PESCO PROJECTS PROGRESS REPORT

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Overview of PESCO projects' progress

PESCO projects have demonstrated resilience and adaptability to multifaceted challenges, namely the new geostrategic threat landscape following Russia's war of aggression against Ukraine. **The overall outlook of projects' progress across domains** is **positive,** despite some reporting delays**.** 62 projects are advancing. Two projects have already closed with deliverables, and two others are currently under formal closing procedures. Additionally, several projects are nearing completion by the end of 2024, while only two projects in the air domain (4th wave) require special attention or particular scrutiny. (See Annex II for details.) What also stands out is an **increasing interest in participating in PESCO projects**, as evidenced by notable changes in pMS' level of **participation**, with 16 pMS deciding to join more projects as a participant or an observer since May 2023. Also, some third States have expressed interest in joining PESCO projects.

Furthermore, the pMS continue to exploit the opportunities deriving from the **EU funding initiatives**, in support of PESCO projects. The majority of projects report either having a link to projects that have been awarded or likely to apply for EU funding under the European Defence Industrial Development Programme (EDIDP) and the European Defence Fund (EDF). While the EDF aims at incentivising industrial cooperation, PESCO projects – pMS-led – focus more on aspects such as policy, concepts, harmonising requirements, or training. For example, in the space domain, the outcome of the **European Military Space Surveillance Awareness Network** will be policy, guidelines, and requirements, also taking advantage of the industrial cooperation in the EDIDP/EDF framework. In a similar vein, both the EDIDP and EDF support fostering innovative technologies for the **EU Radionavigation Solution** project, which aims at promoting the development of EU military positioning, navigation, and timing capabilities in cooperation, including building a user community.

PESCO projects in focus due to war in Europe

Russia's war of aggression against Ukraine increases the **sense of urgency** for some PESCO projects and the pMS highlight the need to consider the implications of the war in the context of PESCO across different domains. In the land domain, **Counter Battery Sensors** (CoBaS) focuses on enhancing indirect fire capabilities, underscoring the renewed significance of artillery and counter-artillery systems in modern warfare, especially considering the use of such weaponry in Ukraine.

Concerning training, **SOF Medical Training Centre** (SMTC) developed training to Ukrainian personnel. The participants of this project acknowledge the importance of adapting medical procedures based on lessons learned from the Russia's war of aggression against Ukraine, emphasising the need for curriculum adjustments to address evolving battlefield medical requirements.

In the air domain, **Strategic Air Transport for Outsized Cargo** (SATOC) alludes to a potential gap in strategic fixed wing air transport, featuring the dependence on one type of aircraft, thus increasing the urgency for timely project completion. With the objective to increase the air superiority capabilities of the armed forces of EU Member States, **Air Power** project reflects the strategic significance of securing control over airspace, as evidenced by the war against Ukraine. Additionally, the **Next Generation Small RPAS** (NGSR) addresses the urgent need for advanced reconnaissance, surveillance, and targeting capabilities to enhance situational awareness and operational effectiveness.

In the maritime domain, **Critical Seabed Infrastructure Protection** (CSIP) recognises the strategic importance and urgent need to protect critical underwater infrastructure, because disruptions can significantly impact national security and economic stability. To address this, CSIP aims to ensure the protection of underwater infrastructure from natural events, intentional attacks, and deliberate sabotage by developing a system of systems composed of a mix of resident and deployable elements connected into a strong underwater network.

Regarding the cyber domain, **Cyber Ranges Federations**' (CRF) objective is to enhance the European cyber ranges capability by federating existing national cyber ranges into a larger cluster, enabling pooling and sharing of the capabilities and improving the quality of cyber trainings and exercises. Currently, the project is considering the potential involvement of interested third States, given their experience with cyber threats.

A dynamic start for cooperation

As the pMS are preparing for the **next call for new PESCO project proposals** in July 2024, the PESCO Secretariat encourages the pMS to consider in their planning the 2023 EU Capability Development Priorities and the outcomes of the 2024 Coordinated Annual Review on Defence (CARD), in particular the actionable collaborative opportunities presented to EU Defence Ministers in May 2024 and in the CARD Aggregated Analysis. The collaborative opportunities address military needs from short- to mid-term and from mid- to long-term for those solutions requiring longer time for the development, acquisition, and management. Therefore, they should serve as a guide to Member States for new PESCO projects. In addition, and in light of the rapidly deteriorating threat landscape, the pMS are invited to also consider new projects to support the Strategic Compass' implementation, including the EU Rapid Deployment Capacity, preparedness and interoperability of their forces.

