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EUROPEAN EXTERNAL ACTION SERVICE



**Report of the High Representative of the Union
for Foreign Affairs and Security Policy
to the Council**

of 24/02/2023

**Annual Progress Report on the Implementation of the Strategic Compass for
Security and Defence**

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**Report of the High Representative of the Union
for Foreign Affairs and Security Policy
to the Council**

**"Annual Progress Report on the Implementation of the Strategic Compass for
Security and Defence"**

INTRODUCTION

The Strategic Compass for Security and Defence was approved by the Council on 21 March 2022 and endorsed by Heads of State and Government on 24-25 March 2022, one month after the return of war in Europe. The Russian aggression against Ukraine is a tectonic shift for Europe's security and a significant source of destabilisation for the rest of the world. What is at stake is not only the security of Europe, but also the rules-based international order with the United Nations at its core. We have worked with our partners from the Global South to firmly condemn Russia's invasion – a blatant violation of international law – and counter its global consequences. In parallel, within the G7, we have worked to isolate Russia through economic and individual sanctions. We continue to work side by side with our partners – in particular the United States, Canada, Norway and the United Kingdom – to train and equip the Ukrainian Armed Forces. By doing all this, we have demonstrated in practice the complementarity between EU and NATO, strengthening NATO's core responsibility for ensuring collective defence, in particular in the eastern flank of the Alliance.

Our response to the war in Ukraine has boosted the credibility of the EU security and defence agenda – both within and outside of the EU. Our action, resolve and unity have strengthened the geopolitical posture of the EU. Around the world, our massive support for Ukraine has coalesced partners around the common purpose of safeguarding the international order. In this context, the number of security and defence dialogues with partners has significantly augmented.

Beyond the war in Ukraine, we continue to face a hostile security environment, an increasingly diverse threat landscape, and heightened geopolitical competition. More than ever, this world that we are facing requires us to stay the course with a resolute implementation of the ambitious yet realistic targets we have set ourselves. The Strategic Compass represents a quantum leap forward in our joint ambition in security and defence. By implementing it, we are advancing towards a common strategic culture, strengthening our unity and solidarity and, above all, enhancing our capacity and willingness to act together, protect our interests, and defend our values.

In the first year after the adoption of the Strategic Compass, we have made significant progress, in full coherence with the EU Security Union Strategy of 2020. We have increased the speed, flexibility and responsiveness of our missions and operations to **act**. Our engagements worldwide, including the newly established missions, are a clear proof of our unity and our contribution to international peace and security. We have strengthened our ability to anticipate threats, **secure** our access to strategic domains and protect our citizens. Member States have also stepped up defence spending and investments in an unprecedented manner. We are further developing incentive to cooperate even more, in particular through joint procurement. We are now spending more, but we need to make sure to **invest** better. In parallel, we are strengthening our **partnerships** to achieve common goals in security and defence. These are an essential instrument to support our ambition to be a global strategic player.

ACT

The security environment in which our civilian and military missions and operations are operating has become more hostile and complex. By reinforcing our presence and investing in new engagements, we have become a more assertive security and defence actor. We have increased the effectiveness of our civilian and military crisis management tools and demonstrated **speed, robustness and flexibility** where our common security required it.

Faster, more flexible and responsive engagement on the ground

Following Russia's aggression against Ukraine, we acted decisively. Our crisis management tools have been used quickly and creatively to support Ukraine. We have launched, in record time, a **Military Assistance Mission**: our most ambitious military training mission so far. Through EUMAM, we are providing sustainable and predictable support to Ukraine, enhancing the capability of its armed forces to defend their country. By end 2023, we will have trained an initial 30,000 Ukrainian soldiers. In addition, we swiftly adapted the mandate of the **EU Advisory Mission for Civilian Security Sector Reform** so that it can support in managing the cross-border flow of refugees and goods and in the investigation and prosecution of international crimes.

