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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)

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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 States[1],

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) Article 4(2)(d) of Decision (CFSP) 2017/2315 provides that the Council is to adopt decisions and recommendations assessing the contributions of participating Member States (pMS) to fulfil the agreed commitments, in accordance with 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 (the 'High Representative'), the Council is to review once a year whether the pMS continue to fulfil the more binding commitments referred to in Article 3 of that Decision.

(3) Appendix 1 to the Annex to the Council Conclusions of 20 November 2020 on the PESCO Strategic Review 2020 provides that the High Representative is to present the annual report on PESCO implementation by July of each year, with a view to the Council adopting its recommendation assessing the progress made by the pMS to fulfil the commitments undertaken in the framework of PESCO by November of that year. Paragraph 16 of the Council Recommendation of 6 March 2018 concerning a roadmap for the implementation of PESCO[1] provides that the Military Committee of the European Union should provide the Political and Security Committee with military advice and recommendations to enable it to prepare the Council's review on whether the pMS continue to fulfil the more binding commitments.

[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 objectives[1] 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 pMS.

(5) On 7 July 2021, the High Representative provided the Council with his Annual Report on the status of PESCO implementation (the 'Annual Report'), including on the fulfilment, by each pMS, of its commitments, in accordance with its updated and reviewed national implementation plan (NIP).

(6) On that basis, the Council should therefore adopt a Recommendation assessing the progress made by the pMS to fulfil commitments undertaken in the framework of PESCO,

HAS ADOPTED THIS RECOMMENDATION:

[1] OJ C 374, 16.10.2018, p. 1.

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I. Objective and scope

1. The objective of this Recommendation is to assess the contributions made by the pMS to fulfil the more binding commitments undertaken in the framework of PESCO, based on the Annual Report and in accordance with the NIPs presented by the pMS in 2021.

II. Findings and assessment

2. The Annual Report provides a solid basis to assess the status of PESCO implementation, including the fulfilment by each pMS of its commitments, in accordance with its NIP.

3. By addressing Europe's current and future security and defence needs, in particular by means of their current and future efforts to fulfil their more binding commitments, the pMS contribute to enhancing the Union's capacity to act as a security provider and its strategic autonomy, and strengthen its ability to cooperate with partners and to protect its citizens.

4. Acknowledging the need for the pMS to substantially improve the fulfilment of all the more binding commitments by 2025, the Council further underlines that the pMS:

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(a) continued to increase their defence expenditure throughout the first PESCO initial phase (2018-2020), and indicated plans for further increases in the 2021-2025 period despite the economic downturn caused by the COVID-19 crisis. With a view to strengthening the capabilities of the pMS and thus making the Union more able to act, that positive trend should be maintained in the future, including by dedicating resources to collaborative defence capability development projects, with a specific effort needed in the area of research and technology, in order to achieve the objectives set for the second PESCO initial phase, and to increase the overall coherence of the European capability landscape;

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(b) have made modest progress in the use of Union capability planning and development tools and processes in the national setting, and are encouraged to step up their efforts towards a more systematic and active use thereof in order to overcome the capability shortcomings in a collaborative manner. In this respect, fully implementing the agreed 2020 Coordinated Annual Review on Defence (CARD) recommendations on defence spending, defence planning and defence cooperation will be crucial to preparing jointly new planning horizons beyond the mid-2020s for increased cooperation in capability development;

(c) should continue their efforts towards the development of a coherent Union full spectrum force package by 2025, in line with the PESCO notification, that contributes to the fulfilment of the Union's level of ambition;

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(d) should significantly enhance their efforts to fulfil the operational commitments and in particular commitment 12, which is considered instrumental in improving the relevance and impact of the Union's external action, in particular with regard to its operational dimension. Fulfilment of commitment 12 strengthens the Union's ability to act as a security provider, with partners wherever possible and alone when necessary. Major shortfalls, as reflected in the high impact capability goals (HICGs), continue to affect the availability, deployability and interoperability of pMS forces that are necessary for the implementation of the Union's level of ambition. Moreover, there is scope for the pMS to step up their contributions, not only to the ongoing common security and defence policy (CSDP) missions and operations but also the EU Battlegroup roster and Rapid Response Databases. In this context, in line with Council Recommendation (CFSP) 2021/… of ... 2021 concerning the sequencing of the fulfilment of the more binding commitments undertaken in the framework of permanent structured cooperation (PESCO) and specifying more precise objectives, and repealing the Recommendation of 15 October 2018[1+], progress indicators should be further discussed and defined by pMS in order to provide a fair share to the respective force generation for CSDP missions and operations, within pMS' means and capabilities, and to increase transparency among them. In accordance with the single set of forces principle[2], pMS inputs to the Force Catalogue should be in line with the Headline Goal Process instructions and should include all deployable assets (including headquarters and capabilities usable in support of missions and operations);

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1 OJ C ....

