



## PESCO and Cohesion of European Defence Policy

Marcin Terlikowski

*Notification on Permanent Structured Cooperation (PESCO), signed by 23 EU Member States, solidifies the renewal process of the Common Security and Defence Policy (CSDP). Broad participation in PESCO means that there will be no differential integration in defence. However, the link between this mechanism and NATO remains an issue to be resolved and threatens effectiveness of PESCO.*

**PESCO: From an Exclusive Project to a Common One.** According to the provisions of the Treaty on the EU (TEU), the main goal of PESCO is to foster defence integration between participating states. However, deeper integration does not mean establishing a supranational military (“European Army”). It rather involves joint research and development programmes in defence technologies, harmonisation of national plans regarding the technical modernisation of armed forces, joint acquisition of armaments, increasing interoperability of existing forces and building multinational military units (such as EU Battle Groups). Thus, the core idea behind PESCO is to establish a solid framework for European defence cooperation rather than to build an EU military alliance. To date, the main weakness of the CSDP has been Member States’ lacklustre approach to their commitments, resulting in difficulties in persuading states to allow their troops on EU missions and operations, gaps in the Battle Groups roster, and the lack of new European collaborative armaments programmes. The value added by PESCO is meant to come mostly from the binding character of this mechanism which will commit members to meeting a set of criteria and undertaking specific actions. Both will later be reviewed in a special process involving the High Representative of the Union for Foreign Affairs and Security and the European Defence Agency. Any state which fails to fulfil its commitments risks suspension of its rights as a PESCO member.

EU Member States have admitted that PESCO might become the pill that cures all the CSDP’s ills, but at the same time they did nothing to start a debate on how to translate very the general provisions of the TEU into concrete PESCO participation criteria and a list of joint initiatives within this framework. This reluctance was grounded in the fiscal crisis and cuts in defence budgets, which led governments to protect their national defence industry and military interests rather than seek expanded European defence cooperation. Another obstacle was the belief that PESCO meant a “defence core” of the EU composed of the handful of Member States with the greatest military might, ready to heavily invest in new military capabilities (according to the TEU, “states whose military capabilities fulfil higher criteria” and are ready to take part in “the most demanding missions”) and implement the CSDP on behalf of the entire EU (pursuant to art 44 TEU). This vision of PESCO was shared by those states which have pursued the PESCO agenda the most over the last 12 months (France, Italy, Belgium, and the Netherlands). It was also supported by EU institutions, which saw the source of the CSDP’s weakness in the need for unanimity in the EU when taking all strategic decisions. Germany, against such an approach, pushed for PESCO, but aimed to have as many Member States on board as possible.

Ultimately, PESCO’s inclusiveness was endorsed by the EU as its basic principle, enabling the launch of this mechanism. The notification was subsequently signed by 23 Member States. The UK (due to Brexit), Denmark

(which opted out of the CSDP at its very inception), and Malta (with a security policy based on neutrality) remain outside PESCO. Ireland and Portugal are expected to join shortly if their national parliaments agree.

The concept of an exclusive PESCO was abandoned primarily due to concerns over deepening both political divisions and the internal crisis in the EU, if such a differentiated integration mechanism was applied to the sensitive domain of defence. At the same time, many Member States, faced with Brexit and growing divisions in the EU, wanted to send a strong signal about advances in the European project. This was also the original impulse for the launch of the PESCO debate in 2016.

**The Notification.** The document lays out PESCO's principles, a list of more than 20 concrete commitments (which are also participation criteria), and the mechanism's governance system. Most importantly, states declare that the goal of PESCO is to reinforce European military capabilities towards a "coherent full-spectrum force package." However, most of the commitments are very general, such as ensuring "increasing efforts in cooperation on cyberdefence," "aiming for fast-tracked political commitment at national level" to increase the availability of and means to deploy forces, and "considering the joint use of existing capabilities to optimise the available resources and improve their overall effectiveness." The most concrete commitments are related to regularly raising defence budgets (including investments in new armaments and collaborative research and development projects), participation in at least one capability-oriented programme run within PESCO, taking part in the EU battle groups system, broadening the scope of a common budget for EU military operations, and prioritising European cooperation over all other options of acquiring armaments.

The governance mechanism involves using the existing institutions, which will operate in a new "PESCO format." Mostly, it will be the EU Council in the format of foreign and defence ministers, and its auxiliary bodies, which will make decisions through a unanimous vote. These institutions will be supported by a special PESCO Secretariat.

The notification proves that Member States are not yet ready to start genuine defence integration. Ambitious criteria, such as the earlier discussed commitments to spend a fixed part of national defence budgets on European collaborative armaments programmes and to take part in all new EU missions and operations, are lacking from the document. Although PESCO participating states are expected to present National Implementation Plans, specifying how they intend to put into effect the undertaken commitments, the diluted criteria set forth in the notification make it probable that states will not propose significantly concrete actions. For instance, it is unlikely that individual military capabilities will be earmarked as available for PESCO initiatives.

**The Future of the CSDP and Relations with NATO.** The launch of PESCO, following a qualified majority vote of the Council of the EU, is possible on 11 December. Yet such a launch would be conditional on every member having its National Implementation Plans ready by that date. Nevertheless, PESCO will be the main political and institutional mechanism via which the CSDP will be implemented from 2018. Together with the European Defence Fund and the Coordinated Annual Review on Defence, PESCO may encourage Member States to engage more vigorously and sustainably in initiatives regarding the joint development of military capabilities, EU civilian missions and military operations, and European defence industry cooperation. In the short term, this may help to overcome the stagnation of the CSDP and strengthen it in all its dimensions.

Since the clear majority of EU Member States are also participating in PESCO, the EU has managed to avoid differentiated integration in the defence domain and, consequently, tensions which such a step would cause. However, relations between the CSDP/PESCO and NATO remain a challenge and potential area of division. The EU Council and the institutions underline both the primary role of NATO as a pillar of security for the Alliance's European members and the need to harmonise the CSDP with NATO initiatives. Practical cooperation between the EU and NATO, which has remained paralysed for the last 15 years, has recently been developing vigorously thanks to a framework set up by a joint declaration of both organisations on 8 July 2016. The notification also declares that European military capabilities will reinforce NATO and remain complementary to it, but also stresses that these very same capabilities are meant to meet EU priorities identified in its independent processes, and to help build EU strategic autonomy. The latter concept remains blurry, since many Member States suggest that it boils down to the EU's capacity to act on its own when crisis management operations are concerned (but not territorial defence, which remains NATO's task). At the same time, however, these Member States present deeper defence cooperation in the EU as a response to their claims of uncertainty about the transatlantic link. The PESCO agenda may therefore be dominated by initiatives aimed at increasing the EU's capacity to act autonomously in missions and operations outside Europe, and formulated regardless of NATO capability needs. This would lead directly to tensions within PESCO, since Member States on the Eastern Flank consider the development of territorial defence capabilities, best reflected in NATO planning, to be their priority and expect solidarity in this regard from the remaining European members of NATO. For this reason, an effective coordination mechanism will be needed between PESCO and the NATO Defence Planning Process (NDPP). In the long run, the EU will also be faced with the need for a higher level of ambition in defence policy and the concept of strategic autonomy itself to keep both in line with the 360-degree spectrum of threats.