The EU is determined to contribute to peace and stability wherever needed. Our recent actions ranging from the South Caucasus to the Sahel demonstrate this commitment. For example, we have swiftly launched a **civilian EU Mission in Armenia** to contribute to ensuring long-term stability in the border areas of Armenia, building confidence on the ground, and further supporting normalisation efforts between Armenia and Azerbaijan. Its rapid establishment was made possible due to an innovative initial deployment from the EU Monitoring Mission in Georgia. We have also set up a **Military Partnership Mission** to support Niger in its fight against terrorist armed groups, complementing our civilian mission EUCAP Sahel Niger. Fully centred on our partners' needs, this new mission model will be targeted and scalable.

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To respond to the quickly deteriorating security situation stemming from the Sahel region, we are also committed to provide targeted civilian and military support to coastal countries in the **Gulf of Guinea**.

Making use of more efficient and robust instruments

The **European Peace Facility (EPF)** has been a game changer for our contribution to European and international security both through military assistance and making the “train and equip” model a reality. This has been demonstrated in record time through the financing of non-lethal and, for the first time ever, lethal equipment in support of Ukraine and seven support packages of military assistance to date amounting to EUR 3.6 billion. The realities on the ground in Ukraine suggest that substantial support will continue to be required in the future. We will ensure we can continue to meet Ukraine’s needs, including through procurement. In line with the EPF’s global scope, we are also stepping up our support to other regions of the globe ranging from African-led Peace Support Operations and individual African countries to the Middle East, the Western Balkans and our Eastern neighbourhood. For instance, the first provision of lethal equipment for African partners should be adopted this year. To maintain this level of ambition in delivering concrete military support to partners, Member States reached a political agreement to increase the overall EPF’s financial ceiling by EUR 2 billion (in 2018 prices) in 2023, with the possibility of a further increase at a later stage. As a result, the overall financial ceiling of the EPF until 2027 would be increased by up to EUR 5.5 billion (in 2018 prices). We will, over the next months, ensure the EPF continues to support our crisis management efforts and commitments.

Increasing our ability to respond quickly and decisively to imminent crisis situations outside the Union has become even more urgent. The operationalisation of the **EU Rapid Deployment Capacity** (EU RDC) by 2025 will be key to make this a reality. Over the past year, we have advanced with its conceptual development, work continues on the substantially modified EU Battlegroups and on pre-identifying Member States’ military forces and capabilities. We are now able to do advance planning more systematically following the agreement on the first two operational scenarios for the EU RDC (on rescue and evacuation and on the initial phase of stabilisation). This will ultimately speed up our response when a crisis arises. In the next months, work will continue on the remaining scenarios and on identifying the necessary capabilities and modules. The commitment of Member States is imperative to make the EU RDC a success.

To meet the level of ambition we have set for our operational engagements, we need to rely on credible and agile command and control structures. This is why we are working to ensure that by 2025 the **Military Planning and Conduct Capability** (MPCC) is fully able to plan and conduct all non-executive military missions and two small-scale or one medium-scale executive operation/s as well as live exercises. We need to ensure adequate staffing for the MPCC, and address the remaining infrastructure and secure communication needs. The first EU **live exercise** is set to take place in October 2023 and will contribute to the readiness and interoperability of our troops and help prepare the MPCC for its new tasks.

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We are also **re-assessing the scope and definition of common costs** for our missions and operations to enhance financial solidarity, incentivise force generation, live exercises and the future deployment of the EU RDC.

Our civilian missions offer unique forms of assistance to our partners and enhance our reputation as a security actor. We have progressed in further strengthening and in using our civilian tools to their full potential, laying the foundation for a **new Civilian CSDP Compact** to be adopted in May 2023. It will contribute to the effectiveness and flexibility of civilian missions through a more modular and scalable approach, swifter decision-making and more thorough evaluation of their impact.

Respect for **human rights** and the promotion of **gender equality** are at the core of our external action. We have advanced gender mainstreaming and, as a result, the number of women in all functions, including missions and operations, has increased, albeit from a low base line. Sustained and increased efforts are needed, also from Member States, in the upcoming months.

Enhancing the swift movement of military troops and their equipment within and beyond the Union is vital for our security and defence. The new Action Plan on **Military Mobility**, adopted in November 2022, addresses infrastructure regulatory bottlenecks, partnerships, as well as preparedness against cyber-attacks and hybrid threats. We have significantly ramped up efforts to adapt dual-use transport infrastructure by accelerating the calls for proposals and frontloading the available military mobility budget. The financial support by the Commission to dual-use transport infrastructure for military mobility reached up to EUR 1 billion in 2022.