\+ OJ: please insert reference number and date of adoption for the Recommendation set out in ST 06709/21 and complete the corresponding footnote.

2 Those forces can be used by participating Member States within the EU framework, for national needs, as well as in different contexts, such as the UN and NATO.

(e) demonstrated progress in fulfilling their commitment to helping overcome capability shortcomings identified under the Capability Development Plan (CDP) and CARD, including an assessment of the implementation of the HICGs, but in the majority pMS continue not to provide indications on whether and how they consider as a priority the use of the European collaborative approach to close national capability gaps. In the same vein, there is still no common understanding among pMS on the impact of capability projects to increase Europe's strategic autonomy and to strengthen the European Defence Technological and Industrial Base (EDTIB). The efforts undertaken to implement the 2020 CARD recommendations and to take forward the identified opportunities for cooperation, in particular to develop implementation roadmaps for the proposed six focus areas, should contribute to improving that understanding. The Council recalled that coherence of output between the CDP and CARD, on the one hand, and respective NATO processes such as the NATO Defence Planning Process, on the other hand, has been and will continue to be ensured where requirements overlap, while recognising the different nature of the two organisations and their respective responsibilities and memberships;

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f) still need to further improve the provision of information as regards the more binding commitments and the relevant more precise objectives that relate to their industrial policies and procurement strategies. They should enhance efforts to go beyond the current level of addressing the commitments, by providing plans with clear indications that their projects derived from their industrial policies and acquisition strategies contribute to making the European defence industry more competitive and have a positive impact on the EDTIB, including by promoting the cross-border participation of small and medium-sized enterprises and Mid-Caps throughout the Union.

5. As regards the individual NIPs, each pMS is encouraged to take into account the findings and recommendations presented in the Annual Report in further implementing PESCO, and to review accordingly its contribution to the fulfilment of the more binding commitments during the second PESCO initial phase.

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III. National Implementation Plans

6. Overall, the pMS have improved the quality of the information provided in their annual NIP updates since the end of 2020. Despite this positive trend, it is recommended that the pMS provide for all commitment areas more substantiated indications and meaningful statements, with particular emphasis on developing dedicated forward-looking plans on how they envisage contributing to the fulfilment of more binding commitments and more precise objectives, including by benefiting from the 2020 CARD findings and recommendations. That forward-looking perspective will enable pMS to better coordinate their efforts and look for cooperation opportunities.

7. The pMS are also encouraged to continue to engage in bilateral dialogues with the PESCO secretariat that aim to achieve, maintain or even further improve a positive trajectory in their attainment of the more binding commitments. The PESCO secretariat will produce a revised NIP supporting information document based on the upcoming new set of more precise objectives for the second initial PESCO phase, which could include a timeframe for pMS to reach the agreed benchmarks.

8. The pMS are encouraged to use the digital platform developed by the European Defence Agency (EDA) for PESCO for the submission of their NIPs, which will allow them to use the data they have already provided, for example in the context of PESCO, CARD and other relevant Union defence initiatives, and will therefore alleviate an administrative burden for pMS.

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9. The pMS are encouraged to go beyond the current level of addressing the commitments related to the industrial dimension of the defence sector, by providing plans with clear indications that their projects derived from their industrial policies and acquisition strategies contribute to making the European defence industry more competitive and having a positive impact on the EDTIB.

10. The pMS are strongly encouraged to increase, within their means and capabilities, their contributions to the operational aspects of PESCO where gaps are identified, with a particular focus on the availability of the strategically deployable forces for the realisation of the Union's level of ambition, on the Statement of Requirements of the CSDP missions and operations, on the Rapid Response Databases and on the EU Battlegroup roster.

11. As the successful fulfilment of the PESCO more binding commitments requires a collective and an individual effort by all pMS, and with a view to ensuring the necessary political momentum, the pMS should in 2022, as well as in every other year thereafter, accompany their NIP with a high-level political statement outlining main achievements and stating specific national priorities (in particular supporting the implementation of the EU Capability Development Priorities and CARD findings and recommendations) and contributions to the fulfilment of the more binding commitments.

