

## RECOMMENDATIONS

## COUNCIL

## COUNCIL RECOMMENDATION

of 14 November 2022

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

(2022/C 433/02)

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, 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 <sup>(1)</sup>,

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

Whereas:

- (1) Article 4(2)(d) of Decision (CFSP) 2017/2315 provides that the Council is to adopt decisions and recommendations on assessing the contributions of participating Member States (pMS) 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 (the 'High Representative'), the Council is to review once a year whether the pMS continue to fulfil the more binding commitments referred 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 <sup>(2)</sup> provides that the Military Committee of the European Union is to 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.

<sup>(1)</sup> OJ L 331, 14.12.2017, p. 57.

<sup>(2)</sup> OJ C 88, 8.3.2018, p. 1.

- (4) Paragraph 26 of the Council Recommendation of 16 November 2021 concerning the sequencing of the fulfilment of the more binding commitments undertaken in the framework of PESCO and specifying more precise objectives, and repealing the Recommendation of 15 October 2018 <sup>(3)</sup> (Recommendation of 16 November 2021 concerning the sequencing of the fulfilment of the more binding commitments), provides that the pMS will review and update their national implementation plans (NIPs) accordingly and communicate them to the PESCO secretariat by 10 March 2022, and annually thereafter by the same date in accordance with Article 3(2) of Decision (CFSP) 2017/2315, in view of the assessment process set out in Article 6(3) of that Decision. Every other year, the NIPs are to be accompanied by a high-level political statement in which the pMS could outline main achievements and state specific national priorities and share their experience in terms of planning and contributions to the fulfilment of all more binding commitments.
- (5) Paragraph 28 of the Council Recommendation of 16 November 2021 concerning the sequencing of the fulfilment of the more binding commitments, provides that the High Representative is to take into account that Recommendation in the annual report on PESCO from 2022 onwards, which will support the assessment of the fulfilment of the more binding commitments by each pMS.
- (6) On 21 March 2022, the Council has adopted the Strategic Compass for Security and Defence, underlining Member States' commitment to fulfil all more binding commitments by 2025, and to make full use of the Permanent Structured Cooperation to intensify their cooperation on capability development <sup>(4)</sup>.
- (7) On 18 May 2022, the European Commission and the High Representative have adopted a Joint Communication on the Defence Investment Gaps Analysis and Way Forward (DIGA) <sup>(5)</sup>.
- (8) On 13 July 2022 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 NIPs.
- (9) 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:

## 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. The assessment is based on the Annual Report on the Status of PESCO Implementation provided by the High Representative on 13 July 2022 (the 'Annual Report') and on the NIPs presented by the pMS in 2022, which were accompanied by high-level political statements.

## II. Findings and recommendations

2. The Annual Report offers a solid basis to assess the status of PESCO implementation, including the fulfilment of the 20 more binding commitments by each pMS in accordance with its NIP.
3. In light of the geopolitical context, including the Russian war of aggression against Ukraine putting European and global peace and security at risk, and the constantly evolving threat landscape, PESCO remains a valuable instrument for cooperation and for enhancing pMS defence capabilities. Through their efforts, the pMS contribute to enhancing the Union's capacity to act as a security provider and its strategic autonomy, and to strengthening its ability to

<sup>(3)</sup> OJ C 464, 17.11.2021, p. 1.

<sup>(4)</sup> Doc. 7371/22.

<sup>(5)</sup> JOIN(2022)24 final.

cooperate with partners, to protect its citizens and defend its values and interests. Furthermore, in view of the objectives adopted in the framework of the Strategic Compass, more efforts are needed to use the full potential of PESCO. A stronger and more capable EU in security and defence will contribute positively to global and transatlantic security and is complementary to NATO, which remains the foundation of collective defence for its members.