The positive impact of the EU capability development approach can be demonstrated through projects like the **European Patrol Corvette** (EPC), which centred on creating a prototype for a new class of military ship designed with modularity and flexibility in mind. The project has effectively followed the collaborative EU capability development path. It responded to existing gaps acknowledged in the 2018 Capability Development Priorities (namely, naval manoeuvrability, maritime situational awareness, surface superiority, and power projection) and to the 2020 CARD collaborative opportunity, taking advantage of EDF funding, while also addressing a NATO shortfall area. Additionally, it has been supported by EDA maritime experts for harmonisation of requirements, common staff requirements, and common staff targets before being successfully transferred to OCCAR. This year, the project reports success in the recent EDF call (funding for certified design and platform prototype) and the start of programme integration process in OCCAR in June 2024. Similarly, the **Essential Elements of European Escort** (4E) project focuses on identifying, defining, and developing essential elements of any surface escort that may be built in Europe from 2030 to 2045. In the first phase, which will last until the end of 2024, the project will receive expert support from EDA, especially in preparing the project initiating document – expected this year – and high-level requirements.

In May 2023, **11 new PESCO projects** were adopted. The new projects cover different military domains aiming at delivering critical capabilities for pMS, including underwater force protection systems, advanced critical infrastructure protection systems, medical treatment facilities, interoperable and resilient communication and information systems as well as next generation systems and platforms,

such as manned and unmanned armoured platforms, multipurpose helicopter, and integrated multilayer air and missile defence systems. For **the success of PESCO projects**, the PESCO Secretariat assesses that a key element is a well-structured proposal, bolstering the relevant projects with appropriate **level of maturity** to be adopted as a PESCO project. This was demonstrated by several 5th wave projects, such as Counter Battery Sensors (CoBaS), European Defence Airlift - Training Academy (EDA-TA), Critical Seabed Infrastructure Protection (CSIP), Integrated Unmanned Ground Systems 2 (iUGS 2), Anti-Torpedo Torpedo (ATT), and Next Generation Medium Helicopter (NGMH), that are already making progress a year after their launch. Demonstrating a higher level of maturity, Arctic Command & Control Effector and Sensor System (ACCESS) started from the execution phase.

Among other best practices to successfully launch a project, pMS profit from **engaging with the experts in EDA** or EDA working bodies to support the maturation of their project ideas, as was done e.g. by the **Robust Communication Infrastructure and Networks** (ROCOMIN) project. The subject matter experts contribute by offering advice on project planning, implementation, and reporting, as well as identifying potential synergies with ongoing projects. Additionally, EDA's support can ease the launch of projects by providing project management, such as setting up the required documents. For instance, EDA will provide project management to the **ATT** until 2028, including organisation of workshops, setup of outline description and project arrangement (PA), financial management of the PA, and support to the technical development and realisation of the ATT system by EDA's subject matter experts.

Advancements in addressing capability needs

Over the past year, the PESCO projects have continued to yield deliverables. This year's progress includes not only achieving key milestones but also common concepts and synergies, as demonstrated by the **Military Mobility** (MilMob) and **Network of Logistic Hubs in Europe and Support to Operations** (NetLogHubs) projects. Recalling that the swift, efficient, and unimpeded movement of military forces is vital for European security and defence, the EU Member States committed to a new set of actions in the **Military Mobility Pledge 2024** in May, the implementation of which will be facilitated by the PESCO projects MilMob and NetLogHubs. Specifically, the network of national points of contact successfully established by MilMob will ensure the quick handling of requests for cross-border movements and continue exchanges on best practices and lessons learned. In the Military Mobility Pledge 2024, it was also recognised that the participation of third States[1] in these PESCO projects continues to provide added value, including from a transatlantic and EU-NATO perspective. Moreover, the two projects provide an example of structured collaboration between PESCO projects.

