

Implementing the December 2013 European Council Conclusions on security and defence

The November 2013 Council Conclusions on CSDP, subsequently endorsed by the European Council, state: "*The Council will revert to the issue of security and defence, and the concrete proposals and work strands below, by mid-2014 on the basis of a progress report*".

Delegations will find attached this progress report from the High Representative / Head of the European Defence Agency.

This report follows a factual approach, taking stock of steps taken since the beginning of the year. It is by and large structured along the lines of the November and December 2013 Conclusions. It is not exhaustive, nor intended to be: the timelines provided for in the Council and European Council conclusions differ and it is natural that, six months into the implementation process, some topics have advanced more than others. Also, variations in the degree of progress reflect differing levels of maturity at the time of the December European Council.

This report and that adopted by the European Commission on 24 June 2014 ("Implementation Roadmap for Communication 2013 (542) - Towards a more competitive and efficient defence and security sector") are linked. This is specifically the case for the section referring to the security and defence industry.

While reporting on progress on the various work strands, one should not forget the general context. The overall security situation in and around Europe has continued to evolve significantly since the end of last year. In terms of CSDP missions and operations, a military operation was launched in the Central African Republic in April 2014, while a civilian mission in Mali was established also in April. The FAC of 23 June adopted a Crisis Management Concept for a civilian mission in Ukraine.

Work on implementing the various work strands will continue, in close cooperation with Member States.

I. Operationalizing the comprehensive approach

The leaders in December 2013 called for further steps to improve the efficiency and effectiveness of the EU's comprehensive approach. In May 2014, the Council adopted conclusions on the Joint Communication by the High Representative and the European Commission on "The EU's Comprehensive Approach to External Conflict and Crises".

Work continues on further operationalizing the comprehensive approach. The Council has called for the development of an action plan, as well as regular progress reports.

Various work strands relate to this. With regard to improving transition strategies for CSDP missions and operations, horizontal-level discussions will resume in July on the basis of a paper by the EEAS and focusing on the conceptual design of transition - why, how, who - and proposing options to improve planning methodology. In more concrete terms, a transition strategy was agreed for the two CSDP missions in the Democratic Republic of Congo, EUSEC DRC and EUPOL DRC. Lessons will need to be drawn from this experience.

In line with the emphasis on shifting towards conflict prevention, the development of the Early Warning System will help manage risks of conflict and advance planning. The EEAS and the Commission are increasingly using conflict analysis to develop shared understanding and recommendations for EU responses in countries where there is increasing conflict and instability, or risks of conflict. Conflict analyses were conducted for a number of countries in which CSDP missions or operations are deployed or planned and mediation support was provided.

Over the last six months, the importance of supporting the capacity-building of partner countries and regional organizations to enable them to increasingly prevent or manage crises by themselves has continued to receive strong support, including for instance in the EU-US and the EU-Africa Summit Declarations. Work on the possibilities to provide equipment to forces being trained by the EU is underway. This includes:

- establishing a mapping of categories of equipment and possibilities to fund them under EU financial instruments and mechanisms;
- identifying the existing gaps and limitations of EU financing/funding mechanisms and ways to address them, in order to develop a systematic approach to CSDP training missions.

Discussions with Member States will continue in July on the basis of an EEAS-document coordinated with the Commission.

This issue is linked to the wider debate on the possibility of developing a new measure for Total Official Support for Development including a related debate on opportunities for adapting the ODA definition. The EEAS and DEVCO organized an expert meeting on ODA and peace and security on 23 June.

On operations and missions, a Political Framework for Crisis Approach was put forward in response to developments in the Ukraine, and was welcomed by the Council in May 2014. In the Central African Republic, a number of projects in the field of criminal justice usefully complement the EUFOR RCA military CSDP operation. In Libya, work on supporting Libyan authorities in securing and managing their conventional weapons and ammunition storages complements the CSDP border assistance mission.

