

A EUROPEAN INTEGRATED FORCE FOR AN AMBITIOUS PERMANENT STRUCTURED COOPERATION

BY FRANCESCO GUERZONI // Union of European Federalists' Policy & Advocacy Officer

INTRODUCTION

Until now, European defence has been fragmented, largely inefficient and structurally dependent on foreign superpowers such as the US. In light of the worsening of Europe's security environment, Brexit and the US shifting its interests away from Europe, the European Union must find a solution to assume a greater role in its own defence. In the short-medium term, that solution is a Permanent Structured Cooperation among willing Member States developing a quickly-deployable and as much as possible strategically-autonomous European Integrated Force at its core. It is by committing and moving together towards a level of ambition that eyes strategic autonomy that an effective and efficient European defence will be possible. Consequently, a PESCO focused on joint "capability development" alone would not add much new to EU's defence capabilities, since some joint projects are already in place. The real added value can only come from "capability deployment", through a European Integrated Force formed by integrating national forces currently employed in EU's missions and operation and the Eurocorps. In full compatibility and coherence with NATO, such a PESCO could be the first substantial step towards the end of duplication, low

interoperability and inefficiency of military assets among its participants. The European Integrated Force, which could become the most effective and efficient instrument the EU would have at its disposal to achieve the objectives of the Common Security and Defence Policy. A well-designed European Integrated Force in the medium term would most likely lift many doubts on the feasibility and desirability of deeper defence integration and would constitute the first embryo of a future federal European Army.

This paper aims at showing a possible concept for a Permanent Structured Cooperation designed to provide the CSDP with a European Integrated Force. The first chapter clarifies what concrete objectives such a PESCO should have, the second chapter outlines its structure and legal basis whereas the third chapter shows how PESCO could set up a European Integrated Force, how participating Member States could align their defence cycles and give the EIF a high degree of strategic autonomy. The third chapter also gives some ideas on what relationship could PESCO have with neutral EU Member States and on how it could become the European pillar of NATO.

1. OBJECTIVES OF PESCO

The EU's security environment has evolved dramatically in recent years. Russia's aggressiveness in Ukraine and EU's bordering regions, persistent instability in the Middle-East and North-Africa, increased terrorist threats within the EU, Brexit as well as a shift in USA's foreign policy priorities changed the fundamentals of EU's security situation and call for Europe to adjust the course of its defence policy towards closer integration and a higher degree of **strategic autonomy**. If the currently unfit state of affairs of European defence was caused by the political lethargy characterizing the relatively peaceful post-cold war period and by the permanent opposition of the United Kingdom to any serious European defence integration, rapid geopolitical events around the globe and in the EU's immediate neighborhood force the EU to face a responsibility it is not yet acquainted with: the **security of its own citizens and borders**.

If peace was the leitmotiv of the beginnings of the European project, security is becoming its new mantra. As security and defence policy score higher than ever before in the EU's political agenda, EU policy makers are acknowledging that European integration is the only rational solution to deliver sustainable security and defence of European citizens and borders. It can be achieved starting by fully exploiting all the instruments provided by the Treaty of Lisbon and most importantly through the establishment of a **Permanent Structured Cooperation in the field of defence**.

The Treaty of Lisbon establishes a Common Security and Defence Policy (CSDP) as a part of the Common Foreign and Security Policy of the European Union (CFSP). CFSP's general objectives, as defined in art. 21 of the Treaty on the European Union (TEU), include some among the most ambitious their authors could have thought of: safeguarding EU's values, fundamental interests, security, independence and integrity as well as preserving peace, preventing conflicts and strengthening international security. CSDP is supposed to be one of the main instruments through which the EU can deliver on such objectives. However, CFSP's current state of affairs is affected by a deep-reaching flaw. After Member States agreed on general political objectives to be included in the treaties, they failed to agree to endow the EU with suitable capabilities to deliver on those

objectives. Contrarily, they did nothing to prevent the **fragmentation** of their defence systems leaving them uncoordinated and prone to money-wasting duplications. The only serious coordinating effort used to be undertaken within NATO, which contributed to make European countries' defence systems **structurally dependent on the US**. As a result, it is now clear that without a substantial leap forward in the Common Security and Defence Policy, most of CFSP objectives are condemned to remain dead letter.

