

# Security and Defence: A Glass Half Full

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## Abstract

Strengthening European security and defence cooperation is one of the EUGS's central aims and an area where significant progress has been made in the past two years. The EU activated permanent structured cooperation; set up a European Defence Fund; launched a mechanism for more coordination in national defence planning; strengthened its ability to plan and conduct non-executive missions; and took first steps towards increased financial burden-sharing. A critical review of these five measures suggests that the glass is half full. The foundations of a European Defence Union have been established, but its effectiveness will depend on sustained member state engagement, an increase in ambition, and subsequent compliance.



## Introduction

Strengthening the EU's ability to act collectively in security and defence is one of the focal areas of the EU Global Strategy (EUGS).<sup>1</sup> In the one-year implementation report, EU High Representative Federica Mogherini stressed that: "In this field, more has been achieved in the last ten months than in the last ten years".<sup>2</sup> In the following, five key strands of implementation are reviewed and critically assessed.

### 1. Permanent Structured Cooperation

The EUGS called on the member states to make full use of the Lisbon Treaty's potential and to explore enhanced cooperation. One year after its publication, the European Council agreed on the need to launch an "inclusive and ambitious" permanent structured cooperation (PESCO).<sup>3</sup> This formula reflected contrasting French and German visions. France wanted an exclusive PESCO with a small number of willing and able member states that would prepare for the most demanding operations. Germany viewed PESCO through the lens of European integration and favoured an inclusive format with low entry barriers. The compromise consisted of setting ambitious criteria while allowing for their gradual fulfilment. This led to a very inclusive PESCO, to which 25 EU member states – all except for the UK, Denmark and Malta – signed up in late 2017. They subsequently agreed on a first set of 17 projects.

There are two camps when it comes to assessing PESCO's first steps. The 'glass-half-empty' camp argues that commitments have been diluted and the first set of projects represents a lowest common denominator outcome, which does not address the EU's capability gaps. The 'glass-half-full camp' views the activation as a political success and holds that the level of ambition can be gradually raised.

Which camp prevails will also depend on the next round of PESCO projects to be adopted in November 2018. These projects should be more ambitious and reflect the priorities identified by the 2018 Capability Development Plan, for instance strategic air transport, air-to-air refuelling or intelligence, surveillance and reconnaissance capabilities. The PESCO Secretariat plays an important role in evaluating the added value of the second set of projects. However, there is a risk that the need for a political compromise among 25 member states could lead to yet another dilution of the level of ambition.

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<sup>1</sup> European External Action Service (EEAS), *Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union's Foreign and Security Policy*, Brussels, 24 June 2016, [https://europa.eu/globalstrategy/sites/globalstrategy/files/regions/files/eugs\\_review\\_web\\_0.pdf](https://europa.eu/globalstrategy/sites/globalstrategy/files/regions/files/eugs_review_web_0.pdf).

<sup>2</sup> EEAS, *From Shared Vision to Common Action: Implementing the EU Global Strategy Year 1*, Bruxelles, 13 June 2017,

<sup>3</sup> European Council, *Conclusions on Security and Defence*, Brussels, 22 June 2017.

## **2. The European Defence Fund**

The EUGS announced that the EU would “systematically encourage defence cooperation and strive to create a solid European defence industry”. In November 2016, the European Commission proposed a European Defence Fund (EDF) to incentivize joint defence research, capability development, and procurement. In June 2018, the Commission tabled a proposal for a Regulation establishing the EDF for the period 2021–27. The foreseen financial envelope includes €4.1bn for joint defence research and €8.9bn to co-finance (20%) the collaborative development of prototypes. Eligible PESCO projects can receive an additional 10% of co-financing.

The EDF can be seen as a small revolution as it is the first time that EU funds have been used for defence cooperation. The EDF will make the EU Europe’s fourth biggest defence research investor. The means to co-finance prototype development may seem low, but the Commission expects a fivefold multiplying effect leading to a total amount of €44.5bn over seven years. In addition, there should be significant savings from joint procurement of the final product. Currently, around 80% of defence procurement is run on a purely national basis. By reducing costly duplication and fragmentation, the EDF could become a real game-changer for European defence industry cooperation.

## **3. The Coordinated Annual Review on Defence**

To enhance efficiency and reduce duplication, the EUGS calls for a “gradual synchronisation and mutual adaptation of national defence planning cycles”. In May 2017, the Council established a Coordinated Annual Review on Defence (CARD). It started with a trial run in autumn 2017 with a view to full implementation in autumn 2019.

