L 331, 14.12.2017, p. 57.

Whereas:

- (1) Point (d) of Article 4(2) of Decision (CFSP) 2017/2315 provides that the Council is to adopt decisions and recommendations assessing the contributions of participating Member States to fulfil the agreed commitments, according to the mechanism described in Article 6 of that Decision.
- (2) Article 6(3) of Decision (CFSP) 2017/2315 provides that, on the basis of the annual report on PESCO presented by the High Representative of the Union for Foreign Affairs and Security Policy (High Representative) to the Council, the Council is to review once a year whether the participating Member States continue to fulfil the more binding commitments referred in Article 3 of that Decision.
- (3) Paragraph 15 of the Council Recommendation of 6 March 2018 concerning a roadmap for the implementation of PESCO¹ provides that the High Representative should present her first annual report in April 2019 or at least prior to the relevant Foreign Affairs Council in the first semester of the year so as to take into account updated national implementation plans presented by participating Member States by 10 January 2019. Paragraph 16 of that Recommendation specifies that the Military Committee of the European Union (EUMC) should provide the Political and Security Committee (PSC) with military advice and recommendations to enable it to prepare the Council's review on whether the participating Member States continue to fulfil the more binding commitments, by May each year.

¹ OJ C 88, 8.3.2018, p. 1.

- (4) Paragraph 26 of the Council Recommendation of 15 October 2018 concerning the sequencing of the fulfilment of the more binding commitments undertaken in the framework of permanent structured cooperation (PESCO) and specifying more precise objectives¹ provides that the High Representative should take that Recommendation into account in the annual report on PESCO, which will support the assessment of the fulfilment of the more binding commitments by each participating Member State.
- (5) On 19 November 2018, the Council adopted Decision (CFSP) 2018/1797² amending and updating Decision (CFSP) 2018/340 establishing the list of projects to be developed under PESCO.
- (6) On 22 March 2019, the High Representative provided to the Council her annual report on the status of PESCO implementation, including on the fulfilment, by each participating Member State, of its commitments, in accordance with its updated and reviewed national implementation plans.
- (7) On that basis, the Council should therefore adopt a Recommendation assessing the progress made by the participating Member States to fulfil commitments undertaken in the framework of PESCO,

HAS ADOPTED THIS RECOMMENDATION:

¹ OJ C 374, 16.10.2018, p. 1.

² Council Decision (CFSP) 2018/1797 of 19 November 2018 amending and updating Decision (CFSP) 2018/340 establishing the list of projects to be developed under PESCO (OJ L 294, 21.11.2018, p. 18).

I. Objective and scope

1. The objective of this Recommendation is to assess the contributions made by the participating Member States (pMS) to fulfil the more binding commitments undertaken in the framework of permanent structured cooperation (PESCO), based on the Annual Report on the Status of PESCO Implementation presented by the High Representative on 22 March 2019 (Annual Report), using the information provided by the pMS in their national implementation plans (NIPs).
2. This Recommendation also takes into account the reports of the pMS to the Council on the progress made towards the implementation of PESCO projects in 2018 and the report on the initial lessons identified on PESCO projects prepared by the PESCO secretariat.

II. Findings and assessment

3. The High Representative's first Annual Report is welcomed as a solid basis for the Council to assess the status of PESCO implementation, including the fulfilment by each pMS of its commitments.

4. Coherence should be ensured between PESCO, the Coordinated Annual Review on Defence (CARD), the European Defence Industrial Development Programme (EDIDP) and the prospective European Defence Fund (EDF), as well as other EU defence initiatives, in order to contribute to the achievement of the Union's level of ambition in the area of security and defence. In this context, it is recalled that the High Representative/Vice President/Head of the European Defence Agency (EDA) was invited to continue promoting further synergies and coherence among EU defence initiatives, in close consultation with the Member States.
5. By their current and future efforts, the pMS demonstrate their contribution to the fulfilment of the 20 more binding commitments agreed under PESCO and make further steps towards the achievement of the Union's level of ambition in the area of security and defence, thereby enhancing both the Union's capacity to act as a security provider and its strategic autonomy, and strengthening its ability to cooperate with partners and to protect its citizens.
6. As Member States only have a 'single set of forces' which they can use within different frameworks, the development of Member States' capabilities within the EU framework will also help to strengthen capabilities potentially available to the United Nations and NATO.

