With a view to preparing the European Council on Security and Defence in December, France and Germany put forward the following proposals:

Cluster 1: Increase the effectiveness, visibility and impact of CSDP

Enhancing EU policy to support partners

The EU's current engagement in crisis management shows that we need to identify ways and means to enable regional partners and organisations to more effectively prevent, manage and/or resolve crises. To this end, we propose an initiative that aims at strengthening structures in regional organisations and partner countries. Existing bilateral and jointly conducted training and equipment programs should be coordinated through information exchange and the establishment of e.g. a permanent EU clearinghouse mechanism. The European Council should discuss the initiative with the aim of identifying a regional or sectorial area for its implementation as a matter of priority.

Finalizing the EU Maritime security strategy (EUMSS)

The EU maritime strategy is an integral part of the overall EU and Member States security and economy. The current and emerging disruptive threat within the maritime domain requires an integrated, coherent and cross-sector European maritime security strategy that identifies the EU's strategic maritime interests, defines risks and threats and outlines the EU's response to safeguard its strategic interests. The European Council should give priority to this task, with a view to the development of a EUMSS implementation plan organising synergies between EU policies at stake and taking advantage of post-Lisbon tools.

Optimizing the conditions for deployment of the EU Battlegroups

EU Battlegroups can play an important role in the EU's rapid crisis response. Furthermore, they contribute to increasing interoperability and political cohesion among EU Member States and remain a vehicle for the transformation of the Member States' armed forces. Taking into account the post-Lisbon realities, we need to improve the readiness, interoperability and operational effectiveness of this instrument, notably by developing advanced planning on the most likely scenarios in which the use of a Battlegroup could be required, preparing and exercising the EU BGs for the most vital and most likely missions. In this regard, the European Council should decide to adapt the Battlegroup planning to include the full range of the Petersberg tasks. This should include a more flexible approach within the existing Level of Ambition by, for example, adding elements for Training & Advisory as well as considering options for common funding.

European integrated approach for security and border management

Security and border management is a key issue not only for regional security, but also for EU's security. We need to ensure a better coordinated, more flexible and efficient use of EU instruments (notably CSDP missions, Instrument for Stability, FRONTEX, ENPI, EDF) to strengthen partners' capabilities to deal with security and border management.

Increasing efficiency and responsiveness of CSDP

The EU must provide a timely and effective response to a crisis. In this regard, we need to improve the planning, financing, conduct and management of civilian CSDP missions and operations. The financial procedures have to be adapted to increase responsiveness of CSDP and facilitate rapid deployment. The 27 have tabled proposals in this regard; greater

financial coherence of all EU action in a given theater should also be pursued in order to provide better accountability.

DDR (Disarmament, Demobilisation and Reinsertion)

In a growing number of conflicts, disarmament, demobilisation and reinsertion (DDR) are a crucial part of crisis management. CSDP needs to increasingly focus on DDR within the framework of the Comprehensive Approach in a more systematic manner. We should therefore better prepare for the collection, documentation, control and disposal of small arms, ammunition, explosives and light and heavy weapons within a CSDP framework.

Cluster 2: Increase the Development of Military Capabilities

Increased Transparency and Coherence of Capability Development and Planning Processes

The European Council should confirm the willingness of the Member States to improve information sharing among them on their defence planning. Moreover, the European Council should decide, starting from 2014, to improve cooperation in the field of capability development between the EU (CDM/CDP) and NATO (NDPP). The European Defence Agency should play an important role fostering this process.

Applying and developing Pooling & Sharing as an instrument of multinational capability development

Against the backdrop of budgetary constraints, Pooling & Sharing of military capabilities of Member States is a key instrument to secure Europe's ability to act. Member States should commit themselves to building on successful models of cooperation, such as the European Air Transport Command (EATC). In this vein, the European Council should give strategic direction for adequate military capabilities to address the EU's security policy responsibilities, including possible fiscal incentives, with emphasis on strategic enablers, such as strategic transport, air-to-air-refuelling, medical emergency provision, or strategic reconnaissance, including remotely piloted aircraft systems (RPAS).

Situational Awareness & decision making capability

The European Council should reaffirm the aim of a comprehensive situational awareness & analysis capability as a basis for autonomous EU decision-making and action. In this context, we should also address the question of space-based Earth observation capabilities in order to review existing capabilities and structures (including the EU SATCEN and the structures within the EEAS) and recommendations on how to increase efficiency and synergies.

Cyber Security

Implementation of the EU-Cyber Security Strategy in the area of CSDP requires concrete action from both EU-institutions and Member States. We urgently need to develop options for close cooperation in the fields of cyber security and cyber defence, including with NATO, while fully respecting the responsibilities of the EU Member States, in particular concerning the security of critical infrastructure, with a view to upgrading EU and Member States cyber security capabilities.

<u>SESAR</u>

It is crucial for Member States to both mitigate risks resulting from implementation of the Single European Sky Air Traffic Management Research, SESAR, and seize the opportunities it offers. EDA plays a key role in this respect, especially for identifying operational and financial impact of SESAR on military aviation.

The European Council should welcome the work already achieved in the framework of the EDA and encourage Member States and European institutions to progress towards the air traffic insertion of remotely piloted aircraft systems.

Cluster 3: Strengthen Europe's Defence Industry

Strengthening the Internal Defence Market

European security and defence requires a sound Defence Industrial and Technological Base. The European Council should therefore stress the importance of the European defence industry, which should further develop within the internal European Defence market, based on competitive, including private entrepreneurship. At the same time, as underlined by the LoI paper, which was conveyed in April 2013 to the institutions by the Swedish Presidency, it is of strategic importance to underline the distinctive character and specificity of the defence market. Those specificities are based on the necessity to assure security of supply, use autonomy, adaptation and reactivity in operations. The European Council should confirm the aim of increasing open market access. We urge the Commission to assert the implementation and application of the Defence Directives, and in particular to abandon the practice of offsets within the EU. Taking stock of the Letter of Intent position the European Council should reaffirm the importance of a strong and competitive EDTIB, which benefits the security of Europe as an external security provider.

Standardisation and Certification

Lessons learned from recent CSDP missions highlight the urgent requirement of standardisation and certification for the interoperability of the Armed Forces. The question is equally important for increasing the competitiveness of the European defence industry. EDA and the Commission should be tasked to develop a roadmap for the development of defence industrial standards on the basis of the preparatory work conducted by the EDA.

Industrial Measures / Supporting SMEs

The European defence industry plays an important role for innovation and employment in Europe. The European Council should therefore encourage the Commission's intention to foster the development of value chains in the defence industry and to provide more detailed information on programs aimed at supporting SMEs. The European Council should furthermore request the Commission to submit concrete proposals on how to promote regional networks and strategic clusters in line with a market-driven, competitive-based approach, as well as proposals including financial options on supporting SMEs in developing dual use technologies.

Increased synergies of Civilian and Military Research & Development

The potential of civil-military synergies – the greatest of which lies in publicly funded civil and military research, particularly for so called "Key Enabling Technologies" – is not yet fully realised. The Commission and EDA should be tasked to work on solutions with industry and research institutions to set up a European framework allowing and improving the mutual use of civilian and military research results for dual use applications. The European Council should request the European Commission to make timely proposals in liaison with the EDA to identify the EU financial resources that could contribute to dual-use technologies.