Making **full use of the potential afforded by the Treaties** is essential to make the EU faster, more capable and more effective in its ability to decide and act as a security provider. Following Member States' agreement on practical modalities on the **Article 44 TEU**, we are now in a position to enable a group of willing and able Member States to plan and conduct a mission or operation within the EU framework and thus provide greater flexibility and swiftness in our decision-making. To further strengthen our mutual assistance in case of an armed aggression, we have conducted exercises on **Article 42(7) TEU** in scenarios involving cyber, hybrid and space-related threats, and will continue to do so on a regular basis.

SECURE

We have committed to enhance our ability to anticipate threats, secure our access to the strategic domains and protect our citizens. We have bolstered our resilience against hybrid threats, cyber-attacks, foreign interference, climate change and defence, disasters, and emergencies. This is absolutely essential to increase our security in the context of the multi-faceted threats and challenges we face.

Boosting our intelligence capacities, situational awareness and strategic foresight

The update of our **common threat analysis** in December 2022 reflects the changing strategic and security context, including the global consequences of the Russian aggression against Ukraine. Regular updates will also help us build a common strategic culture. In order to boost our intelligence-based situational awareness, a proposal for the **strengthening of our Single Intelligence Analysis Capacity** will be presented in the next months. Our Satellite Centre provides a unique and autonomous **geo-spatial intelligence** capacity. Satellite imagery and communications have proven crucial for the Ukrainian Armed Forces. To complement existing satellite imagery infrastructure, a new Earth Observation governmental service, to be operational by the end of 2030, could be proposed in the upcoming EU Space Strategy for Security and Defence. This service would provide reliable, resilient and continuous situational awareness.

We have also invested in deepening our analysis of **key conflict dynamics across the globe** and stepped up our efforts in **conflict prevention**, early warning and strategic foresight. We have also reinforced our support to dialogue and peace mediation, with more experts on the ground.

Countering hybrid threats, foreign information manipulation and interference, and strengthening resilience

State and non-state actors are increasingly using hybrid tactics against the EU, its Member States and partners, a trend exacerbated by Russia's invasion of Ukraine. We have witnessed the instrumentalisation of food, irregular migration, energy and lawfare, amongst others. To face these threats, we are building our **EU Hybrid Toolbox**. We have taken the first steps to develop coordinated and well-informed EU responses to hybrid campaigns, bringing together all the relevant tools and measures. We are also working on establishing **EU Hybrid Rapid Response Teams**, pooling the required expertise, in order to provide short-term and tailored assistance to Member States, partner countries, or missions and operations. The revision of the **EU Protocol on countering hybrid threats** details the processes and tools applicable in case of hybrid threats or campaigns, starting from prevention, preparedness and initial identification, to response, recovery and lessons learnt. We are also testing and exercising our response options on the basis of different scenarios, and we have continued developing our conceptual approach to resilience and hybrid threats.

Foreign Information Manipulation and Interference (FIMI) is increasingly used as part of broader hybrid campaigns. To better understand these threats, we are enhancing our situational awareness and analysis capabilities and have published a first report on these threats. We are working with international partners, including the G7 and NATO, as well as stakeholders from civil society and private sector on establishing a new central **FIMI data space** for gathering information on threats stemming from disinformation and foreign information manipulation. This will promote the sharing of information and analysis between all stakeholders about root causes, incidents and threats. We have also stepped up efforts to equip our CSDP missions and operations, in particular in Sub-Saharan Africa, with the capabilities and resources to help counter FIMI campaigns.

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After the sabotage of the Nord Stream gas pipelines, we have agreed on an EU-wide coordinated approach to strengthen the **resilience of critical infrastructure**, including through the new Critical Entities Resilience Directive, and a Council recommendation, covering preparedness, response and international cooperation, including with NATO. They include a series of targeted actions, such as risk assessments and stress tests, covering key sectors, notably energy, but also digital infrastructure, transport and space.