How did we get here? How could Member States design a CSDP that does not have the means to fulfill the objectives it was established for? The deeply entrenched attachment of almost all Member States to their remaining "national sovereignty" in the field of security and defence, and the United Kingdom's stubbornness in refusing to see how Eu-

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ropean defence integration could have helped NATO, and not undermined it, by completing the alliance with the creation of a so-called "European Pillar of NATO", were the major issues. As to forge a mortal cocktail, **CSDP decision-making is mostly intergovernmental**, implying that any EU member State can veto any decision. This has had a devastating effect on the ambition of CSDP policies, as every time a decision was eventually taken, it was the result of

a race-to-the-bottom of political ambition, condemned by crossing vetoes to stick to the lowest common denominator. In this sense, the departure of the United Kingdom from the European Union, combined with a dramatic change in Europe's security environment and raise of awareness of Europe's weaknesses as well as responsibilities, propelled CSDP decision-making to an unprecedented pace and level of ambition. If the European Union wants to be a relevant actor in the world and a credible protection in the eyes of its own citizens, CSDP policy-makers must grasp this momentum and start to deliver what they didn't in the past decade and in no way Member States that are willing to proceed faster in European defence integration should be blocked to do so by others. Despite its suffocating intergovernmental structure, CSDP provisions in the Treaty of Lisbon allow for a group of willing Member States to set up a **Permanent Structured Cooperation** (PESCO) in the field of defence.

Whereas CSDP currently relies on a-systematic insufficient processes (no proper military headquarters, no determined funding, no proper European military force and so forth) and fragmented strategic views and capabilities, PESCO would enable willing Member States to have the possibility to set up a defence cooperation that is "structured" and "permanent", thus providing a systematic capacity to implement CSDP objectives. Despite its fully intergovernmental design, PESCO is probably the fastest way to proceed in European defence integration within the current treaty framework. Its main advantage is that it turns the political will of integrating in the field of defence into an institutional criterion for the access to PESCO itself. In other words, Member States can access to PESCO only if they want to integrate. PESCO will be, by its own nature, a group of like-minded EU countries willing to cooperate in a permanent and structured manner in the field of defence in the framework of CSDP. Even though PESCO remains an inclusive concept, since non-PESCO countries can join the cooperation at any moment provided they fulfill the criteria, this cooperative group would leave out of the door all potential vetoes to their defence integration. However, the deployment of PESCO forces would still be subject to the CSDP mechanisms and therefore the possible veto of non-participating Member States. Moreover, due to the lack of centralized decision-making and its intergovernmental nature, PESCO will always be threatened by internal vetoes to its own progress. Despite this shortcomings, it

remains the best option for further integration in the field of defence, within the current EU treaty framework.

A well-designed PESCO would enable the EU to concretely deliver on its CSDP objectives. With the right operational targets, PESCO could set up truly European Integrated Forces (cf. chapter 3), which can be used as **quickly-deployable military force** for EU's military operations. In virtue of its permanence, PESCO's structures could develop consistent and full cooperation with the EU's Civilian Planning and Conduct Capability as well as with relevant NATO bodies and mechanisms. Depending on its operational targets, PESCO would also optimise **European military capability generation** through pooling and sharing and common defence research. Participating Member States' public finances would register **enormous budgetary savings** thanks to strict coordination in the national defence budget planning and to well-targeted joint procurement initiatives. By planning together and focusing the expenditure on specialised military capabilities rather than duplicating assets and staff, PESCO members would spend better and waste less taxpayers' money. PESCO would also end up being de facto the very core of the **European pillar to NATO** and it would finally provide the EU's Common Foreign and Security Policy with an indispensable tool to be much more credible and assertive in the world and reach its objectives.

2. OUTLINE OF A MEANINGFUL PERMANENT STRUCTURED COOPERATION

A Permanent Structured Cooperation is useful only if its members commit to shared **ambitious operational objectives**. Governments are opting to integrate their defences as they acknowledge that they do not have the capabilities to fulfill, alone, their own defence policy objectives. To be successful, this model of integration requires the **strongest level of political commitment**, which determines whether the objectives will actually be met and at what pace. This means that those countries willing to embark in such a collective undertaking need to make sure that the others share at least the same level of political ambition they want to put in the operation. This is

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a key point for governments to consider, as decisions taken in frameworks such as PESCO are taken through unanimity vote, meaning that if a participating country is less committed

or ambitious than the others, it will be able to prevent the whole cooperation to progress. Bearing this in mind, it is essential for the success of PESCO to set clear criteria for the access to the cooperation. PESCO criteria should at least include the **operational output** needed to effectively contribute to the political objectives as agreed in the framework of the EU Common Foreign and Security Policy.