Internal/external security. In terms of accelerating the cooperation between CSDP missions and Freedom/Security/Justice actors, work is ongoing to allow a greater involvement of EU Agencies, in particular Europol and Frontex in CSDP missions. Concerning the cooperation with the European Gendarmerie Force (EGF), its participation in EU crisis management e.g. in the Central African Republic is now effective. Additionally, based on the successful experience of EUNAVFOR ATALANTA - with the circulation of data collected via Interpol's channels - work continues towards a possible cooperation agreement.

II. Improving rapid response

In line with and in the spirit of the revised suggestions for crisis management procedures, efforts continue to expedite the planning and subsequent deployment of civilian missions. The Council Decision to establish EUCAP Mali was approved early in the process, enabling the recruitment of the Head of Mission and his core team, as well as their participation to the first stages of the operational planning. The current challenge is to expedite the planning and deployment for the civilian mission in Ukraine.

Work is underway to ensure that the procedures and rules for civilian missions enable the Union to be more flexible. A joint working group EEAS-Commission is finalising instructions that will enable more flexibility in procurement within the existing regulatory framework.

The final report on a cost benefit analysis of a possible shared service centre for civilian CSDP missions and EUSRs will set out options for a way forward and provides an assessment of their legal, financial and institutional feasibility. The final report will likely be submitted to the Council during the month of July or the beginning of September at the latest.

On the financing of missions and operations, the HR in May submitted options for the improvement of financing of civilian and military missions and operations. These are currently being discussed in the competent Council working parties. As regards civilian missions, the constraints in the CFSP budget which emerged in the first semester and result from the increasing gap between commitment and payment appropriations are key to the overall debate. Regarding military operations, the review of the Athena mechanism scheduled for autumn 2014 provides a good opportunity to further improve the system on the basis taking into account the increasing role of contractor support, non-executive missions and on the basis of concrete experience.

The EU Battlegroups (EU BGs) were discussed as part of the response to the situation in the Central Africa Republic. Defence Ministers in February and April highlighted the need to readdress the issue of their usability. The topic should be discussed at the next informal Defence Ministers' meeting (September) in Milan.

Meanwhile, work is underway to develop a more flexible, multi-service suite of rapid response assets, and mechanisms for making them available on a voluntary basis:

- a comprehensive revision of the existing EU Military Rapid Response concept was launched in order to promote consistency and modularity across the full spectrum of the EU's military rapid response tool-kit. Revised and new concepts, pertaining to maritime, land and air components are expected to be endorsed by the end of this year;
- in parallel, the EU BG Roster of offers and commitments was filled more systematically, by applying the Framework Nation approach, and existing vacancies diminished. However, two vacancies still exist for 2015, one in each semester;
- increased efforts were made to assist Member States in setting up highly capable EU BGs, better prepared to fulfil the full spectrum of crisis management tasks. The application of a modular approach will allow the addition of required strategic enablers elements or other capabilities to the EU BG core structures, if required, and as appropriate from the environmental components' Rapid Response tool-kits. Active and regular participation in training events and exercises, and more structured involvement of OHQ/EU BGs in advance planning, including contingency planning, are also instrumental. A new Preparation Guide for EU BGs will be developed at the next stage;
- finally, coordination with NATO was enhanced, in order to ensure coherence and mutual reinforcement. Staff talks were initiated and will continue to seek to identify possible synergies between the two organisations in the field of rapid response, with a focus on best practices and standards/criteria for certification and standardisation.

However, while progress in these areas is expected to enhance EU rapid response capabilities - the EU BGs notably - political will is and will remain indispensable for improving usability.

III. Addressing emerging security challenges

The EU Maritime Security Strategy is one of the first deliverables following last December European Council. It builds on the 6 March Joint Communication¹ put forward by the High Representative and the Commission, which served as the basis for work towards a fully-fledged strategy led by the Hellenic Presidency of the Council. The Council on 24 June adopted the strategy. In the second semester, the strategy will be translated into a concrete action plan.

