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From: Political and Security Committee (PSC)
To: Permanent Representatives Committee (Part 2)/Council
Subject: Guidelines for the work of the European Defence Agency in 2016

1. On 10 November 2015, the Politico-Military Group (PMG) agreed the Guidelines for the work of the European Defence Agency in 2016 and submitted them to the Political and Security Committee for endorsement.
2. On 10 November 2015, the Political and Security Committee endorsed the agreement reached in PMG and agreed to forward the document to the Council for adoption, via COREPER.
3. COREPER is therefore invited to approve the Guidelines for the work of the European Defence Agency in 2016 as set out in Annex and submit them to the Council for adoption.

GUIDELINES FOR THE WORK OF THE EUROPEAN DEFENCE AGENCY IN 2016

1. The Council encourages EDA to continue serving the interests of participating Member States. EDA provides added-value through facilitating and supporting cooperative activities that generate interoperability, economies of scale and efficiencies for the benefit of Member States; and by supporting the Member States regarding wider EU policies. It recalls its Conclusions on CSDP of 18 May 2015, in particular all parts relevant for EDA.
2. The Council supports the future priorities of EDA as endorsed by the Steering Board: support the development of capabilities and military cooperation; stimulate defence Research & Technology (R&T) to prepare the capabilities of tomorrow and support the EDTIB; and ensure that the interests and specificities of defence are taken into account in wider EU policies.
3. The Council notes that in June 2015 the European Council recalled the need for fostering greater and more systematic European defence cooperation to deliver key capabilities, including through EU funds. The Council therefore welcomes EDA's consultations with Commission Services as to how to implement this, in close cooperation with Member States.
4. The Council welcomes EDA's continuing efforts in Pooling & Sharing projects and programmes, in line with its May Conclusions, and encourages it further to support the delivery of the four key programmes: Air-to-Air Refuelling, Remotely Piloted Aircraft Systems, Governmental Satellite Communications and Cyber Defence. The Council recalls that participation in EDA projects should be open to all Member States willing to do so, fully applying the relevant provisions of the Council Decision concerning EDA *ad hoc* projects. The Council encourages EDA to incentivise further these and other programmes and optimise its established cooperation with OCCAR in this regard.

5. The Policy Framework for Systematic and Long-term Defence Cooperation is a step towards enhancing defence cooperation in the EU. The Council encourages Member States, through their national decision-making processes, to further utilise and implement the Policy Framework. It also encourages the EDA, in close coordination with Member States and the EEAS, to monitor and facilitate its implementation and report regularly on progress. The Council looks forward to the presentation of a first implementation report in Spring 2016.
6. The Council encourages EDA to support Member States in their cooperative efforts. In particular, it encourages the Agency to generate cooperative opportunities in the priority areas identified in the Capability Development Plan, and to facilitate their implementation through roadmaps and business cases, in support of an identified lead nation and interested Member States.
7. The Council welcomes EDA's key role in the preparation of the CSDP Pilot Project and the Preparatory Action on CSDP-related research, the objectives of which are to stimulate investment in defence R&T across Europe and generate the collaborative R&T that will be required to support future capabilities and the global competitiveness of the European defence industry. The Council notes that this will build on the R&T activities carried out within the EDA framework, and encourages developing a defence-oriented and capability-driven effort. The Council underlines the importance of EDA in supporting and involving Defence Ministries: upstream, in the preparation of the work programme, and downstream in its implementation. The Council encourages close cooperation between EDA, the Commission and the Member States to ensure the European added-value of the Preparatory Action on CSDP-related research.
8. The Council underlines the importance it attaches to the EDA's on-going analysis of the implications of hybrid threats for European defence capability development, and to the EDA's contribution to the elaboration of the overall EU approach to countering hybrid threats.

9. The Council welcomes the progress achieved in incentivising defence cooperation, notably the agreed solution found on the VAT exemption applicable to projects and programmes carried out in the EDA framework and for which the EDA adds value, as set out in the EDA Council Decision. It acknowledges the need for further progress to be achieved with a view to catalysing and synchronising cooperative efforts among Member States. The Council also encourages work on standardisation and certification to be continued, with a view to reducing costs and increasing interoperability.
10. The Council encourages EDA to continue to cooperate closely with the Commission on the "European Defence Action Plan" as proposed in the 2016 Commission Work Programme, in support of and in close consultation with Member States. In this context a particular priority remains developing practical measures for supporting SMEs in the security and defence sector. It encourages EDA to intensify its work on technological and industrial issues, including in the context of the upcoming Global Strategy and related initiatives. This work should take into account the globalised nature of commercial supply chains and the increasing interdependence with the wider civil economy.
11. While underlining the need for maintaining an appropriate degree of European strategic autonomy both in the short- and long-term, which can require the sustainable ability to develop, modify, operate and replace the required defence capabilities, the Council encourages EDA to pursue its work on Key Strategic Activities. This could contribute to prioritising and focussing policies, tools and funding instruments at European level. The Council encourages EDA to cooperate with the Commission and the Member States on developing Security of Supply.
12. The Council welcomes EDA's role in pursuing coherence with other Union's policies in so far as they have implications for defence capabilities, notably in the fields of Energy, REACH (Registration, Evaluation, Authorisation and Restriction of Chemicals), Maritime, Cyber and Space. It encourages EDA to play this role also in the field of radio-spectrum. The Council welcomes cooperation between the Agency and Commission in dual-use technologies.

13. The Council also welcomes and encourages EDA's role in facilitating the coordination of military views in Single European Sky (SES), by consulting Member States with the support of EUROCONTROL and in coordination with the EEAS as well as NATO. With the aim of incorporating a military dimension in SES, it acknowledges the approval of Modalities for Single European Sky and encourages support to states in SESAR Research, SESAR Deployment and SES Regulations, in order to take into account the military's operational requirements and their specificities.
14. The Council welcomes the dual-use strategy on RPAS regulation, which will follow an integrated aviation approach, and encourages EDA to increase its cooperation with key stakeholders: the Commission, European Aviation Safety Agency, the SESAR Joint Undertaking and EUROCONTROL.
15. The Council encourages the Agency to continue to develop close working relations with OCCAR, those established under the Letter of Intent Framework Agreement, and to intensify its support to regional cooperation. It reiterates as well the continuing need for reciprocal transparency and coherent developments in the field of capabilities with NATO, in full respect of the Council Decision on the Agency's statute, seat and operational rules.
16. The Council looks forward to EDA's further work with those non-EU countries with which the EDA has Administrative Arrangements in place.