#### 1. National Implementation Plans

4. Acknowledging the need for the pMS to better achieve concrete deliverables and to facilitate implementation with regard to the fulfilment of the more binding commitments as soon as possible, and by the end of 2025, the Council underlines that the pMS have made progress, to varying degrees, in implementing the 20 more binding commitments they have made to each other and in implementing projects. However, they should step up efforts to fulfil all of them by no later than 2025, as requested by the Council Recommendation of 16 November 2021 regarding the sequencing of the fulfilment of the more binding commitments, and as reiterated in the Strategic Compass. Furthermore, the Council underlines that the pMS:

- (a) have continued increasing their defence expenditure and indicated plans for further increases in 2022 and in the 2023-25 period, also in reaction to the Russian war of aggression against Ukraine. This positive trend in defence expenditure and defence investment should be maintained in the long term, while a majority of pMS should also substantially increase defence research and technology expenditure to reach the agreed 2 % of total defence spending (collective benchmark). In this regard, available EU tools and structures, including the newly established Hub for European Defence Innovation within the European Defence Agency (EDA) and the EU Defence Innovation Scheme within the Commission should be fully considered, harnessing their potential;
- (b) have demonstrated little progress regarding the commitment to increase the number of collaborative defence capability projects and related investment in defence equipment procurement and defence research and technology. To address the EU Capability Development Priorities and to achieve the agreed collective benchmarks (20 % of total collaborative defence research and technology expenditure, 35 % of total collaborative defence equipment procurement expenditure) the pMS should make the best possible use of existing EU defence initiatives and tools, and should further increase and leverage collaborative defence investment at the EU level <sup>(6)</sup>. In this respect, they are encouraged to make full use of the Coordinated Annual Review on Defence (CARD) findings and its recommendations, notably the collaborative opportunities and Focus Areas. Taking the Strategic Compass into account, they are also invited to take new opportunities forward in the PESCO framework, such as fostering joint procurement, including in the follow-up to the Joint Communication on DIGA;
- (c) have overall maintained or slightly increased their contribution to military Common Security and Defence Policy (CSDP) missions and operations, but gaps still persist and should be filled urgently. PMS should significantly enhance their efforts to fulfil the operational commitments, taking into account the single set of forces principle, as contributions to missions and operations are still of concern. PMS should step up their contributions to the EU Battlegroups roster and to the Rapid Response Database. Moreover, they should address more specifically strategic capability shortfalls, namely the High Impact Capability Goals. In addition, pMS should provide concrete proposals to improve common funding of CSDP missions and operations, also in the context of the EU Rapid Deployment Capacity (RDC), including through a re-assessment of the scope and definition of common costs to enhance solidarity and stimulate participation in military missions and operations as well as in exercise-related costs. The work on the definition of the parameters of a fair share of contributions to military missions and operations, as requested in the Council Recommendation of 16 November 2021 concerning the sequencing of the fulfilment of the more binding commitments, should be finalised as soon as possible. This is important to encourage and support pMS to increase their contributions, within their means and capabilities, to CSDP missions and operations, ensuring transparency among them on the fulfilment of their respective commitments;

<sup>(6)</sup> As stated in the Joint Communication on DIGA, the share of collaborative defence equipment procurement has decreased on average from 11 % in 2020 to around 8 % in 2021, while combined defence Research and Technology spending amounted to 1,2 % of total defence spending in 2020.

- (d) have made modest progress in their uptake of the Union's capability planning and development tools and processes as an orientation for national planning and decision-making. PMS are encouraged to step up their efforts towards a more systematic and active use of these instruments, including the CARD recommendations, to unfold their full potential and overcome capability shortcomings in a collaborative manner;
  - (e) are not sufficiently addressing the commitment to work together to overcome capability shortcomings. The use of a European collaborative approach is still very limited and should be increased substantially. In their NIPs, pMS express interest in exploiting the CARD recommendations on defence cooperation, notably the identified collaborative opportunities. To this end, they should include these opportunities in a systematic manner in their national planning and report on them in their NIPs. PMS should also further work together to deliver capabilities in order to strengthen the EU's command and control structures, in particular the Military Planning and Conduct Capability (MPCC) as the preferred command and control structure, as well as in order to operationalise the EU RDC, in line with the Strategic Compass. The Council recalled that coherence of output between the CDP and the 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;
  - (f) have demonstrated that the EDA is largely used as the European forum for capability development. However, the level of investment in projects developed in the EDA framework remains low and should be stepped up, also with the aim of further strengthening the EDA's role as a forum for capability development;
  - (g) have provided clearer indications that they participate in collaborative projects, strengthening the European Defence Technological and Industrial Base (EDTIB) throughout the Union, also by taking advantage of initiatives to jointly procure defence capabilities. However, pMS should further reflect these principles in their respective industrial policies and acquisition strategies.
5. The Council notes that the assessment of updated NIPs confirmed that the implementation of several commitments continues to fall behind if they are to be fulfilled by 2025. In further implementing PESCO, each pMS is therefore encouraged to take into account the findings and recommendations presented in the Annual Report, and to review accordingly its contribution to the fulfilment of the more binding commitments. The pMS are invited to share more detailed information in their NIPs to achieve the objectives set for the second initial PESCO phase. Demonstrating a sustainable upward trajectory remains instrumental for progressing towards the fulfilment of all PESCO more binding commitments by 2025. The PESCO secretariat should therefore organise a workshop dedicated to identifying ways to address the more challenging commitments, ahead of the next NIP update.
6. All pMS have accompanied their NIPs with a high-level political statement, outlining main achievements and stating specific national priorities and contributions to the fulfilment of the more binding commitments. The Council stresses the relevance of the political statements for presenting the pMS' positions. It underlines the importance of ensuring the necessary political ownership and support stimulating discussions at political level. The pMS should, in 2024, as well as every other year thereafter, again accompany their NIP with such a high-level political statement.
7. The majority of pMS already took advantage of the digital platform developed by the EDA to submit their NIPs. PMS are encouraged to continue doing so in the future, as this will allow them to use data they have already provided in the context of relevant Union defence initiatives and to alleviate administrative burden.