Linked to this, a number of activities in the maritime domain are underway in the EDA framework (e.g. naval training, unmanned maritime systems, maritime surveillance). Ministers have endorsed the need to review EDA's activities linked to maritime capabilities to underpin the EU Maritime Security Strategy and, through this, support implementation of the Strategy, including through the stimulation of civil-military, cross-border cooperation on maritime security research.

¹ The Joint Communication (JC) by the Commission and the HR "For an Open and Secure Global Maritime domain: Elements for a European Union Maritime Security Strategy" (JOIN(2014) final) was adopted on 6 March 2014.

Work towards an EU Cyber Defence Policy Framework is being taken forward by the EEAS with the EDA and the Commission, in close consultation with Member States. The framework is to be adopted by the end of the year and will concentrate on the following policy areas, as set out in the November conclusions:

- Training, education, exercises and cyber defence awareness-raising, through developing a roadmap on cyber defence education to increase cyber defence awareness and best practices in all CSDP structures;
- The protection of communication networks supporting CSDP structures, missions and operations, including strengthening cyber incident response capabilities. The coordination of threat analysis and cyber-intelligence gathering practices and procedures, as well as incident response capabilities should be deepened. Further, a culture of strong cyber-security practices should be nurtured to enhance EU network protection, strengthen threat intelligence capability and improve incident response capabilities;
- Civil-military cooperation and synergies with wider EU cyber policies and other relevant EU actors and agencies, enhancing cooperation between EDA, ENISA, EC3 and other EU agencies on enforcement of standards, exchange of good practices, expertise, joint initiatives;
- Support to the development of Member States' cyber defence capabilities, including facilitating exchange on national cyber defence doctrines, training programmes, exercises; implementing capability development projects within EDA to enhance MS' operational cyber defence protection within EU missions and operations;
- Enhancing cooperation with relevant international partners, notably with NATO, as appropriate. Promulgating security standards and tools and reinforcing links between NATO and the EU in cyber defence issues would help to bolster European cyber-security.

Border Management. The EU Concept on CSDP support to Integrated Border Management was adopted last December. Furthermore, following the analysis by the Inter-Services Working Group on security in the Sahel-Sahara region, options to support Sahel-Saharan border management will be presented to PSC for a first discussion in July. The document will make proposals to structure the inter-agency cooperation and improve cross-border cooperation, elaborating on EU support options, including CSDP.

Energy. The Ukraine crisis has once again highlighted the importance of energy security in geopolitical terms. The EDA is developing a systematic approach to addressing areas of relevance for energy efficiency and military capability development - e.g. biofuels, energy storage, renewables - with Ministries of Defence, in cooperation with the Commission.

On space, the third round of Open-ended Consultations on an International Code of Conduct for Outer Space Activities took place last May with delegates from over 60 UN Member States and helped pave the way toward a final step, subscription to the Code.

The Union made progress toward ensuring the security of European Global Navigation Satellite System (GNSS) Galileo by launching the process of revising the Joint Action 2004/552/CFSP and taking steps toward its implementation. The EEAS is actively

coordinating this process with the Member States, the Global Navigation Satellite System Agency (GSA) in Prague and the European Commission.

Satellite high resolution imagery remains a key asset, notably in support of CSDP missions and operations, but also as an EU contribution to international efforts in crisis management (for instance support to OPCW-UN in Syria). It is important to establish and implement new arrangements to ensure the continuity of access to governmental imagery after 2015.

The European Council invited the High Representative, in close cooperation with the European Commission, to "*assess the impact of changes in the global environment and report to Council in the course of 2015 on challenges and opportunities for the EU*". Preparatory work for this will start through a series of brainstorming meetings organised by the EU Institute for Security Studies.

IV. Working with partners

The close cooperation between the EU and the United Nations has become "a way of life", as stated by UN Undersecretary General Ladsous in the PSC last June. The concrete cooperation in-theatre - in Mali, CAR, DRC, Somalia and Afghanistan - is accompanied by a regular high level dialogue including the EU-UN Steering Committee on Crisis Management (June 2014), regular PSC visits to New York (May 2014), and regular high level meetings such as the participation of SG Ban Ki Moon to the EU-Africa Summit (April 2014).

