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OUTCOME OF PROCEEDINGS

From: General Secretariat of the Council
On: 19 November 2018
To: Delegations
Subject: Council Guidelines for EDA's work in 2019

Delegations will find in the Annex the Council Guidelines for EDA's work in 2019, adopted by the Council at its 3652nd meeting held on 19 November 2018.

COUNCIL GUIDELINES FOR EDA'S WORK IN 2019

1. The Council welcomes the contribution delivered by the EDA in 2018 to the coherent implementation of major initiatives in support of the EU Level of Ambition in the area of security and defence, thereby enhancing the EU's strategic autonomy and its capacity to act as a security provider and strengthening its ability to cooperate with partners. The Council calls on the Agency to continue supporting such efforts, geared towards building a more coherent, interoperable, deployable and sustainable set of European capabilities.
2. The Council further encourages the Agency to continue its work in contributing to the implementation of the common set of proposals endorsed by Member States under the Joint Declaration signed in Warsaw in July 2016 by the President of the European Council, the President of the European Commission and the Secretary-General of the North Atlantic Treaty Organisation, taking also into account the new Joint Declaration on EU-NATO cooperation of July 2018. It calls on the Agency to continue pursuing coherence of output with relevant NATO processes, thus supporting participating Member States in ensuring that there is no unnecessary duplication with existing initiatives in other institutional contexts.

3. The Council encourages the Agency to take forward the implementation of the EU Capability Development Priorities, derived from the 2018 revision of the Capability Development Plan (CDP), and to further support the strengthening and coherence of the EU capability development process, notably through the setting-up of Strategic Context Cases and identification of dedicated roadmaps, based on participating Member States' active contribution, and in close cooperation and coordination with the EU Military Staff and EU Military Committee. The Council further underlines the need to address R&T priorities identified by Member States in the context of the 2018 Overarching Strategic Research Agenda, and to take benefit of the on-going work on Key Strategic Activities, supporting the identification of strategic technologies, skills and industrial manufacturing to be considered for EU funding support.

4. The Council welcomes the work delivered by the Agency in close coordination with the EUMS as regards the Coordinated Annual Review on Defence (CARD) Trial Run, which provides for a first analysis of the European capability landscape and related recommendations for Ministers' further guidance. Based on the lessons learnt from the CARD Trial Run and further guidance received by Member States, including on the necessary coherence between the different EU defence initiatives, the Council invites the Agency to review the CARD methodology and launch on that basis the first fully-fledged CARD exercise in 2019, taking into account the short-, mid- and long-term trends of capability development. The CARD exercise will thereby substitute earlier taskings given to the Agency on conducting assessment exercises under the Policy Framework for Systematic and Long-Term Defence Cooperation.

5. The Council welcomes the support provided by the Agency as part of the PESCO Secretariat in the setting-up and operationalisation of PESCO and calls on the EDA to further contribute to the implementation of PESCO in line with Article 7 of the Council Decision establishing PESCO, including by contributing to the assessment of PESCO project proposals and to the assessment of National Implementation Plans with a view to the High Representative's annual report on PESCO. The Council further encourages the Agency to provide support to the consolidation and implementation of PESCO capability development projects upon participating Member States' request.
6. The Council invites the Agency to support Member States in exploiting the results and lessons identified of the Pilot Project and Preparatory Action on Defence Research; the Council further invites the Agency to support the European Defence Industrial Development Programme (EDIDP), including with a view to providing its views and expertise and supporting Member States in the upstream assessment of potential project proposals. The Council also invites the Agency to prepare for providing support as appropriate to the European Defence Fund (EDF), in line with the applicable regulations and based on Member States' further guidance and request.
7. The Council encourages the use of the Agency as the preferred cooperation forum and management support structure at EU level for participating Member States to engage in technology and capability development activities, and notes the support provided by the Agency to date on a growing project portfolio. In this context, the Council invites the Agency to further support upon request the implementation of Member States' projects generated in the context of above referred initiatives (CDP, CARD, PESCO, EDF), including in the areas of R&T, capability development and critical enablers, thereby also ensuring a structured dialogue and engagement with industry as appropriate.

8. The Council encourages the Agency to continue to contribute to the area of Military Mobility in line with the Action Plan on Military Mobility and the Council conclusions of 25 June 2018, including on the two ad-hoc projects related to customs and cross-border movement permission procedures. It also calls for the Agency to continue to support participating Member States in the PESCO project on Military Mobility.
9. The Council calls on the Agency to further contribute with the defence aspects to wider EU policies such as cyber, space, maritime, SES/SESAR, Energy & Environment, in close liaison with relevant EU institutions, bodies and agencies.
10. The Council acknowledges the Agency's work on the development of fiscal and financial incentives in support of defence cooperation in line with applicable EU and respective national regulations, taking also the benefits of the interaction with the European Investment Bank. The Council further encourages the Agency to support Member States in the use of existing incentives, such as the VAT exemption.
11. The Council calls on EDA to pursue relations with Third Parties having an Administrative Arrangement with the Agency, and encourages the Agency, under the guidance of the Steering Board, to continue exploring possible working relations with other partners, in full transparency with Member States and in accordance with the EDA Council Decision and the principles applying to EDA's engagement with Third Parties endorsed by Ministers in November 2017.

12. The Council welcomes the further implementation of the EDA Long Term Review (LTR) Conclusions and Recommendations and, without prejudging the outcome of future annual approval cycles of the EDA General Budget, acknowledges the Agency's assessment and subsequent actions taken in terms of resource needs and internal developments with a view to respond to the increase of the Agency's activities. It further encourages the Agency to continue prioritising its work in close dialogue with participating Member States. In the context of a rapidly changing defence environment at EU level, the Council also invites the Head of the Agency to present to the EDA Steering Board in spring 2019 a report on the implementation of the LTR Conclusions and Recommendations and of the EDA Council Decision, aiming as appropriate at reviewing the latter if possible by the end of 2019.
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