Securing our access to strategic domains

Unrestricted access to strategic domains is of critical importance. We have laid important groundwork towards this goal.

Cyber. Russia's military aggression against Ukraine was enabled and accompanied by the use of cyber tools, confirming cyberspace to be a domain of conflict. We have stepped up our ability to protect, detect, deter and defend our armed forces, our missions and operations, and our citizens against malicious behaviour in cyberspace. The new **EU Policy on Cyber Defence** completes our responses to cyber threats by enabling more investments in cutting edge technologies and state-of-the-art cyber defence capabilities, including active defence. It furthermore strengthens the cooperation among the EU's cyber defence actors, including between the civilian and the military.

We are **updating our Cyber Diplomacy Toolbox** in order to better coordinate our responses against malicious cyber activities. To this end, we are developing additional tools, have multiplied our exercises and improved **sharing situational awareness** through the Inter-institutional Cyber Crisis Task Force and the network of EU military Computer Emergency Response Teams. We have raised the **EU's cyber posture**, signalling our willingness to use all tools at our disposal, ranging from preventive up to restrictive measures.

In addition, we are enhancing our own resilience to these threats. The revised **Network and Information Security Directive**, which entered into force in January 2023, will ensure cybersecurity of the EU's critical infrastructure and contribute to achieving a high level of preparedness of Member States. The proposed **Cyber Resilience Act** will raise awareness among EU citizens by introducing common cybersecurity requirements for manufacturers to develop secure-by-design products. Moreover, to further enhance the level of cybersecurity within the EU, we are conducting a cybersecurity risk evaluation, and developing risk scenarios. Negotiations on two regulations are also ongoing in order to **strengthen cyber and information security across EU institutions, bodies and agencies**.

Space. Without security in space, there will not be security on Earth. Russia's war of aggression against Ukraine has confirmed the vulnerabilities of space-based infrastructure and communication systems. This is why the first-ever **EU Space Strategy for Security and Defence**, to be presented in early March, will bolster our response to space threats, enhance the protection of the space sector as a whole, strengthen our space capabilities and deepen partnerships. This will foster a shared strategic culture of the security and defence challenges related to space among civilian and military decision makers across the EU.

In addition, we have tested together with Member States the EU space threat response mechanisms and explored mutual assistance in case of attacks originating from space or threats to space-based assets.

Maritime. We are investing in our maritime security and global naval presence. The March 2023 **updated EU Maritime Security Strategy** will help strengthen the EU's role as a maritime security provider. It will boost maritime situational awareness, help secure the sea lanes of communication, improve our readiness to better tackle hybrid and cyber challenges at sea, including through naval exercises, and further advance key technologies to strengthen maritime defence capabilities. It will also address the impact of climate change and marine pollution on maritime security. In addition, our **Coordinated Maritime Presence** contributes to reducing piracy in the Gulf of Guinea since 2021. Its roll-out has started in the North Western Indian Ocean in 2022. We are also conducting more **joint maritime security activities** with partners such as the United States, India, Indonesia and Japan. The **Critical Maritime Routes Indo-Pacific** programme has been extended to the Pacific to support countries in addressing maritime threats and challenges.

Countering terrorism, promoting disarmament, non-proliferation and arms control

The EU's co-chairmanship of the Global Counterterrorism Forum puts us at the forefront of the development of multilateral policies and good practice on counterterrorism. In addition, we are strengthening cooperation with our neighbours, including in the Western Balkans, and are building our partners' capacities to counter these threats. We are also expanding our network of Counter Terrorism/Security Experts in EU Delegations in high priority locations. We are helping partner countries to comply with UN and EU standards in the field of Anti-Money Laundering and Countering Terrorism Financing, through our EU Global Facility.

The increasing strain on the **global disarmament, non-proliferation and arms control** architecture was further amplified in 2022 as a result of Russia's aggression against Ukraine. We focused our efforts on upholding and strengthening the relevant multilateral instruments and institutions, including the UN General Assembly, the Nuclear Non-Proliferation Treaty, and the Biological and Toxin Weapons Convention. We also continued to provide significant political and financial support to our non-proliferation, disarmament and arms export control priorities and partners.

