Council decision establishing a common set of governance rules for PESCO projects

Foreign Affairs Council meeting
Luxembourg, 25 June 2018

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty on European Union, in particular Article 46(6) thereof,

Having regard to Council Decision (CFSP) 2017/2315 of 11 December 2017 establishing permanent structured cooperation (PESCO) and determining the list of participating Member States¹,

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

Whereas:

(1) On 11 December 2017, the Council adopted Decision (CFSP) 2017/2315.

(2) Article 4(2)(f) of that Decision provides that the Council is to establish a common set of governance rules for projects, which the participating Member States taking part in an individual project could adapt as necessary for that project.

(3) As specified in recital (5) of Council Decision (CFSP) 2018/340, in order to ensure consistency the implementation of all PESCO projects will be based on the common set of governance rules for projects, including, inter alia, rules on the role of observers if appropriate.

(4) In accordance with paragraph 12 of Council Recommendation of 6 March 2018 concerning a roadmap for the implementation of PESCO, the common set of governance rules for projects should be adopted by the Council by June 2018. It should provide a framework that will ensure a coherent and consistent implementation of PESCO projects and include modalities to regularly inform the Council about the development of individual projects, in accordance with Article 5(3) of Decision (CFSP) 2017/2315, and to allow the necessary oversight by the Council. In this regard, the roles and responsibilities of the participating Member States, including, inter alia, the role of observer States if appropriate, as well as the PESCO secretariat which is provided jointly by the European External Action Service (EEAS), including the EU Military Staff (EUMS), and the European Defence Agency (EDA), should be further specified. This framework should also provide general guidance to participants in designing the suitable arrangements for the management of each project, in accordance with Article 5(3) of Decision (CFSP) 2017/2315. In this context, the Council will also revert by June 2018 to the issue of coordination functions of the participating Member States within the projects.

(5) Article 7 of Decision (CFSP) 2017/2315 provides that the EEAS, including the EUMS, and the EDA shall jointly provide the necessary secretariat functions for PESCO, and further specifies the roles and responsibilities of these entities in supporting the functioning of PESCO, including PESCO projects.

(6) In accordance with Article 4(2)(g) of Decision (CFSP) 2017/2315, the Council should adopt a decision establishing, in due time, the general conditions under which third States could exceptionally be invited to participate in individual projects, in accordance with Article 9 in particular Article 9(1) thereof and with paragraph 13 of the Council Recommendation of 6 March 2018.

(7) The Council should therefore adopt a Decision establishing a common set of governance rules for PESCO projects,

HAS ADOPTED THIS DECISION:

Article 1
Definition

For the purpose of this Decision, 'project members' shall mean the participating Member States taking part in a PESCO project.

---


Article 2

Council information and oversight

1. By November each year, the Council shall review, and update as appropriate, Decision (CFSP) 2018/340. The updated list of the project members of each project, consisting of those which submitted the project proposal, as well as those which were admitted to the project in accordance with Article 5(2) of Decision (CFSP) 2017/2315, shall be published together with such updated Council Decision.

2. The Council shall be duly informed by the project members on the development of the respective PESCO projects once a year. To that end, the project members, through the project coordinators, shall report to the PESCO secretariat on the progress achieved within the respective PESCO projects, using the PESCO project description template referred to in paragraph 11 of the Council Recommendation of 6 March 2018, through a common electronic workspace. These reports shall contain consolidated information on progress made towards the implementation of the project, its roadmap, objectives and milestones, and its contribution to the fulfilment of the relevant more binding commitments. Consistent with Council Decision 2013/488/EU, the project members may agree upon the classification of the relevant parts of the information to be provided.

The PESCO secretariat shall issue a calling notice, allowing project coordinators six weeks to report, and shall collect the consolidated information on the PESCO projects with a view to its transmission to the Council. In principle, the transmission to the Council shall precede the annual report on PESCO submitted by the High Representative taking into account paragraphs 14, 15 and 16 of the Council Recommendation of 6 March 2018.

3. Upon request by the Council, the project members shall provide, through the project coordinators, additional information on certain specific projects, besides the regular information referred to in paragraph 2.

4. The participating Member States shall also provide information on their individual contribution to the PESCO projects in which they take part, by means of their National Implementation Plans, which are to be reviewed and updated annually, as appropriate, in accordance with Article 3(2) of Decision (CFSP) 2017/2315.

5. The common electronic workspace shall be used by the project coordinators to report on other relevant progress and changes regarding the project including the admission of new project members and observers and the date of their admission. The common electronic workspace shall be used in such a way as to ensure transparency towards all participating Member States of the information provided.

Article 3

PESCO secretariat

In accordance with Article 7 of Decision (CFSP) 2017/2315, and in order to fulfil its responsibilities, the PESCO secretariat shall:

1. (a) provide a single point of contact within the Union’s framework for all PESCO matters;
2. (b) provide a single point of contact also for all participating Member States with a view to sharing relevant information, using a functional email address and a common electronic workspace. The PESCO secretariat shall also distribute its documents via the common electronic workspace;

3. (c) provide supporting and coordinating functions related to the assessment of PESCO projects proposals, and contribute to implementing in a structured way the submission by the participating Member States of the information required for assessing the projects as well as for the reporting to the Council;

4. (d) support at their request participating Member States which intend to propose a project when they inform the other participating Member States. In accordance with Article 5(2) of Decision (CFSP) 2017/2315, such information shall be circulated in due time in order to gather support and to give interested participating Member States the opportunity to join in collectively submitting the proposal;

5. (e) support project members when they provide updates on their respective projects in the relevant Council preparatory bodies and in the EDA framework, as appropriate;

6. (f) forward requests received from project members to the relevant services in the EEAS, including the EUMS, and to the EDA, in order to support the respective projects and their implementation.