Input criteria such as NATO's 2% GDP expenditure pledge do not fit the purpose of PESCO, since the availability of resources alone does not ensure

governments' political commitment to deliver the agreed output. In addition, as it will be shown below, PESCO in itself is not about requiring additional resources to be spent on defence, but about **spending together to spend better and get more**.

If through PESCO participating Member States aim at contributing to CFSP objectives, then the only useful output for PESCO (read: PESCO's main access criterion) is the establishment of a **European Integrated Force** (EIF).

2.1. LEGAL BASIS

The Treaty of Lisbon provides the legal framework for the set-up of PESCO, which could thus entirely be established within the current Union framework. Article 42(6) of the Treaty on the European Union (TEU) allows Member States to establish a permanent structured cooperation "with a view to the most demanding missions". After having informally agreed PESCO objectives, commitments and criteria, Member States envisaging to set it up should notify their intention to the High Representative and the Council (art. 46(1) TEU), which should adopt a decision establishing PESCO within three months acting by qualified majority. EU Member States will always be free to join PESCO at a later stage, provided they fulfil the criteria. Once established, internal PESCO decisions will be taken by participating Member States at unanimity (art. 46(6) TEU). In line with the whole CSDP, PESCO's governance is destined to have a **strongly intergovernmental architecture**, which will inevitably replicate some of the shortcomings of the current CSDP, in particular in terms of decision-making process especially at times when PESCO members may have different geopolitical priorities. Nevertheless, at least two aspects of PESCO's institutional design discontinue the rigidities of the other CSDP instruments. First, it gives the possibility for governments sharing similar level of ambition in the field of defence to progress integration without being slowed down by governments which are not ready to walk the same path. In this way, despite foreseeable obstacles typical of intergovernmental governance systems, PESCO criteria should make sure that participating States have

like-minded governments (at least as long as electoral surprises don't unravel the situation). Secondly, art. 46(4) TEU confers to PESCO **contractual features**¹. The paragraph reads: "if a participating Member State no longer fulfils the criteria or is no longer able to meet the [PESCO] commitments [...], the Council may adopt a decision suspending the participation of the Member State concerned". In other terms, under condition the right PESCO criteria are set, if a participating country is no longer committed to the cooperation and poses obstacle to its progress, then the other participants can decide to suspend it at qualified majority. Although this would be a decision of last resort, it stands as a warning to those countries eventually deciding to join PESCO that their **commitment should be permanent**.

As for the content of PESCO, joint capability development alone would not add anything new qualitatively from a legal point of view, since some joint projects are already in place and run through the European Defence Agency. The added value of PESCO in this field would be registered in the quantity of research projects, amount of the funding and the quality of the objectives to attain through those projects. Similarly, the creation and use of a European Integrated Force within PESCO would activate existent TEU legal bases which have already been used for the Euro-corps, for example. Under art. 42(3) TEU, Member States can make **multinational forces available to the CSDP** and under art. 42(5) TEU the Council can decide to entrust the execution of a CSDP task (as described in art. 43 TEU) to the group of Member States participating in those multinational forces. It is here important to note that in Protocol n. 10 of the Treaty of Lisbon, the operational strand of PESCO is given a prominent place among the general objectives of the cooperation. In art. 1(a), participation to "multinational forces" is the very first item mentioned, the second one being participation in European equipment programs. Art. 1(b) puts again operational capacity at the heart of the protocol, as it provides the legal basis for the establishment of the EU Battlegroups². Art. 2 of the protocol sets out the legal basis for the possible instruments to achieve the objectives provided in art. 1. In other words **protocol 10 places the development of multinational forces at the heart of PESCO**. Any attempt to establish a PESCO limited

¹ Anne Bakker, Margriet Drent and Dick Zandee, *European defence core groups. The why, what & how of permanent structured cooperation*, Policy Brief, Clingendael, November 2016, p. 2.