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IV. PESCO projects

12. The 46 PESCO projects contribute to the fulfilment of the 20 more binding commitments. 32 of those projects can be linked to the collaborative opportunities, including the focus areas, identified by CARD. In addition, 24 of them directly address the HICGs mitigating CSDP missions and operations critical shortfalls, while 18 of them do so indirectly.

13. While a significant number of the PESCO projects are expected to deliver concrete results by the end of 2025, in line with the Council Conclusions of 20 November 2020 on the PESCO Strategic Review 2020, the PESCO projects' progress report to the Council of 2 June 2021 indicated that some of them may encounter some difficulty in achieving the expected outcomes by that time. The successful implementation of all ongoing PESCO projects and the timely delivery of tangible results and required capabilities will determine the visibility and credibility of PESCO.

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14. The Council highlights, therefore, that pMS should undertake efforts to deliver tangible results as planned, especially for those projects from the first and second wave that are still in an ideation phase and those that are facing deep constraints related to the further refinement of their objectives, scope and deliverables. That is an indication that those projects need close scrutiny as regards how they should be further pursued or whether some of them should be clustered or merged in order to increase their impact and efficiency, save resources, increase synergies and prevent unnecessary duplication. Where project members identify that projects cannot provide the expected outputs, such projects should either be revived or closed in order to ensure the relevance, effectiveness and credibility of all PESCO projects.

15. The Council recommends that the project coordinators inform the PESCO secretariat and the other pMS more frequently on the state of play of their PESCO projects, in order to increase transparency and the ability of the PESCO secretariat to play a stronger role in advising the pMS. In that context, the resources of the PESCO secretariat should be further enhanced.

16. The Council calls upon pMS to consider as a priority a European collaborative approach in order to fill capability shortcomings and make best use of EDA as the European forum for joint capability development in line with the agreed commitment in PESCO, including EDA's assistance in maturing PESCO project proposals and possible support to the implementation of PESCO projects.

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17. The PESCO secretariat could be invited by the pMS to suggest ideas for potential new PESCO projects that have not so far been taken up by them in the framework of PESCO, taking into account the CARD findings and recommendations as well as the EU Capability Development Priorities derived from the CDP, including the HICGs.

18. With a view to identifying and generating future PESCO project proposals, the Council invites the pMS to strengthen the use of the Union's planning and capability development tools as well as CARD findings and recommendations as a pathfinder to further refining project proposals, in particular with regards to focus areas and identified collaborative opportunities, including in the operational domain. The Council encourages the pMS to continue submitting PESCO project proposals, and in particular those with a more operational focus and short-term impact based on already existing capabilities as well as those contributing to filling the strategic capability gaps and needs identified under the CDP and CARD.

V. Way forward

19. The Council Recommendation specifying the more precise objectives for each of the more binding commitments for the second initial PESCO phase (2021-2025) should be adopted as soon as possible.

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20. Following the approval of that Recommendation, the PESCO secretariat will provide a revised NIP supporting information document based on the new set of more precise objectives for the second initial PESCO phase, which could include a timeframe for pMS to reach the agreed benchmarks.

21. PMS are invited to review their NIPs with a view to updating them as appropriate and to present their updated NIPs to the PESCO secretariat (including by means of the EDA digital platform) by 10 March 2022. The next NIP update should be accompanied by a high-level political statement in which pMS should outline their main achievements and state specific national priorities and contributions.

22. The Council recalled that, in line with the PESCO Strategic Review 2020, the PESCO secretariat, as well as the pMS, should continue working on incentives to improve the fulfilment of the commitments, in particular where progress was assessed by the High Representative and highlighted by the Council as not sufficient, namely on operational commitments and on those related to the European collaborative approach. Regular high-level political discussions between the pMS and the High Representative should continue to ensure political momentum and enhanced political ownership.

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23. The pMS are encouraged to continue engaging with the PESCO secretariat in bilateral dialogues that aim to achieve, maintain or even further improve a positive trajectory in their attainment of the more binding commitments. The PESCO secretariat should provide recommendations tailored to each pMS to be discussed during those dialogues. In this regard, the PESCO secretariat should be further enhanced.

24. The Council recalls that, taking into account the outcome of the Strategic Compass, pMS, in the context of the PESCO Strategic Review process to be conducted before the end of the second PESCO initial phase in 2025, and as stated in the PESCO notification which also recalls the specific character of the security and defence policy of certain Member States, will assess the fulfilment of all PESCO commitments, and discuss and decide on new commitments, with a view to embarking on a new stage towards European security and defence integration.

Done at …,

For the Council
The President

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