Climate change, disasters and emergencies

We have continued implementing the **Climate Change and Defence Roadmap**, in light of a changing strategic context and worrisome climate projections. It will further increase our resilience against climate-related risks and human-made and natural disasters and at the same time help Member States to mitigate the carbon footprint of their military forces without compromising their combat capacities. To this end, work is ongoing towards a strategy to address the wider climate-security nexus, including the defence dimension.

The **EEAS Crisis Response Centre** was set-up in July 2022, in order to strengthen the EU's ability to ensure the safety of its staff in Delegations and to better assist Member States in their efforts to protect and rescue EU citizens abroad in case of security or consular crises. It serves as a permanent response capability, liaising with the crisis cells of EU Institutions', Member States' and partner countries'.

INVEST

Member States have stepped up defence spending and investments in an unprecedented manner. In order to not only spend more but also spend better by spending together, we are both mobilising our tools to develop capabilities and creating new tools to incentivise joint procurement. Investments in defence innovation are also increasing significantly. We are further enhancing our technological sovereignty and mitigating strategic dependencies in the EU.

Defence expenditures & priorities

We are investing in the further development of our armed forces. According to the 2022 Coordinated Annual Review on Defence, **defence expenditure** in the EU reached EUR 214 billion in 2021 (an increase of 6% compared to 2020) and is estimated to grow further up to an extra EUR 70 billion by 2025. The war in Ukraine has bolstered this trend. We now have to stay the course and translate these commitments into investments. We would then be in a position to reverse underspending of the previous decade, improve the readiness of our armed forces and reduce long-standing critical capability gaps.

However, less than 20% of all investment in defence programmes in the EU is done in cooperation among Member States. For example, in 2021, joint procurement of defence equipment amounted to merely 18% of total spending. This is a significant increase compared to 11% in 2020, but we are still far below the 35% agreed benchmark. We clearly need to step up collaborative spending and scale up European cooperation.

Increases in defence spending indeed constitute both an opportunity and a challenge. We need to learn from past mistakes. Through coordination and cooperation, we can ensure short-term acquisitions are consistent with our long-term requirements. If done right, this will result in further synergies, economies of scale and increased interoperability. If not, we risk further fragmenting the EU defence industry and weakening the European Defence Technological and Industrial Base (EDTIB). To avoid this risk, we **need to increase coordination on defence spending and channel investments into the EDTIB.**

EU Ministers of Defence held a dedicated **meeting on EU defence capabilities** in November 2022. It was an opportunity to discuss how to address urgent needs, including those stemming from the Russian aggression against Ukraine, fill gaps and prepare for the Rapid Deployment Capacity. We have to use the annual ministerial meeting on EU defence capabilities to provide guidance and political decisions on the capabilities needed to empower the EU to act more quickly and efficiently.

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We are adapting our defence capability planning and development. Russia's aggression against Ukraine has demonstrated the need for more high-intensity capabilities. We also need the capabilities to help secure our access to strategic domains that are increasingly contested. The resources required to conduct EU missions and operations need to better match the new environment in which they operate. To this end, we have started by updating four capability planning scenarios. All this will be reflected in the **revision of the Capability Development Plan**, to be finalised in autumn 2023.

Mobilising EU tools to spend better for ambitious capabilities

Our capacity to act depends on the right capabilities and investments. We have identified key **strategic capabilities** across all operational domains – land, maritime, air, space and cyber - and committed to reduce our critical capability gaps, notably strategic enablers. We are **mobilising EU tools to spend better together**.

As a follow-up to the Defence Investments Gaps Analysis of May 2022, we will, **for the first time, incentivise short-term joint procurement** of military equipment among Member States. The proposed European Defence Industrial Reinforcement through common Procurement Act (EDIRPA), with a potential financial envelope of EUR 500 million over two years from the EU budget, will boost the competitiveness and efficiency of the EDTIB. It will help the European defence industry to speed up structural changes, including the ramp-up of its manufacturing capacities. Preparations are also ongoing for a long-term **European Defence Investment Programme** that will further strengthen the EU defence industry and support Member States on defence joint procurement, including by establishing the conditions for consortia to benefit from VAT exemption. It aims to build on the successful implementation of EDIRPA and will be conditioned to the availability of sufficient funding.