² Art 1(b) also provides further evidence that the deployment of EIF for CSDP missions and operations (as set out in art. 43 TEU) is legally possible, as it links directly the establishment of multinational force groups to the conduct of the tasks set out in art. 43 TEU.

to capability-development projects and not considering setting up multinational forces would not be in line with the spirit of protocol 10 and, politically, it would be shortsighted and not enough to meet Europe's security challenges.

Of course, within the Treaty of Lisbon, the ultimate control of the armed forces is still national. The strictly intergovernmental basis of the CFSP and CSDP decision-making does not allow EU institutions to "control" the EIF as if it were a proper European army. All EIF actions conducted in the framework of CSDP would have to respect CSDP's - and therefore the Council's - decisions, which require unanimity. In terms of EIF's possibility of deployment, this constitutes also the biggest limit if it were to be established in the EU framework because PESCO participants cannot decide to mobilise the EIF on their own without the consent of the whole Council, including non-PESCO countries. This means that the political reticence to collective actions that PESCO was designed to overcome could come back at the moment to decide on the use of PESCO's major feature, namely the European Integrated Force. The fact that a more integrated CSDP instrument such as PESCO does not find any correlated mechanism in the rather dis-integrated CFSP decision-making is a major shortcoming of the Treaty of Lisbon and something that should be fundamentally reviewed. It is worth mentioning that art. 31 TEU provides for the possibility for Member States to choose to abstain on Council decisions regarding CFSP, but still to recognise those decisions to be binding for the EU as a whole,

"Any attempt to establish a PESCO limited to capability-development projects and not considering setting up multinational forces would not be in line with the spirit of protocol 10"

committing not to act against them. Theoretically, this could allow for all non-PESCO Member States to abstain on decisions proposed by PESCO participants, thus allowing the latter to act on behalf of the Union without a unanimous political consensus in the Council. However, it is really hard to believe this option to be realistic in the situation where

non-PESCO Member States would really disagree with the deployment of the EIF. Art. 31 TEU might be used sporadically and for minor decisions, but non-PESCO Member States cannot reasonably be expected to allow PESCO participants to run military operations on their behalf when they do not fully agree with them, especially when such decisions reflect actual or perceived different geopolitical priorities. Art. 31 TEU cannot therefore be expected to grant the political viability of PESCO's self-determination within

the Council as regards EIF operations. This leaves PESCO with the **paradox of having an integrated CSDP instrument (the EIF) trapped within the limits of a dis-integrated decision-making (the CFSP's unanimity rule)**. This might push PESCO participants to decide to establish the EIF outside of the EU framework in order to make its mobilisation easier. However, it can be argued that this option might also have many downsides, like not being able to make full use of EU agencies and resources.

All this said, the proposals presented in this paper comply with these and other provisions of the Treaty of Lisbon and therefore do not require any change in EU primary law.

3. THE EUROPEAN INTEGRATED FORCE

No national army in the EU countries is strategically autonomous and able to cope with ongoing security challenges. On the contrary, a well-designed and adequately-developed European Integrated Force could be strategically autonomous and up to the security challenges facing the EU, provided that political commitment to it is sustained, substantial and coherent. Even as they come together in the framework of CSDP operations, current national armies'

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cooperation presents structural flaws that make operations' preparation and execution slower, more complicated and more expensive. For example, the **low interoperability** of EU national armies' capabilities is a major problem affecting their performance in joint missions. According to the European Commission, in the EU-28 there are 178 different types of weapon systems, 17 different types of battle tanks, 29 warships and 20 fighter planes. This looks absurd when compared to

the US army, where there are 30 weapon systems, 1 type of tank, 4 types of warships and 6 of fighter planes³. Such a variety of systems in use hinders national armies' ability to work together in war theatres, as the incompatibility issues for technologies and vehicles rise. Another huge obstacle to effective cooperation is the **lack of a single chain of command**. In the CSDP framework, executive military missions are usually led at operational level by an Operational Commander (OpCdr), who is a national of the State providing the Operational Headquarters (OHQ). At present, the OHQ for EU autonomous operations is selected from a range of only five national headquarters (in France, Germany, Greece, Italy and the United Kingdom). In EU autonomous operations, participating Member States integrate the divisions they contribute with on a case-by-case basis, creating each time a new temporary chain of command. A perfect integration of the division into one single chain happens only ideally⁴. Concretely, the logic of national chains of command remains within national divisions, thus disrupting the harmony that a flawless integrated command would provide. For example, information might not circulate properly or, as a result of difficult negotiations at political level, the chain might be split in far more levels than the operation would need. Further complications to an already underperforming framework arise from the choice and management of the OHQ for each CSDP operation. The CSDP operation Althea in Bosnia-Herzegovina relies on NATO capabilities under the Berlin Plus agreement. This case not only provides evidence of the CSDP's lack of strategic autonomy, but taking into account the EU

