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COVER NOTE

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To: Delegations
Subject: High Representative of the Union for Foreign Affairs and Security Policy
Annual Report on the Status of PESCO Implementation

DOCUMENT PARTIALLY ACCESSIBLE TO THE PUBLIC (05.08.2020)

Delegations will find attached document HR(2020) 54.

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EUROPEAN EXTERNAL ACTION SERVICE



GREFFE

**Report of the High Representative of the Union
for Foreign Affairs and Security Policy
to the Council**

of 14/04/2020

Annual Report on the Status of PESCO Implementation

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**Report of the High Representative of the Union
for Foreign Affairs and Security Policy
to the Council**

"Annual Report on the Status of PESCO Implementation"

Introduction

1. This Annual Report on the implementation of Permanent Structured Cooperation (PESCO) (hereafter Annual Report) describes the status of PESCO implementation, including: a) the fulfilment by each participating Member State (pMS) of the commitments in accordance with its National Implementation Plans (NIPs), which have been presented to the PESCO secretariat and shared among all pMS; b) the progress made by the 47 PESCO projects in a summarized manner and c) first proposals with a view to the ongoing PESCO Strategic Review (PSR).
2. This Annual Report was developed in accordance with Article 6(3) of the Council Decision (CFSP) 2017/2315 establishing PESCO and is based on the assessment conducted by the PESCO secretariat on the status of PESCO implementation, using the information provided by the pMS in their updated and reviewed NIPs, which were communicated to the PESCO secretariat and to all pMS.
3. The aggregated NIPs assessment, key findings and recommendations are provided in the Annex "*Aggregated assessment of NIPs 2020*", which also includes the assessment and more specific recommendations for each pMS ("*Assessment of the NIPs per pMS*" EU Restricted/Restreint UE).
4. The assessment provided in the Annual Report also takes into consideration information provided by pMS on the achievements in 2018, based on their NIPs provided in 2019. Furthermore, in the course of 2019 the PESCO secretariat conducted NIP bilateral meetings with 17 pMS, upon their request.
5. This Annual Report is completing the second annual PESCO cycle and will serve as the baseline for the Council to review whether the pMS continue to fulfil the more binding commitments. The objective remains to promote consistency between the pMS and to enable them to fulfil the more binding commitments and furthermore to describe the progress made to deliver on the more precise objectives by the end of 2020 in accordance with the Council Recommendation 2018/C374/01 of 9 October 2018 concerning the sequencing of the fulfilment of the more binding commitments undertaken in the framework of PESCO and specifying more precise objectives.

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6. In accordance with Council Decision (CFSP) 2017/2315 establishing PESCO, at the end of the first phase of PESCO implementation (2018-2020), a strategic review process should be undertaken to update, and enhance if necessary, the more binding commitments, in light of the progress made and taking into account the evolving security situation. Following the tasking given by the Council in May 2019, this report also includes a dedicated chapter on the PSR and provides some concrete recommendations and proposals on the commitments, projects and processes/working methods.
7. Finally, it has to be noted that this year 17 pMS submitted their updated NIPs in time, while almost all the others arrived with some minor delay. The last NIP was submitted on 27 January 2020. This is an improvement compared to 2019.

FINDINGS AND ASSESSMENT

8. Within their updated NIPs, pMS demonstrate their contribution to the fulfilment of the more binding commitments, which they have made to each other. **DELETED**

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12. As regards measures to enhance the availability, interoperability, flexibility and deployability of the forces, in particular by identifying common objectives regarding the commitment of forces (commitments' area (c)) the pMS overall provide sufficient information on the fulfilment of the more binding commitments allowing for an initial assessment.

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13. **Working together to overcome the shortfalls perceived in the framework of the Capability Development Mechanism (commitments' area (d)), pMS overall provide sufficient indication that they are addressing the more binding commitments of this area.**

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14. **The development of major joint or European equipment programmes in the framework of the European Defence Agency (EDA) (commitments' area (e)), the pMS overall provide sufficient indication that they are addressing the more binding commitments of this area. Compared to last year, the pMS have improved the granularity of information.**

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27. A PESCO strategic review process was launched assessing the fulfilment of the PESCO more binding commitments, as laid down in the Council Decision establishing PESCO (CSFP 2017/2315) with the purpose to prepare decisions on updating, and enhancing if necessary, the more binding commitments in light of the achievements made through PESCO, taking also into account the evolving security situation. **DELETED**

28. The High Representative was invited by the Council in May 2019 to provide in his 2020 Annual Report on the status of PESCO implementation, first proposals with a view to the strategic review process at the end of the first PESCO phase (2018-2020). The proposals and ideas set out below draw on the various discussions and inputs thus far:

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29. The pMS are encouraged to take these findings into account in implementing PESCO, including in their efforts to fulfil the more binding commitments, with a view to developing their future NIPs.

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47. The PESCO Secretariat stands ready to support all these efforts.

Recommendations related to PSR

48. The PESCO Strategic Review provides an opportunity to give further impetus to the implementation of PESCO in the next phase until 2025. **DELETED UNTIL THE END OF THE DOCUMENT (page 41).**