In June 2022, we have set up a **Defence Joint Procurement Task Force** to identify both Member States' most urgent needs as well as the production capacities of the European defence industry. Inspired by the one set up in the context of the COVID outbreak, the Task Force helps Member States to maximise economies of scale and mitigate spiralling prices, speed up deliveries and avoid a race to secure orders. The Task Force is currently assessing the capacity of the EDTIB to meet the consolidated demand across seven categories of equipment identified with Member States in autumn 2022 (e.g. soldier equipment, CBRN protection equipment, ammunition, and others). This will allow to identify mismatches between demand and supply and areas where a ramp-up in production is required. It will also prepare the ground for joint procurement by generating a pipeline of projects that will speed up the implementation of EDIRPA.

EU financial support to **capability development** is rapidly gathering steam. The European Defence Fund is key to strengthen our defence capabilities and is already funding collaborative R&D projects with a total EU support of almost EUR 1.2 billion in 2022. Additional calls for proposals have been published in June 2022 for a total budget of EUR 930 million to be allocated by mid-2023.

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They continue to generate significant interest from the EU industry (134 proposals received involving entities from 26 Member States and Norway) and a strong involvement of Small and Medium Enterprises (43% of entities in selected projects). In addition, in 2022, Member States have launched nearly 100 cooperative projects within the European Defence Agency amounting in total to EUR 672 million.

Through the **Permanent Structured Cooperation** (PESCO), Member States have taken more binding commitments to one another to deepen defence cooperation and maximise the effectiveness of defence spending. A total of 60 collaborative projects contribute to delivering critical capabilities and to improving interoperability for our forces. A new wave of projects will be launched in May 2023. Yet, PESCO is not used to its full potential. Member States' continued and solid political engagement is vital for PESCO to deliver on its objectives and to support the implementation of the Strategic Compass. The PESCO secretariat could, as necessary, step up its support to participating Member States, both as regards the selection and implementation of projects, and the fulfilment of the more binding commitments.

Innovation, disruptive technologies and reducing strategic dependencies

The importance of emerging and disruptive technologies in security and defence is rapidly growing. We need to invest in **defence innovation** and maintain our cutting edge. To this end, in May 2022, we have established a Hub for EU Defence Innovation within the European Defence Agency. In addition, the Commission launched a EUR 2 billion EU Defence Innovation Scheme under the umbrella of the European Defence Fund. It will offer tailor-made innovation tracks for both early-stage and mature EU innovative companies, and will help them to break down entry barriers and to bring their ideas to market more easily.

We are accelerating our work to identify **strategic dependencies** in the defence sector. In February 2023, the Observatory on Critical technologies has identified risks associated to electronic components and autonomous systems. Specific technology roadmaps will be developed before the end of 2023 to mitigate such risks and identify solutions.

Securing our **supply chains and access to resources**, which are increasingly challenged by our strategic competitors, is vital for an innovative, competitive and resilient EDTIB. To this end, a legislative proposal to secure European **access to critical raw materials** is under preparation. The upcoming work on an EU Sovereignty fund will also be instrumental to overcome strategic dependencies, including in the security and defence sector.

We are stepping up the **screening of foreign direct investments**, which also helps to further protect our defence industry. 18 Member States currently have screening mechanisms in place and 7 more are in the process of establishing one. The Commission is calling on all remaining Member States to urgently set up such mechanisms. The upcoming review of the mechanism this year will be an opportunity to enhance the protection of our strategic interests from certain transactions. Negotiations are also ongoing on the Anti-Coercion instrument that should **deter and counter the use of economic coercion** by third states that can have an impact on defence industry.

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Strengthening industries' **access to private funding** is also key to preserving the ability of the defence industry to develop capabilities in the EU. Work is ongoing with the European Investment Fund to create a defence investment facility able to leverage private funding up EUR 500 million in support of defence SMEs and midcaps. Implementation could start in spring 2023 pending approval by the Board of the Fund. In order to support critical technologies and develop strategic projects, we will also work to better coordinate EU calls for grants and the loans from the European Investment Bank.