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needed several months to negotiate with NATO the terms of the cooperation and implement it, it also provides evidence that a decision-making of this kind does not allow at all for rapid response to crises. Also when CSDP military executive operations do not rely on NATO (like EUNAVFOR Med Sophia in the Mediterranean Sea and EUNAVFOR Atalanta in the Indian Ocean), the OHQs are located far away from the Political and Security Committee and its advisory bodies (EUMC and EUMS), thus hampering direct cooperation and communication between the strategic and operational levels of the command and control chain. In addition, as the OHQ is not in Brussels and is only temporary, coordination with the Civilian Planning and Conduct Capability, when needed, is under-optimal. Furthermore, the five national OHQs are not necessarily suited to host all kinds or sizes of equipment and international staff related to the operations they are chosen for⁵. Even when they can, most maintenance costs lie where they fall, causing a disproportionate economic burden for the hosting State. It is rather clear that if CSDP operations are to be conducted in the swiftest, most efficient and effective way, they must rely on a **permanent European Integrated Force that refers to permanent Headquarters and is led by a permanent European Chain of Command**.

3.1. THE EUROPEAN INTEGRATED FORCE AT THE HEART OF PESCO

If the political objective of the establishment of PESCO is greater strategic autonomy, it is necessary to set up a European Integrated Force (EIF) and strive to develop its capabilities by developing and acquiring key technological enablers and strategic equipment. It should be conceived as a tool of the CSDP, i.e. as the **preferential asset for the conduct of CSDP military operations**. Through suitable financial arrangements with non-PESCO countries aiming at avoiding free-riding (i.e. by duly updating the Athena mechanism in order for all costs to be fairly shared), PESCO participants could make the EIF available to the Council for each new operation. The EIF would not be a European army (yet). The current Treaties do not provide the possibility to set up a

³ European Commission, *Defending Europe*, factsheet, 7 June 2017

⁴ Alexander Mattelaer, *Command and Control Requirements for CSDP Operations*, in Luis Simón and Alexander Mattelaer, "EUnity of Command – The Planning and Conduct of CSDP Operations", Egmont Paper 41, Egmont Institute, January 2011, p.18.

⁵ Thierry Tardy, *MPCC: towards an EU military command?*, ISSUE 17/2017, European Union Institute for Security Studies, June 2017.

federal army responding to federal policy objectives, with a federal structure, EU contracts as well as EU-wide social rights for soldiers and expenditure of EU budget for military operations. Such developments would require changes to the EU treaties or an additional treaty. By PESCO's governance structure as defined in the treaties and by the way the EIF would be constituted, it is clear that the EIF would be far from being a European army and would not be meant to replace national armies completely, as they would co-exist and work for the fulfillment of different (and coherent) defence policy objectives⁶. Nevertheless, treaty provisions on PESCO allow for deep integration of military assets, armies' divisions, chain of command and defence structures. Smaller-scale integrations of this kind are already in place among some EU Member States both within and outside the EU framework. Examples are the shared air surveillance and protection in the BENELUX countries, the European Air Transport Command, the EU Battlegroups, Euromarfor and the Eurocorps. PESCO is the occasion to pool these initiatives together in order to reach a meaningful critical mass of defence capabilities in view of the achievement of a higher degree of strategic autonomy. Concretely, the EIF would constitute the right framework in which to fit all existing projects of defence integration in. This would rapidly increase the availability of forces for EU operations and at the same time reduce fragmentation, remove administrative obstacles to cooperation between different structures and avoid overlaps.