Highlighting achievements in the cyber domain, the **Cyber and Information Domain Coordination Centre** (CIDCC) reached its Initial Operational Capability (IOC) in November 2023. The objectives of the CIDCC include supporting the planning and conduct of EU CSDP missions and operations, as well as of CID operations, and enhancing overall EU CSDP resilience. Reaching the IOC enables the CIDCC to provide functional area analysis tailored to mission requirements for EU Operational Headquarters, culminating in the delivery of a proof of concept.

[1] Canada, Norway, and the United States participate in MilMob since December 2021. Canada joined NetLogHubs as of April 2024.

Contributing to a successful command and control (C2) cooperation, **Strategic Command and Control System for CSDP Missions and Operations** (EUMILCOM) aims to develop a C2 system having the capability to conduct simultaneously multiple operations with all kinds of forces anywhere in the world, as well as being interoperable with NATO. EUMILCOM is supported by the European Strategic Command and Control System (ESC2), which has received EDIDP funding. After completing the first stage in December 2023, the project is expected to deliver the initial element of a next generation C2 system that could be used for EU's Military Planning and Conduct Capability, the military-strategic headquarters in Brussels, and the **EU Rapid Deployment Capacity (EU RDC)** in 2025.

Finally, as far as advancements in the space domain are concerned, the **Common Hub for Governmental Imagery** (CoHGI) project is in the process of establishing a federated system for classified imagery to facilitate the secure exchange of classified governmental imagery between pMS and with EU entities, taking full benefit of the EU Satellite Centre (SatCen) and enhancing its capabilities to fulfil its core mission. To that end, a joint framework agreement was signed with SatCen, which is being followed by intra-national agreements.

Reaching full operational capability and delivering concrete results

As stated in the Council Conclusions on the PESCO Strategic Review[1] in 2020 (2020 PSR), 26 projects planned to deliver concrete results or reach full operational capability (FOC) by 2025. The present situation indicates that half of them will have reached the FOC and closed by the targeted date, while the other half plans to close mostly between 2026 and 2029. Two already met their objectives and **closed with deliverables** this year: **EUFOR Crisis Response Operation Core** (EUFOR CROC) and **European Medical Command** (EMC).

The **EUFOR CROC** project contributes to developing EU force sensing mechanisms to create scenario-based force element lists. Although the project prioritised enhancing force sensing capabilities, it also contributed to the effectiveness of EU Command and Control (C2) structures and stimulated capability development. The project focused primarily on military capabilities, but it also underscored the significance of civil-military cooperation within the EU's integrated approach. The results of the project have already been put into practice, as the EUFOR CROC supported the development of the force sensing required for identifying the EU RDC, its pre-identified modules and enablers.

Through the **EMC** project, the Multinational Medical Coordination Centre - Europe (MMCC-E) was successfully established as a permanent medical capability supporting the coordination of the military medical services of the EU Member States and declared Full Operational Capability in July 2022. The MMCC-E's products have already been used or activated in support of EU CSDP missions and operations during the COVID-19 pandemic and in providing support to Ukraine after the start of Russia's war of aggression. Following the project members' decision to close the project, the tasks, capabilities, and ambitions established by the EMC will continue through the MMCC-E, in line with EU defence policy objectives. The MMCC-E aims to enhance medical civil-military interaction and strengthen medical resilience across Europe.

A further example of project about to reach FOC is the **Integrated Unmanned Ground System** (iUGS), developing a modular unmanned ground system to provide combat support and combat service support

[1] ST-13188-2020, pdf (europa.eu)

to ground forces. It has benefited from the EDIDP project iMUGs, through which a prototype for an unmanned ground system was developed. In the maritime domain, the **Deployable Modular Underwater Intervention Capability Package** (DIVEPACK) project is currently in the process to initiate the acquisition phase for diving materiel.

Regarding the cyber domain, the **Cyber Threats and Incident Response Information Sharing Platform** (CTISP) project, which has also benefitted from the EDIDP project PANDORA, is about to close as it has successfully met its objectives to develop a software prototype that will strengthen the cyber defence capabilities and the response to cyber incidents. Second, the **EU Cyber Academia and Innovation Hub** (EU CAIH) project has successfully established a Permanent Cooperative Framework, enhancing cyber defence education and training, promoting a robust and unified European approach to cyber defence and building a resilient and skilled cyber defence community within the EU. Third, the **Cyber Rapid Response Teams and Mutual Assistance in Cyber Security** (CRRT) project, which develops specialised teams to respond to cyber incidents, has established Standard Operating Procedures (SOPs) for their use in CSDP military missions, ensuring clear guidelines for swift and coordinated responses. The CRRT also participates in exercises to simulate cyber threats, enhancing their operational readiness and effectiveness.