PARTNER

Our partners are a key source of strength and resilience. This is why we have invested in nurturing relationships with bilateral, regional, and multilateral partners in a way that is mutually beneficial, serves our interests and values, and enhances our common security. We have made concrete progress in further tailoring our partnerships - deepening existing ones and forging new ones across the globe.

Multilateral and regional partnerships

In the past year, we have continued to staunchly defend and uphold the international rules-based order by deepening and expanding our relationships with crucial multilateral actors. The strength of our strategic partnership with **NATO** has been clearly demonstrated by our steadfast unity and cooperation in support of Ukraine in its fight against Russia's war of aggression. The third Joint Declaration on EU-NATO cooperation sends a strong message of transatlantic unity. Most importantly, it paves the way for taking the strategic EU-NATO partnership to the next level, including by expanding our cooperation on areas such as resilience, emerging and disruptive technologies, outer space, the security implications of climate change, and countering foreign information manipulation and interference. The Strategic Compass and NATO's 2022 Strategic Concept provide a solid basis to further expand our partnership. Political dialogue has continued and intensified, including through the first ever transatlantic Leaders' dinner in June 2022. In the framework of the EU-NATO Structured Dialogue on Resilience, we have also established a dedicated Task Force on the resilience of critical infrastructures, in response to the sabotage of the Nord Stream pipelines. Looking ahead, we will work towards a comprehensive and forward-looking implementation document, embracing the full-spectrum of our cooperation agenda.

The principles of the **United Nations** (UN) Charter have been challenged by Russia's blatant disregard for the rules-based international order. Upholding and defending this order underpins our strategic partnership with the UN. We remain on course towards implementing our agreed priorities for 2022-2024 and have intensified strategic exchanges. In the field, our missions and operations continued to coordinate and cooperate with UN missions in theatres such as Central African Republic, Mali, and Somalia, and we jointly support the peace process in Yemen. We also strengthened cooperation with the **Organisation for Security and Cooperation in Europe** on conflict prevention and mediation support, including through trilateral exchanges with the UN.

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Our cooperation with the **African Union** (AU) in promoting security across the African continent and countering the global effects of Russia's aggression against Ukraine is a strategic priority. High level bilateral dialogues further cemented our support to African-led Peace Support Operations, including through EUR 730 million worth of support under the EPF for 2021-2024. This will contribute, among others, to increasing the operational effectiveness of the Multi-National Joint Task Force against Boko Haram, of the AU Transition Mission in Somalia, and of the Southern African Development Community mission to Mozambique. We are working with AU partners to further support operations and engage on cyber and counterterrorism. We are also looking forward to establishing a dialogue on conflict prevention and peace mediation with the **Economic Community of West African States** to help tackle the spill-over of violence from the Sahel.

Our work with the **Association of Southeast Asian Nations** has continued as our shared interest for a free, open, and secure Indo-Pacific region align and provide further opportunities for cooperation. In the next months, we need to intensify our engagements to better reflect our ambitions in the region.

Tailored bilateral partnerships

As we are stepping up our geopolitical posture, our engagements on security and defence issues with a rich network of tailored bilateral partnerships around the world are deepening and multiplying.

The strength of our strategic partnership with the **United States** has been illustrated by our exemplary cooperation and coordination to support Ukraine with significant political, military, economic support, and humanitarian aid. With the US, alongside other NATO allies, we hold regular military exchanges in the framework of the Ukraine Defense Contact Group as well as within the EU Military Staff Clearing House Cell. We further consolidated the EU-US relationship through a newly established security and defence dialogue which allows us to identify opportunities for closer cooperation on crisis management, defence initiatives, and support to Ukraine. In addition, the European Defence Agency and the US Department of Defense finalised negotiations on Administrative Arrangement which will allow formal cooperation and information exchange. Finally, the very first EU-US naval exercise in the Indo-Pacific region in March 2023 demonstrates our common resolve to strengthen maritime security, paving the way for further increasing our military exchanges.