The **Eurocorps** could be used as a basis for the development of the EIF, which would become bigger and more structured later on. This perspective seems even more attractive when it is taken into account that the Eurocorps' Headquarters in Strasbourg have already served as Headquarters for the EU Battlegroups in 2016 and 2017⁷, proving the Eurocorps' readiness to integrate the CSDP framework in a more stable way. As the Eurocorps are established outside EU law, they should first be transposed into the EU framework and a replacement for the Eurocorps' arrangement with NATO should be found. Moreover, all Eurocorps' current framework nations (Belgium, France, Germany, Luxembourg and Spain) would have to participate in PESCO. In

any event, sooner or later, the Eurocorps should converge (or just be transformed into) the EIF, because maintaining both the EIF and the Eurocorps would be a duplication and therefore a waste of resources.

Alternatively, EIF's kick-off can also be ensured by pooling together all PESCO participant's armies divisions that are currently taking part to CSDP military operations (at the end of the operations). In December 2016 there were around 3 394 military staff involved in executive and non-executive military operations⁸. PESCO participants could contribute to the EIF also with the divisions they currently employ in the EU Battlegroups. It remains to be seen whether it will actually be faster for all these divisions to come together and merge into an integrated structure than for the Eurocorps to be transposed into EU law. The choice on which of these options should kick-off the EIF should be made taking into account who will actually participate in PESCO and what level of ambition has been agreed.

In no case the two options are mutually exclusive. Instead, they should converge in due time. Indeed, the rationale is to put together all national armies' divisions which already have on-the-ground experience in working together, have already undergone joint trainings, have (possibly) served under the same integrated command structures and have already proved to be able to speak the same language. Military divisions fulfilling these criteria would be the most suited to compose the first nucleus of European Integrated Force.

Since it is established among PESCO participants as a common army, the European Integrated Force would be an instrument for the fulfillment of common CSDP objectives. In order to make this possible, it would be necessary for PESCO to set up a **Schengen of Defence**, granting the EIF free movement of staff and assets within PESCO participants' territory and deleting any bureaucratic obstacle to their cross-border circulation⁹. Nonetheless, those countries contributing to the EIF within PESCO will still be free to pursue their own national policy goals (and defence) through their own national armies, notwithstanding the permanent commitment

⁶ On the concept of dual army and its application in the United States, Domenico Moro, *Building a common defence in a federal union: what can Europe learn from the US experience?*, Reflection Paper, Union of European Federalists, September 2017.

⁷ European Union Institute for Security Studies, *Yearbook of European Security* 2017, 2016, p. 26

⁸ Ivi, p. 20.

⁹ See also the *European Parliament Resolution of 22 November 2016 on the European Defence Union* (2016/2052(INI)).

to PESCO, including to the EIF, although respecting their

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EU's obligations in terms of CFSP and CSDP. The principle for the division of work between the EIF and national armies should be that **common policy objectives should be pursued at European level** (i.e. through CSDP instruments and the EIF in particular) and those

objectives that are not in common can be pursued by single Member States also through their national armies. Although this dual approach is not optimal, as individual countries risk to succumb to national logic when setting their own policy goals, it is the most integrated approach the current treaties allow for, taking into account the differences among Member States' strategic perceptions in the world geopolitics. On the other hand, it can be argued that by cooperating structurally and permanently together, Member States will also align in the way they perceive threats and in the way they analyse geopolitical events at regional, country and thematic levels. In this sense, it can be expected that **PESCO will bring about some elements of foreign policy integration.**

The neutrality of some EU Member States will not be an obstacle to the development of PESCO, including to the EIF, nor will PESCO affect in any way the neutrality of EU Member States. PESCO would be a coalition of Member States willing to scale up cooperation in the field of defence to address common challenges and achieve a higher degree of strategic autonomy together. As the EIF would be developed in the framework of EU law, even when PESCO would be fully operational, the EIF would still be under the political control of the Council of the EU, so that any possible CSDP operation assigned to the EIF would have to be voted by all EU Member States (except for Denmark). Nevertheless, it's

useful to remind the reader that **interpreting CSDP and neutrality as mutually exclusive is misleading**¹⁰. All neutral EU