In addition, a number of results were reached on the EU Plan of Action to enhance CSDP support to UN peace keeping. For instance, the modalities for coordination on planning were agreed by both organisations, and the same will happen shortly for concepts, training and exercises, and lessons learned. The EU Military Committee has approved a concept on EU autonomous military deployment in support of UN operations, to be presented to PSC this summer. The EEAS received the mandate to negotiate with the UN an Agreement on the exchange of classified information. Discussions on a possibly legally binding agreement on mission support are also being finalised. The EU and UN have started conducting joint country conflict analyses together.

Cooperation between the EU and NATO continued to develop with a view to enhance better coordination, coherence and complementarity of both organisations while respecting the agreed framework of the strategic partnership between the EU and NATO, in compliance with each other's decision-making autonomy and procedures. The crisis in Ukraine has demonstrated the shared interest in close interaction between the EU and NATO regarding the assessment of the crisis and their respective support activities. In this context, two informal PSC-NAC meetings were organised in the first semester of 2014 (March, June) and enhanced staff-level exchanges were fostered.

EU-NATO Cooperation on capability development continued, with positive results. Close coordination among the respective staffs allowed ensuring coherence and complementarity of

efforts. In particular, the four projects on critical capabilities endorsed by the European Council last December (air-to-air refuelling, remotely piloted aircraft systems, satellite communications) are coordinated with NATO.

African Union. The Africa EU peace and security partnership was renewed during the last EU Africa Summit held on 2-3 April 2014: strengthening dialogue, making the African Peace and Security Architecture (APSA) fully operational, and providing predictable funding for AU's peacekeeping operations. In this regard, the African Peace Facility programming is being finalised, with an initial envelope of 750 million EUR for 2014-2016, out of which 325 million will come from the EDF bridging facility to mainly support peace operations this year. While reaffirming the EU's effective ability to act in response to immediate security threats in Africa, particular consideration was paid to capacity building with the aim to enabling partners (i.e. making them able to prevent, anticipate, plan, and manage crisis situations on their own) at continental, regional and bilateral levels.

The EU remains a major supporter and strong contributor to the work of the OSCE. In the last six months, significant support was provided to activities in connection to the crisis in Ukraine. The EU contributed 5 Mio EUR in support of the Special Monitoring Mission from the Instrument contributing to Peace and Security and also supported the ODIHR election observation. Close contacts at staff level were pursued in the context of planning for a potential CSDP civilian SSR mission in Ukraine.

In the first half of 2014, the EU has taken on an increasingly active and responsible role in relations with various security-related fora:

- On the 1st of January, the EU assumed the Presidency of the Contact Group on Piracy off the Coast of Somalia (CGPCS) for one year. The Plenary Session was held in May in New York;
- The EU continued developing close relationships with its Eastern Partners in the context of the Panel on cooperation on CSDP;
- The EU-Myanmar co-chairmanship of the ARF Inter-sessional Support Group for Confidence-building Measures and Preventive Diplomacy and the related Defence Officials' Dialogue; two sessions were convened in the past months (December and April).

With regard to partner countries, since last December two Framework Participation Agreements (FPAs) were signed with Chile and the Republic of Korea. Two FPAs (Australia, Bosnia and Herzegovina) are ready for signature, negotiations with Colombia have been finalized. An Ad-hoc Participation Agreements with Switzerland were signed for EUTM Mali and EUBAM Libya. Finally, an Agreement for the transfer of apprehended suspected pirates was signed with Tanzania² on 1 April.

² Note in this context also the judgment by the European Court of Justice in case C-658/11 (Mauritius pirate transfer agreement - 24 June 2014).