We have continued our valuable strategic dialogues with **Norway and Canada** on a wide range of security and defence issues. Our cooperation in supporting Ukraine has been outstanding, with close coordination, including through the EU Military Staff Clearing House Cell. In support of EUMAM Ukraine and marking a first for any third country, Norway has offered a generous financial contribution (approx. EUR 14,5 million) to the EPF and will soon deploy training experts.

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With the **United Kingdom**, we have intensified informal contacts and coordination, including as regards support to Ukraine, and by paving the way for its possible participation in the PESCO project Military Mobility, joining the US, Norway and Canada. We remain open to a broad and ambitious security and defence engagement with the UK. We have intensified engagement with other long-standing partners, such as **Switzerland**, and initiated new contacts with others, such as **Iceland**.

Our commitment to **Eastern partners**, especially in response to Russia's aggression in Ukraine, has been further boosted. The EU candidate status and European perspective provide a solid basis to deepen our cooperation agendas. The EU and its Member States have mobilised the entire scope of their instruments to support **Ukraine**, reaching at least EUR 67 billion in military, financial, economic and humanitarian support early February 2023. We held fruitful security and defence dialogues and consultations with **Georgia** and **Moldova**, and have provided both with concrete support through the EPF and other tools aiming to enhance their resilience, such as the hybrid threat survey. These efforts will intensify in the next months. We have stepped up our support to our **Western Balkans** partners, including through the continued presence of EUFOR Althea in Bosnia and Herzegovina, EULEX in Kosovo and EPF support across the region, as well as on counter terrorism. It will require more focused attention in the upcoming year. We have continued actively engaging with our **southern neighbourhood**, particularly on tackling terrorism, violent extremism as well as cyber and hybrid threats, organised crime and the challenge of irregular migration. In 2023, we intend to hold dedicated exchanges with **Algeria, Egypt, Morocco, Israel, and Turkey**, among others.

Enhancing the security of **African partners** remains a key priority. We ramped up our engagement to counter the global consequences of Russia's aggression against Ukraine, including as regards food security, and expanded our security and defence exchanges with **Kenya, South Africa, and Rwanda**. We have mobilised the EPF to demonstrate the EU's commitment to train and equip partners' armed forces, such as **Mozambique and Niger**.

The arteries of the global economy depend on stability and freedom of navigation in the **Indo-Pacific region**. We are committed to develop a distinctive role in the region, including by deepening security and defence exchanges with **Japan, India, Indonesia, Republic of Korea, and Australia**, among others. We will continue to pursue dialogue and consultations with **China**, where this is in our interest. Through regular port calls and joint naval exercises, such as between Operation Atalanta and **India and Indonesia**, and the expansion of our Coordinated Maritime Presence concept in the North-West Indian Ocean, we intensified maritime security cooperation.

Our objective to engage more prominently with **Latin American** countries on security and defence matters is pursued through our annual dialogues with **Chile, Colombia, and Peru**, and by continuing to encourage participation in our missions and operations.

The first edition of the **Schuman Security and Defence Partnership Forum** on 20-21 March will convene likeminded partners to enhance dialogue on shared security challenges.

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Limited

It will allow to assess together the numerous threats we face, reflect on how to best leverage our partnerships in security and defence, and focus on critical topics. To further boost outreach on security and defence, we are continuing to expand the networks of military advisors, including in the Gulf of Guinea, and of counterterrorism experts in EU Delegations.

CONCLUSION

Over the last twelve months, we have made significant progress and achieved concrete results across all four chapters of the Strategic Compass. This first progress report demonstrates that we are narrowing the gap between our aspirations and our actions.

The world we are facing is changing drastically and our security environment has further deteriorated. Now more than ever, we need to stay the course. We need to accelerate our efforts and deliver on the commitments and ambitions of our Strategic Compass. We need to continue mobilizing our political will and all the resources and tools at our disposal. Member States will remain in the driving seat in this endeavour; the High Representative, in consultation with the Commission and the European Defence Agency, will continue to offer support where needed.

Only by doing so, will we be able to jointly do what is required over the next decade: to take a quantum leap forward, towards becoming a more assertive, credible and decisive security provider, for our citizens, our partners and the world.