By regularly monitoring national defence spending plans, CARD should encourage a more forward-looking convergence around the priorities identified by the Capability Development Plan. There should be a close link between CARD, PESCO and the EDF. This would imply making CARD compulsory for PESCO members. At this stage, they have only agreed to support the mechanism “to the maximum extent possible” and within individual national constraints. To ensure synergy there should also be a close connection between CARD on the one hand, and PESCO’s national implementation plans as well as their annual assessment on the other.

## **4. The Military Planning and Conduct Capability**

The EUGS aims to “strengthen operational planning and conduct structures, and build closer connections between civilian and military structures and missions”. In June 2017, the EU established the Military Planning and Conduct Capability (MPCC) within the EU Military Staff for its non-executive military operations. It has since assumed command of three EU training missions in the Central Afri-

can Republic, Mali and Somalia. A Joint Support and Coordination Cell was established to ensure civil–military synergies.

The “civil–military EU headquarters” is an old idea that was long blocked by the British. The prospect of Brexit allowed for renewed discussion. However, this discussion also showed that Britain was not the only Atlanticist member state wary of duplication with NATO. The new body could not be referred to as “headquarters”. Its scope was limited to non-executive military operations. With up to ten cores and 20 support staff the body was kept small. Though a coordination cell was put in place, the MPCC is not the civil–military headquarters that some member states had hoped for.

Despite these limitations, the establishment of the MPCC represents an important and symbolic first step. It fills a gap in the chain of command for non-executive missions. Previously, Mission Commanders assumed all responsibilities in the field and in Brussels. The MPCC is an additional level of planning and command that prepares and conducts the missions, and takes over Brussels-based reporting tasks. It can thus increase the speed of deployment and lead to more efficient communication and coordination. However, in line with the EUGS goal of strategic autonomy, it should gradually be developed into a fully-fledged operational headquarters with the mandate to conduct executive operations. To enhance civil–military synergies, the MPCC and the Civilian Planning and Conduct Capability could be placed under one institutional and physical roof.

## 5. The European Peace Facility

The EUGS suggests tackling the “procedural, financial and political obstacles which prevent the deployment of the Battlegroups, hamper force generation and reduce the effectiveness of CSDP military operations”. There have been efforts to tackle financial obstacles. These included attempts to reform the ATHENA mechanism, an extra-budgetary instrument covering the common costs of EU military operations. However, such attempts failed to significantly broaden the scope of common costs, which typically lies at 5–15% of the total costs.

High Representative Mogherini thus proposed a European Peace Facility.<sup>4</sup> It would be an off-budget fund, financed by member state contributions according to gross national income, and worth €10.5bn for 2021–27. It would incorporate the ATHENA mechanism and the African Peace Facility and serve three goals:

1. Cover the common costs of military operations, which would be broadened
2. Contribute to military peace operations led by other international actors

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<sup>4</sup> Council of the European Union, *Proposal of the High Representative of the Union for Foreign Affairs and Security Policy, with the support of the Commission, to the Council for a Council Decision establishing a European Peace Facility*, Brussels, 13 June 2018.

### 3. Support third countries with military infrastructure and equipment

According to the proposed Council Decision, the Facility would raise the share of operations' common costs to a maximum of 35–45%.<sup>5</sup> On 25 June 2018, the Council “took note” of the proposal, endorsed its aims and invited the Council preparatory bodies to take work forward.<sup>6</sup>

A significant increase of common costs and the ability to combine capacity building with the necessary equipment would indeed make the Common Security and Defence Policy more effective. However, one should not forget that the most important obstacles to the deployment of EU military operations, and Battlegroups have always been of a political nature.

#### **Conclusion: A Glass Half Full**

There is no doubt that the two first years of implementation of the EUGS have seen significant progress in the area of security and defence. The pillars of a European Defence Union have been established. However, the EU is still in the process of linking these pillars and giving them substance. Giving them substance will also imply using the new instruments. Raising the share of common costs for military operations could, for instance, enhance the reluctance of some member states to launch a military operation if it is not closely aligned with their own strategic interests. The glass is thus half full. Much will depend on the member states' willingness to pursue current efforts, raise their level of ambition, comply with agreed commitments and continuously work towards a shared understanding of threats and challenges.

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<sup>5</sup> Ibid.

<sup>6</sup> Council of the European Union, *Conclusions*, Luxembourg, 25 June 2018.

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