Several partner countries offered new contributions to CSDP missions and operations. Ukraine participated with its flagship in EUNAVFOR Atalanta. Georgia contributes to EUFOR RCA with one light infantry company. Experts from Georgia, Montenegro, Republic of Moldova, and Switzerland are joining EUTM Mali. New Zealand has pledged an aerial surveillance asset to be deployed as part of EUNAVFOR Atalanta this autumn. In addition to direct participation, a number of countries have agreed on collaborative efforts. For instance China has increased the frequency of naval escorts to WFP vessels directed to Somalia; Canada has financially contributed to a project in human resources management run by EUTM Mali; Japan has offered to tailor its development assistance to indirectly support several CSDP missions in Africa; et cetera.

V. Developing civilian capabilities

Taking into account the frequent recourse to civilian missions, leaders in December 2013 called for enhanced development of civilian capabilities. They stressed the importance of fully implementing the Civilian Capability Development Plan. Work underway to implement the 2013 tasking includes:

- The list of generic civilian CSDP tasks requested by the Council last November will be developed by the end of this year. It will contribute to a common picture among Member States on what tasks can occur in civilian CSDP, and facilitate the identification of capability gaps. As such this work is therefore indispensable for the implementation of the Civilian capability Development Plan, and also facilitates synergies between civilian and military CSDP;
- The continuation of annual high-level seminars "Facilitating the deployment of civilian personnel for CSDP" remains the key opportunity for Member States and EEAS crisis management structures to share the progress made and challenges encountered in developing civilian capabilities for CSDP;
- The finalization of the Goalkeeper project is also important this year. A lot of progress has been accomplished but the necessary resources and active Member States' support will be required to make it a genuinely useful CSDP tool as initially foreseen;
- The analysis on the replies to the questionnaire on niche capabilities is ongoing, and Member States will be invited to discuss the way forward on the basis of a report from the EEAS.

Finally, progress in other activities - notably lessons learned and training - contribute to civilian capability development.

VI. Developing military capabilities

Efforts to develop military capabilities continued and intensified, through implementing the collaborative projects endorsed by Heads of State and Government last December as well as fostering long term and systematic defence cooperation.

Air-to-Air Refuelling. Work is on-going towards the establishment of a European strategic tanker capability by 2020 in line with its endorsed roadmap. Analysis of the industrial responses to a request for information and consideration of potential synergies with other programmes is on-going. The objective is to select the best-value option by the end of 2014, leading to contract signature by mid-2015. Discussions on the procurement model have highlighted the importance of incentives of a fiscal nature.

Remotely Piloted Aircraft Systems (RPAS). Work continues to support the development of RPAS capabilities in Europe and exploit possible civil-military synergies while taking into account the specificities of the military operating environment.

As regards the next generation of MALE³ RPAS, work is on track to finalise common requirements and associated business cases through the establishment of an EDA project by November 2014. Synergies between a Joint Investment Programme in EDA and EU-funded activities for technologies related to the safe integration of RPAS in general air traffic are being pursued.

Collaborative research activities are also being carried out with Member States to prepare future RPAS airframes and payload technologies for potential use in a future MALE programme.

For MALE RPAS that are either in service or will achieve Initial Operating Capability in the next five years, information and best practice are being exchanged within the "European MALE RPAS Community", with an initial focus on operational lessons learned and training.

Cyber. Activities within EDA are on-going in the areas of education, training and exercises, human factors, and technologies. Ad hoc projects are also under way for Cyber Ranges and deployable Cyber Defence packages for headquarters.

Work continues to prepare the development of the next generation of governmental satellite communications by 2025 based on defence user requirements prepared by the EDA and a parallel exercise on civilian security user requirements for which the Commission will launch a study. The endorsed roadmap is being implemented in close cooperation with Member States, the Commission and ESA, with a view to assessing different cooperation models and proposing various options for a comprehensive programme in 2016, and producing a gap analysis, including roadmaps for R&T development.

In order to foster more systematic and long-term cooperation, the European Council invited the High Representative and EDA to put forward an appropriate policy framework by the end of 2014, in full coherence with existing NATO planning processes. The objectives of such a policy framework are to reconcile top-down guidance with the bottom-up approach in

³ MALE: Mid Altitude Long Endurance

capability development, and to provide a coherent basis for defence cooperation, from priority setting through to in-service support. Initial elements have been discussed with Member States and will be further developed in time for ministerial endorsement in the autumn. Work is also under way on non-distorting fiscal incentives, initial proposals on which will be tabled in the autumn.