PESCO for the benefit of the EU

The EU institutions, bodies, and agencies stand to benefit from the outputs of PESCO projects, since several projects report seeking cooperation with these entities. For instance, the **Common Hub for Governmental Imagery** project aims to foster closer collaboration with the EU Satellite Centre and its governing board to exchange classified governmental imagery, while the PESCO **Cyber and Information Domain Coordination Centre** operates closely with the European Union Military Staff, the Military Planning and Conduct Capability, as well as the Hybrid Threats and Cyber Division of the EEAS for the benefit of EU CSDP missions and operations. It will also be a cornerstone for a future EU Cyber Defence Coordination Centre, as announced in the EU Policy on Cyber Defence.

Furthermore, the PESCO **European Medical Command** is exploring avenues for synergy with NATO and the Emergency Response Coordination Centre under the Directorate-General for European Civil Protection and Humanitarian Aid Operations to coordinate military medical resources. In addition, the objective of the **Deployable Military Disaster Relief Capability Package** is to generate a mission tailored task force as a tool to support EU Response Crisis Coordination Centre and augment the EU's Civil Protection Mechanism capabilities regarding natural and manmade disasters within and outside EU territory.

Moreover, projects like the Strategic Command and Control System for EU CSDP Missions and Operations, Military Mobility, EUFOR Crisis Response Operation Capabilities, and Network of Logistic Hubs also aim to strengthen their ties with EU structures and relevant NATO bodies to enhance operational effectiveness and cooperation across the domains.

Ongoing PESCO Strategic Review

The PSR was launched in November 2023. It provides the opportunity to shape the future of PESCO beyond 2025 and adapt it to the geopolitical context, while keeping up the ambition. The process started with a series of workshops, supported by written inputs, where pMS identified initial elements

concerning the PESCO projects, as well as on the overall aim for PESCO in the next phase, the more binding commitments, the visibility and the working methods of the PESCO framework.

In the discussions thus far, the pMS advocate for a results-focused approach for the way forward, valuing high-quality projects over a large number of them. They underscore the need for projects that tackle critical capability gaps and adhere to the fulfilment of the more binding commitment. There is widespread backing for the development of strategically relevant projects that yield tangible results and align with the EU CSDP and its security and defence goals. Conjointly, some pMS already signalled their wish to revise certain more binding commitments into more strategic ones and updated to the new security and defence context and the resultant needs.

For numerous pMS, PESCO remains instrumental in fostering early-stages cooperation through facilitating bottom-up collaboration. Many pMS see harmonisation of military requirements as a goal for PESCO projects, while also emphasising the significance of joint development efforts. These projects should drive industry actions and take advantage of the EDF, the European Defence Industrial Strategy (EDIS), and the upcoming European Defence Investment Programme (EDIP). Simultaneously, there is a strong focus on operational collaboration with the ultimate aim for PESCO projects to provide full spectrum capabilities for operational engagements at national, EU, NATO, and multilateral levels. In this respect, it is suggested to connect PESCO projects with the Strategic Compass' goals, including advancing and operationalising the EU RDC and strategic enablers.

Finally, pMS suggest that further work should be conducted to understand and later formalise how best to exploit outcome of projects upon their successful completion, for example through setting up second phase PESCO projects or "PESCO labels" to flag the development of projects into operational capabilities, which could be used and integrated into EU CSDP permanent structures. Additionally, pMS underline the importance of highlighting these successes at the EU level through enhanced strategic communication, thereby reinforcing PESCO's image in propelling the EU's security and defence ambitions.

PESCO should play a central role in achieving the EU's goals in the field of security and defence, in particular those set out in the Strategic Compass, in the next years**.** As a Member States-driven initiative, this means PESCO needs to be elevated politically to have adequate direction and guidance.

The decision phase of the PSR is set to be concluded in the second half of 2024; followed by an implementation phase in 2025, allowing for the revised PESCO framework to be operational as of 2026.