## 2. PESCO projects

8. With the adoption of 14 new projects in the fourth wave of PESCO projects in November 2021 <sup>(7)</sup>, the number of PESCO projects has reached 60, contributing to the fulfilment of the 20 more binding commitments, thus confirming the value of the PESCO framework for developing collaborative projects. The adoption of PESCO projects addressing collaborative opportunities, including pertaining Focus Areas identified by the CARD, has shown increasing coherence between the two initiatives.
9. The Council encourages pMS to use the fifth wave of PESCO projects, to be adopted in 2023, to launch strategically relevant projects aimed at delivering critical capabilities and improving the interoperability of forces, also in line with the EU Capability Development Priorities derived from the CDP, and the guidance agreed in the Strategic Compass. The Council underlines that the upcoming fifth wave provides the opportunity to take forward the results of the second CARD cycle, notably by increasing the use of the identified collaborative opportunities including those with an operational focus, as well as the Focus Areas. The Council recalls that PESCO remains a Member State-driven process and invites the PESCO secretariat to support generating project proposals as well as their further progress as appropriate, thus ensuring that new projects are better prepared and deliver without delays, even in the fifth wave.
10. The Council notes that, as indicated in the PESCO projects' progress report to the Council of 29 June, overall progress was made with regard to projects, with 18 of them, across all domains, already reaching execution phase, and two having already reached their full operational capability. The Council also welcomes that nearly half of the projects are expected to deliver concrete results by 2025. This includes 77 % of the projects (20 out of 26) identified in the Council Conclusions of 20 November 2020 on the PESCO Strategic Review 2020 as expected to deliver in this timeframe. PMS should consider an enhanced role for the PESCO secretariat to support project implementation, namely by taking advantage of the EDA's expertise as a framework for joint capability development project implementation, including the project management tools already offered to pMS, and European Union Military Staff expertise on operational aspects. Moreover, pMS, with the support of the PESCO secretariat as appropriate, should enhance strategic communication around the projects about their advancement and their usefulness for European security and defence. PMS should also consider taking advantage of the European Security and Defence College course on the management of PESCO projects.
11. At the same time, the Council notes that a number of other projects continue to face difficulties in their implementation, including delays in reaching project objectives. The Council highlights that pMS should undertake enhanced efforts to deliver tangible results as planned, especially for those projects officially established in 2018 that have not yet rendered any concrete deliverables. Where project members identify that projects cannot provide the expected outputs, such projects should be revitalised or closed, in order to ensure the relevance, effectiveness and credibility of all PESCO projects. In a similar vein, new projects are invited to kick-start their activities within six months of their acceptance into PESCO. In the context of the progress of PESCO projects, the pMS could invite the PESCO secretariat to provide an assessment in this regard. Furthermore, in order to mitigate identified risks to project implementation, project members could agree on a feasible scope, its indicative timelines and allocation of necessary resources for the implementation of PESCO projects, also by seeking EU funding where possible. The PESCO secretariat could be invited to collect best practices for PESCO project management and implementation, and share them with pMS in the form of a guide for project coordinators.
12. The PESCO secretariat could also propose and facilitate meetings between groups of PESCO projects with identified synergies and commonalities, to promote cooperation and increase their impact and efficiency, save resources and prevent unnecessary duplication. For those projects approaching their completion, the PESCO secretariat could encourage and facilitate discussions on the use of capabilities and related structures delivered, including possible follow-on projects.

