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## **OUTCOME OF PROCEEDINGS**

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From: General Secretariat of the Council

On: 13 November 2017

To: Delegations

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Subject: Guidelines for the work of the European Defence Agency in 2018

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Delegations will find in the Annex the Guidelines for the work of the European Defence Agency in 2018, adopted by the Council at its 3574th meeting held on 13 November 2017.

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**GUIDELINES FOR THE WORK OF THE  
EUROPEAN DEFENCE AGENCY IN 2018**

1. The Council encourages EDA to further develop its full potential, as called for by the EU Global Strategy, in serving the interests and meeting the expectations of Member States. In this context, the Council welcomes the conclusions and recommendations of the Long Term Review of the Agency and calls for them to be carried forward through existing decision making processes as appropriate. The Council supports the reinforcement of the Agency as the intergovernmental platform of choice within the EU institutional framework, supporting Member States in capability development serving the EU level of ambition.
2. The Council encourages the Agency to further prioritise and focus its activities on the implementation of relevant security and defence aspects of the EU Global Strategy, of the European Defence Action Plan and the Joint Declaration by the President of the European Council, the President of the European Commission and the Secretary General of NATO.
3. The Council encourages the Agency to further support the coherent development of the European capability landscape, considering also the link between the Coordinated Annual Review on Defence (CARD), Permanent Structured Cooperation (PESCO) and the European Defence Fund.

4. The Council underlines the importance of finalising the revision of the Capability Development Plan (CDP) by spring 2018, including by taking into account relevant shortfalls identified by the EU Military Committee, and encompassing the entire capability landscape of Member States. It encourages the Agency to translate the updated priorities for EU capability development into implementation plans, including roadmaps, by the end of 2018, taking also into account the outcome of the trial run of CARD. The Council highlights that identified CDP priorities are to serve as a key reference for EU and Member States funded cooperative projects and programmes. It calls on the Agency, in close cooperation with Member States, to reinforce efforts to link the CDP to on-going work with regard to refining an Overarching Strategic Research Agenda (OSRA) and identifying Key Strategic Activities (KSA).
5. The Council highlights the importance for the CARD trial run to provide tangible results and welcomes that EDA in its role as CARD Secretariat has started to develop and implement the CARD methodology. It encourages the EDA to provide analysis and support for preparing Member States' discussions and coordination of their national defence planning through the CARD. The Council looks forward to the first CARD report and associated lessons learnt to be presented to the EDA Steering Board in November 2018 and to be forwarded to the Council thereafter. It reiterates the need to ensure coherence between CARD, as well as the CDP, and respective NATO processes, such as the NATO Defence Planning Process (NDPP), where requirements overlap while recognizing the different nature of the two organisations and their respective responsibilities.
6. The Council underlines the need to further incentivise defence cooperation and welcomes the progress achieved. It encourages making full use of the VAT exemption for eligible projects and programmes when conducted in the EDA framework and in line with applicable EU legislation. The Council invites the EDA to further elaborate the Cooperative Financial Mechanism (CFM) in line with EU legislation and Member States' guidance.

7. Subject to the Council Decision on the establishment of PESCO, the Council highlights the role foreseen for the Agency in relevant Treaty provisions and Council Decision 2015/1835. In full recognition of PESCO participating Member States' prerogatives, the Agency can support the implementation of PESCO, including on identification, preparation and consolidation of projects in close cooperation with the EU Military Staff, as well as for providing management support upon request for their subsequent launch. EDA will also contribute to the annual assessment of PESCO participating Member States' contributions with regard to capabilities made in accordance with the binding commitments laid down in the PESCO notification, including on the basis of CARD.
8. The Council calls on the Agency to prepare for and implement its role as a central operator for EU-funded defence-related activities, encompassing support to Member States with regard to upfront prioritisation, programme implementation where relevant and translation into cooperative follow-up activities. This includes notably support to Member States in preparing with the European Commission the European Defence Industrial Development Programme and the proposed European Defence Research Programme under the European Defence Fund, in line with Member States' guidance.
9. The Council welcomes the Agency's revised approach towards enhanced industry engagement with a view to increase opportunities for industry, including SMEs, to be involved in Research & Technology and capability development opportunities. It encourages the Agency to further develop its support to the European Defence Technological and Industrial Base (EDTIB) in line with Member States' guidance, through concrete project-related activities serving identified capability needs, supporting building cross-border partnerships and access to available EU funding tools.
10. The Council welcomes EDA's role as interface upon Member States' request with wider EU policies, notably in Single European Sky/SESAR, Energy & Environment, REACH, Cyber, Maritime, Space, Radio Spectrum as well as Circular Economy. In that respect, the Council also encourages EDA to further develop synergies as appropriate with EU Agencies of relevance.

11. The Council calls on the Agency to continue working in the area of capability development in support of the single set of forces, and reiterates in this context the need for reciprocal transparency and coherence of output with relevant NATO processes in full respect of the principles of inclusiveness, reciprocity and decision making autonomy of the EU, and in accordance with the Council Conclusions of 6 December 2016 endorsing the common set of proposals on the implementation of the Joint Declaration by the President of the European Council, the President of the European Commission and the Secretary General of NATO.
12. The Council encourages EDA, under the guidance of the Steering Board, to continue to develop working relations with Third States and other Third Parties with which it has concluded an Administrative Arrangement, and to continue exploring possible working relations with other partners, in full transparency with Member States, in accordance with the agreed legal framework and procedures and for the purpose of supporting its mission. Acknowledging the potential of the EDA-OCCAR relations to further evolve into a more structured and reciprocal approach towards key European capability programmes, the Council highlights the need for the Agency to further assess enhancing synergies and cooperation opportunities with OCCAR.
13. With a view to the expected increase of the Agency's activities as outlined above, the Council recognises the importance of ensuring that the Agency has the required organisational skills, processes, resources and expertise at its disposal, serving identified priorities. It encourages the Agency to assess longer-term resource implications and to identify necessary internal developments as appropriate by summer 2018. It invites the Agency to provide to Member States an assessment by spring 2018, if and to what extent the EU budget should cover the Agency's administrative and operational expenditure.