Delegations will find attached the draft Council Guidelines for the Agency's Work in 2011 as resulting from the Politico-Military Group meeting on 6 December 2010.
The Council welcomes the results achieved by the European Defence Agency (the Agency) in 2010 and the progress made in generating tangible defence capabilities. The Council acknowledges the Agency’s important role in capability development and in the promotion of defence cooperation under the current constraints on defence budgets.

1. The Council encourages the Agency to continue its work to identify and take forward collaborative and cost-effective opportunities, notably on the basis of the Capability Development Plan (CDP), and in accordance with the Agency’s other long-term strategies - the strategies on European Defence Research and Technology, European Armaments Cooperation and the European Defence Technological and Industrial Base (EDTIB). The Council acknowledges the CDP as a tool to guide the work of the Agency, welcoming its update in 2011 and looking forward to its review in 2013.

2. The Council invites the Agency to continue its successful work on developing and improving CSDP defence capabilities, including in the areas of Counter Improvised Exposive Devices, Chemical Biological Radiological and Nuclear Countermeasures, Maritime Surveillance, Radio Spectrum, Communication and Information Systems, Third Party Logistics Support and helicopter training. The Council welcomes in particular the tangible support delivered through the Agency to on-going operations.

3. The Council affirms its strong support for the Agency to pursue current actions and to continue making proposals to participating Member States on solutions for pooling and sharing to help participating Member States deliver the military capabilities needed to contribute effectively to EU operations and therefore to sustain CSDP as it stands now and develops in the future. The Council encourages the Agency to further analyse the range of existing initiatives, to help participating Member States develop a systematic approach for pooling and sharing, and to continue to promote new opportunities and solutions while addressing their industrial aspects.
4. The Council welcomes the Agency’s work to explore synergies between military and civilian capability development, in particular in the area of Network Enabled Capabilities. The Council acknowledges the Agency’s continuing efforts to foster cooperation in the development of dual-use capabilities through the European Framework Cooperation, taking into account the relevant work undertaken by the Commission and the European Space Agency. The Council encourages the Agency, in close dialogue with participating Member States, to further explore cost-effective solutions for defence research at EU-level. This work should be undertaken in liaison with the Commission to maximize complementarity and synergy between defence and civil or security related programmes.

5. The Council encourages the Agency to continue to contribute to the establishment of a Level Playing Field for suppliers in full respect of the specificities of defence, to a capability-driven, competent and internationally competitive EDTIB as well as an open, transparent and internationally competitive European Defence Equipment Market, and to security of supply, with a view to strengthening the industrial and technological base of the defence sector and to improve the effectiveness of military expenditure, in respect of EU legislation.

6. The Council welcomes the Agency’s role in supporting participating Member States in the military implementation of the Single European Sky (SES) and the Single European Sky Air Traffic Research (SESAR). The Council urges the Agency to contribute to identifying means to mitigate the financial and operational impact of SES / SESAR on defence with attention to the role of the European defence industry.

7. The Council calls upon the Agency to actively monitor and analyse the work undertaken regarding the radio spectrum policy programme in view of submitting recommendations relating to defence issues to the Council. The Council encourages the Agency to attend international fora dealing with radio spectrum policy.
8. The Council welcomes the Agency's close cooperation with Norway on the basis of the administrative arrangement. [The Council encourages the Agency to pursue administrative arrangements with the Swiss confederation and the European Space Agency. The Council also recalls ongoing work on the administrative arrangement with OCCAR].

9. The Council underlines that the Agency should pursue good co-ordination and mutual reinforcement with NATO, OCCAR, and LoI in full respect of the Joint Action establishing the Agency.