Article 4
Project members

1. In accordance with Article 5(3) of Decision (CFSP) 2017/2315, the project members shall agree among themselves by unanimity on the arrangements for, and the scope of, their cooperation and the management of the project.

2. These arrangements may include the necessary contributions needed to participate in the project and its requirements, the decision-making process within the project, conditions for leaving the project or for other participating Member States to join the project, and provisions relating to the observer status. These arrangements may also cover the matters referred to in Article 7.

3. In accordance with Article 5(2) of Decision (CFSP) 2017/2315, the project members may agree among themselves by unanimity to admit other participating Member States to the project, upon request by the latter. They shall inform the Council of the admission of the new members.

4. The project members may agree among themselves by unanimity that certain decisions, such as those relating to administrative matters, will be taken according to different voting rules.

5. The project members shall contribute to the project with their own resources and expertise. Depending on the scope of the project, each project member shall determine the nature of its contribution, which may include human resources, financial resources, expertise, equipment or contributions in kind. Such contributions shall support the achievement of the project’s objective and shall have an impact on the project.
6. The project members shall strive to design each project in order to ensure the coherence of output and timelines with other PESCO projects, and for the project be coherent with initiatives developed in other relevant institutional frameworks, while ensuring transparency and inclusiveness and avoiding unnecessary duplication.

7. In line with the more binding commitments undertaken as participating Member States, the project members shall aim to deliver usable forces and capabilities which are in particular well-equipped, trained and interoperable, with the requisite structures, supplies and spares and that can deploy to, execute and sustain operations.

8. Each project member shall designate a national point of contact for each PESCO project in which it takes part.

**Article 5**

*Project coordinators*

1. The project members of each PESCO project shall identify and designate among themselves one or more project coordinators which shall perform coordination functions. In principle, the initiators of a project may assume the role of coordinator.

2. In particular, project coordinators:

   (a) shall update at least once a year the project information on a common electronic workspace established by the PESCO secretariat, on the basis of the PESCO project description template;

   (b) shall facilitate the cooperation among project members, as well as with other project coordinators in relevant other PESCO projects, as appropriate, and act as a focal point for questions related to the project;

   (c) may support the development of the arrangements governing the project referred to in Article 4 as well as the necessary project documentation including reporting. To that effect, the projects coordinators may use the project management support tools offered to the participating Member States in the EDA framework;

   (d) shall promote, as appropriate, efforts for the capabilities developed under the project to aim at overcoming capability shortcomings identified in the Capability Development Plan and Coordinated Annual Review on Defence, and contribute to fulfilling the more binding commitments including with a view to the most demanding missions, and contribute to achieving the Union level of ambition.

3. The project members may agree among themselves upon supplementary arrangements on the functions and responsibilities of the project coordinator, reflecting the specificities of the project. In particular, where the project members agree to assign the role of project coordinator to several of them, a single point of contact shall be maintained towards the PESCO secretariat.
**Article 6**

**Observers**

1. The project members may agree among themselves to allow other participating Member States to become observers to the project.

2. Participating Member States may, in principle, only become observers subject to conditions, including with regard to duration, to be determined by the project members in accordance with the specificity of the project. These conditions shall be provided by the project coordinators upon request.

3. The project members may agree among themselves upon specific arrangements on the status of observer, reflecting the particularities of the project and its different stages of development.

4. Observers shall have no obligation to contribute to a project with their own resources and expertise. They may seek to become a project member at a later stage without delaying progress in implementing the project.

**Article 7**

**Other matters covered by project arrangements**

1. The arrangements that the project members may agree among themselves, where appropriate in writing, within each PESCO project, in order to implement Article 5(3) of Decision (CFSP) 2017/2315, include inter alia some or all of the following areas:
   - preparation, chairing and coordination of meetings of the project members;
   - distribution of roles and responsibilities among the project members;
   - invitation to the Commission to be involved, as appropriate, in the proceedings of the project;
   - rules on budget and finance;
   - presence of observers in the proceedings of the project;
   - rules to be applied in case a project member decides to leave the project, including legal and financial aspects, or where a participating Member State seeks to join the project;
   - determination of cases where the support of the EEAS, including the EUMS, and the EDA, may be requested by the project members;
   - specifications, acquisition strategy, choice of a project management support structure, and selection of industrial companies. In this regard, the project members may agree among themselves to apply the project management tools used by the EDA, such as project arrangements, common staff targets, common staff requirements, or business cases.

2. Project members may agree among themselves by unanimity to take decisions on the above-mentioned matters in accordance with Article 4(4).
Article 8
Use of forces and capabilities developed

Forces and capabilities developed within a PESCO project may be used individually by project members or collectively, as appropriate, in the context of activities undertaken by the European Union as well as the UN, NATO or other frameworks.

Article 9
Review

This Decision shall be reviewed by 31 December 2020.
This Decision shall be adapted if necessary in order to take account of the general conditions for participation of third States in individual projects, to be decided by the Council in accordance with Article 4(2)(g) and Article 9(1) of Decision (CFSP) 2017/2315.

Article 10
Entry into force

This Decision shall enter into force on the date of its adoption.
Done at ..., For the Council
The President