---

<sup>(7)</sup> Council Decision (CFSP) 2021/2008 of 16 November 2021 amending and updating Decision (CFSP) 2018/340 establishing the list of projects to be developed under PESCO (OJ L 407, 17.11.2021, p. 37).

13. The Council welcomes the fact that, in line with Council Decision (CFSP) 2020/1639 <sup>(8)</sup>, and following Council Decisions (CFSP) 2021/748 <sup>(9)</sup>, (CFSP) 2021/749 <sup>(10)</sup> and (CFSP) 2021/750 <sup>(11)</sup>, the United States of America, Canada and Norway have joined the Military Mobility project in December 2021.

It recalls that partners that meet the general conditions could exceptionally be invited to participate in individual PESCO projects in the future, in accordance with the invitation procedure contained in Decision (CFSP) 2020/1639, and notes the interest of several EU partners to join PESCO projects. In this regard, the Council looks forward to the participation of the United Kingdom in the Military Mobility project, following Council Decision (CFSP) 2022/2244 <sup>(12)</sup>.

### III. Way forward

14. PMS are invited to update their NIPs and present them to the PESCO secretariat by 10 March 2023.
15. PMS are encouraged to make further progress in the implementation of both the 20 more binding commitments, with a view to fulfilling them by 2025, and the related projects, taking into account proposals outlined in this Recommendation. Regular high-level political discussions between pMS and the High Representative, as well as by respective Council preparatory bodies and in other relevant formats, should continue to ensure political momentum and enhanced pMS' ownership. The Council invites the PESCO secretariat to undertake its supporting role, across the actions identified in this Recommendation, including through the organisation of dedicated workshops.
16. The Council notes that PESCO, both through its more binding commitments and collaborative projects, is a valuable instrument for cooperation, in particular in light of the geopolitical context. The PESCO framework is instrumental in supporting the implementation of the Strategic Compass, in addressing the EU Capability Development Priorities and in making full use of the CARD findings, in particular of the identified collaborative opportunities, taking into account the Joint Communication on the DIGA, and in strengthening the EDTIB throughout the Union. The Council also calls for bringing forward work on the improvement of coherence of the EU defence initiatives, also with a view to simplifying procedures, increasing information sharing and providing more specific priorities. It welcomes the holding of the first annual defence Ministerial meeting on EU defence initiatives addressing capability development, making full use of existing formats, which would further support the coherence of EU defence initiatives.
17. The Council recalls that 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. The Council encourages the pMS, with the support of the PESCO secretariat, to initiate in 2023 discussions on the upcoming Strategic Review, including on possible timelines and milestones.

---

<sup>(8)</sup> Council Decision (CFSP) 2020/1639 of 5 November 2020 establishing the general conditions under which third States could exceptionally be invited to participate in individual PESCO projects (OJ L 371, 6.11.2020, p. 3).

<sup>(9)</sup> Council Decision (CFSP) 2021/748 of 6 May 2021 on the participation of Canada in the PESCO project Military Mobility (OJ L 160, 7.5.2021, p. 106).

<sup>(10)</sup> Council Decision (CFSP) 2021/749 of 6 May 2021 on the participation of the Kingdom of Norway in the PESCO project Military Mobility (OJ L 160, 7.5.2021, p. 109).

<sup>(11)</sup> Council Decision (CFSP) 2021/750 of 6 May 2021 on the participation of the United States of America in the PESCO project Military Mobility (OJ L 160, 7.5.2021, p. 112).

<sup>(12)</sup> Council Decision (CFSP) 2022/2244 of 14 November 2022 on the participation of the United Kingdom of Great Britain and Northern Ireland in the PESCO project Military Mobility (OJ L 295, 15.11.2022, p. 22).

Done at Brussels, 14 November 2022

*For the Council*  
*The President*

---