The Force Catalogue 2014 (FC14), gathering all MS contributions to the EU military Capability Development Process, was noted by the Foreign Affairs Council in April and forwarded to the EDA to influence the Capability Development Plan, together with an assessment report confirming the extant shortfalls in several critical areas. These are chiefly shortfalls in the capabilities necessary to set the preconditions for an operation, or deployment of forces for that operation, and capability limitations in the area of surveillance and reconnaissance. Additionally substantial shortfalls are still evident in strategic capabilities, such as strategic air and sea transport, force protection and force projection.

The revised Capability Development Plan, to be operational in October 2014, will be the basis for setting collective capability priorities in Europe and guide efforts of Member States in the development of capabilities, including on a regional basis.

Cooperative models. On the basis of the EATC model, Member States and the EDA are discussing areas of potential interest for cooperation, including military road transportation and conventional submarines. In particular, in the framework of EU multi-modal transport hubs initiative, the Agency is facilitating cross bordering of military vehicles among different EU countries. This will allow the movement of troops and military goods across borders.

SESAR. As military coordinator, EDA is ensuring that the views of the defence community are taken into account on SESAR and Single European Sky in order to mitigate their operational impact and financial implications.

VII. The security and defence industry

As set out in the introduction, this section should be read in parallel to the "Implementation Roadmap for Communication 2013 (542) - Towards a more competitive and efficient defence and security sector", adopted by the European Commission on 24 June 2014.

The EDA is assessing key future trends of the European Defence Technological and Industrial Base (EDTIB), including the main specificities affecting the defence industry in Europe and the notion of balance in the EDTIB.

The Agency is analysing key skills and competences for defence across Europe. Results are expected in early 2015.

The Commission will produce a report on the impact of the Defence and Security Procurement Directive in 2016. In the meantime, EDA is analysing major trends in the European Defence Equipment Market.

In order to contribute to the roadmap for a comprehensive EU wide Security of Supply regime, EDA has elaborated initial elements, and is identifying potential future measures, with a view to presenting initial results by the end of 2014. EDA and the Commission will cooperate in order to best use existing expertise and ensure complementarity.

Based on the Guidelines and Action Plan on SMEs, the Agency has launched a number of initiatives in support of defence-related SMEs: the Defence Procurement Gateway dedicated to defence-related business opportunities and information; and support to gain access to EU funding, notably European Structural and Investment Funds. It will develop further measures and initiatives to support defence-related SMEs in close cooperation with Member States and the Commission, including in supporting the establishment of an Advisory Body bringing together Member States, industry and the Commission for promoting cross-border supply-chains. First actions will be implemented by the end of 2014.

EDA will propose options for lowering the cost of military certification building on the experience from air worthiness. In the air domain, the initial focus will be on RPAS certification, aligned as far as possible with civil standards; in the land domain, on screening existing rules and regulations for land vehicles and their utilisation in operations; and on ammunition on gun-launched applications. EDA will submit a report to Council in line with the European Council tasking.

Standardisation. In accordance with the European Council tasking, a roadmap for the development of defence standards has been endorsed. And a process has been developed for the development of future defence and hybrid standards. Civil Standards and NATO Standardization Agreements will be utilised to the maximum extent possible to avoid duplication.

Research and Technology. EDA is assessing critical defence technologies and stimulating cooperative investment in these areas, and is associated to the work of the Commission in security research. EDA is exploring the potential of further civil-military synergies including through close cooperation with Commission work on Key Enabling Technologies. The Agency and the EEAS are also contributing to the establishment of a Preparatory Action by the Commission on CSDP-related research mandated by the European Council. In line with a tasking from Ministers of Defence, a concept has been prepared covering modalities, content and the process to establish the Preparatory Action.

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