7. With a view to providing guidance for the further implementation of PESCO in this first phase, the Council underlines that, overall, pMS:
- (a) have made progress in terms of the commitments related to defence budgets and joint defence investment. This should be sustained and, where necessary, further reinforced in the coming years in line with the more precise objectives;
 - (b) have started using EU tools, initiatives and instruments in national defence planning, such as the revised Capability Development Plan (CDP), the CARD and the EDIDP, and have started preparing for the EDF in 2021-2027. The pMS are encouraged to step up their efforts to further address the more binding commitments in the respective areas, in particular by making best use of EU tools, initiatives and instruments in their national defence planning processes. In this context, the coherence of output between the CARD and the CDP on the one hand, and respective NATO processes such as the NATO Defence Planning Process (NDPP) on the other, has been and will continue to be ensured where requirements overlap, while recognising the different nature of the two organisations and their respective responsibilities;

- (c) are invited to make significant progress in fulfilling the more binding commitments related to bringing their respective defence apparatus into line with each others', in particular to strengthen collaborative capability development in accordance with the CDP and its relevant strategic context cases (SCCs) currently being developed, while recognising that this requires a sustained longer term effort;
- (d) are encouraged in line with the more binding commitments and the Council Recommendation of 15 October 2018 on the sequencing of the fulfilment of the more binding commitments and specifying more precise objectives: to continue their positive efforts to enhance interoperability and flexibility of their forces; to make further substantial efforts as regards the commitments related to strengthening the availability and deployability of forces including by more systematically filling the EU battlegroup roster in particular to overcome existing gaps, the rapid response database and the statements of requirements for common security and defence policy (CSDP) missions and operations; and to further optimise multinational structures and strive for an ambitious approach to common funding of military CSDP operations and missions; and

- (e) need to make significant progress to address capability shortcomings and priorities identified under the CDP, including the effective delivery of the high impact capability goals (HICGs), and in considering a collaborative approach as a priority in national planning, also with a view to fulfilling the commitments related to taking part, where appropriate, in major joint or European equipment programmes in the framework of the EDA, and making a positive impact on the European Defence Technological and Industrial Base (EDTIB). In this regard, pMS are further encouraged to provide the necessary elements allowing for a meaningful assessment of the fulfilment of the commitments in this area, including on how the capability development projects of the pMS strengthen the EDTIB.

III. National implementation plans

- 8. In order to facilitate the assessment of the implementation of the commitments, as presented in the NIPs, and to better identify the emerging trends in the different areas, the pMS are encouraged to further increase the quality and the granularity of the information provided in their NIPs, by implementing the Council Recommendation of 15 October 2018 on the sequencing of the fulfilment of the more binding commitments and specifying more precise objectives. This applies in particular to providing forward-looking plans wherever possible.

9. The pMS are encouraged to continue to engage in bilateral dialogues with the PESCO secretariat on the review and update of their future NIPs. The pMS should, supported by the PESCO secretariat, continue to ensure transparency among themselves and further develop coherence and consistency in relation to the information required and provided in the context of PESCO and other defence-related initiatives, including the CARD. The PESCO secretariat is encouraged to further develop ways to adequately support the pMS.
- IV. PESCO projects
10. In light of the reports to the Council on the progress made towards the implementation of PESCO projects, the pMS are encouraged to advance the work and focus on the swift and effective implementation of the projects in which they participate in order to deliver tangible outputs and products, with a view to fulfilling the more binding commitments.
11. Taking into account the lessons identified, starting with the next round of calls for PESCO project proposals with a view to updating Decision (CFSP) 2018/1797, the pMS, supported by the PESCO secretariat, are invited to notably:
- (a) respond to the full range of EU capability development priorities identified in the CDP, including the HICGs, the SCCs once agreed by EDA participating Member States and take into account the findings of the CARD;

- (b) develop projects that aim to exploit cooperation between existing military capabilities, and make these capabilities available for missions and operations;
- (c) jointly submit project proposals by at least two pMS which should be assessed on, amongst other criteria, the level of maturity of the project proposal and an initial overview of its financial and other necessary resources.

The PESCO secretariat is invited to present further refined project assessment criteria before the next call for projects.

12. After 2019, with a view to ensuring better coherence and synchronisation of EU defence initiatives and focusing on more substantiated projects, the next call for PESCO projects would take place in 2021 without prejudice to future decision-making. Based on further lessons identified, the pMS will then consider the option of moving to a biennial process. It is recalled that project members have the possibility to involve the Commission, as appropriate, in the proceedings of the project, in line with the governance rules for PESCO projects.

V. Way forward

13. The pMS are invited to review their NIPs with a view to updating them, as appropriate, in line with the Council Recommendation of 15 October 2018 concerning the sequencing of the fulfilment of the more binding commitments and specifying more precise objectives and taking into account the findings and recommendations of the Annual Report, and to present them by 10 January 2020.
 14. In addition to describing the status of PESCO implementation, including the fulfilment by each pMS of its commitments in accordance with its NIP, the High Representative is invited to also provide in the 2020 annual report first proposals with a view to the strategic review process at the end of the first PESCO phase (2018-2020), taking into consideration other relevant EU initiatives contributing to the fulfilment of the Union's level of ambition in the area of security and defence.
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