Member States currently participate to the EU Battlegroups (except for Malta), both Austria and Ireland participate in a military operation in Bosnia-Herzegovina (EUFOR ALTHEA)¹¹, the former with more than 300 soldiers¹² and in the Mediterranean sea Austria, Malta and Sweden all contribute to the CSDP operation EUNAVFOR Med. Other cases in which neutral countries have been involved in CSDP actions could be mentioned. It is therefore hard to see why these countries should have anything to fear from the CSDP being made more effective and efficient through PESCO and its EIF. At operational level, many ways could be found for neutral countries' armies to cooperate on ad-hoc actions with the EIF. At strategic and political level, both PESCO and neutral countries could scale up their efforts to set up a world-top system of integration between civilian capabilities and the EIF. Indeed, as a component of the CSDP, PESCO should envisage to optimize and enhance the **integration between civilian and EIF capabilities.** Through the newly established Joint Support Coordination Cell (JSCC), any CSDP action operated by the EIF

should be able to integrate as much as possible with civilian resources and missions. The creation of a permanent military arm of the CSDP, the EIF, should not be a replacement to the EU efforts in

civilian capabilities development in any way. Instead, the permanence of the EIF of its administrative apparatus and of its chain of command can make military and civilian coordination swifter and more effective, in opposition to the current situation where people and structures change at every new military operation. The recent establishment of the Military Planning and Conduct Capability is already a good step towards the improvement of these flaws, but its mandate covers only non-executive military operations.

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¹⁰ Karen Devine, *Neutrality and the development of the European Union's common security and defence policy: compatible or competing?*, SAGE journals, Cooperation and Conflict, 2011

¹¹ <http://www.euforbih.org/eufor/index.php/about-eufor/background> (last accessed on 27 July 2017).

¹² <https://www.bmeia.gv.at/en/european-foreign-policy/security-policy/common-european-security-and-defence-policy-csdp/> (last accessed on 24 July 2017).

The flaws of executive operations and of their coordination with civilian resources could be solved by relying on the EIF's permanent structures. EU civilian missions could therefore find in the EIF a permanent and reliable partner for future mixed CSDP actions.

The permanence of EIF's structures can also play in favour of a **permanent coordination with JHA agencies** such as the European Border and Coast Guard Agency, with relevant units of the EEAS and with the EU Satellite Centre (SatCen). Needless to say, the same advantages apply to the **training of military staff** to be involved in the EIF. To this aim, the European Defence and Security College could play a role by providing additional PESCO-focused curricula. In addition, in order to align staff's skills-sets and maximise their interoperability, testing and certifications within PESCO military training should be uniform and Erasmus-like programmes for military staff should be strengthened and expanded.

3.2. A PERMANENT COOPERATION THROUGHOUT THE ENTIRE DEFENCE CYCLE

A permanent cooperation in the field of defence would really be "structured" insofar as it aligns all the stages of the defence cycle on the basis of strong common political commitments. The PESCO as it is here proposed would not only be about committing to the same objectives, it would be about undertaking joint actions in order to achieve them. In this sense, the establishment of the European Integrated Force would go beyond national armies' divisions coming physically together. The EIF would be the edge of a more complex process of alignment of all national defence structures and mechanisms from geopolitical analysis and capability development to research and public procurement and from training to deployment. Indeed, for the EIF to be a meaningful instrument, its development and efficient use should be at the heart of the cooperation among PESCO participants at all stages of their defence cycles.

First of all, the EIF should be subject to an **ad-hoc PESCO Capability Development Plan** (PESCO-CDP), embedded in (but more ambitious than) the current EU-wide CDP. The

PESCO-CDP should aim at endowing the right capabilities to the EIF for it to be able to carry out all operations the Council may assign to it in the briefest delays and with the highest standards of precision, safety and respect of human rights as well as of the environment. Once agreed within PESCO, the list of EIF capability targets would constitute the research objective of PESCO research projects to be conducted by PESCO participants (potentially in cooperation with other EU Member States) and funded through the European Defence Fund. Notwithstanding PESCO participants' fundamental unity of intents throughout all stages of the structured cooperation, in view of a swift achievement of capability targets, a **modular approach** can be adopted in the R&D phase. This means that the list of EIF capability targets would be translated in a number of R&D projects to be distributed among clusters of PESCO participants

following criteria of scientific expertise, previous industrial specialization, availability of relevant infrastructure and participation in relevant bilateral or multilateral projects. Such modular approach builds on and further develops countries' current specializations and strengthens the sense of complementarity among participant countries that PESCO is meant to foster. Indeed, modularity refers only to the method used to split the work to collectively achieve common objectives¹³. In no way is the

modular approach meant to distract from the common goal of EIF's capability development or to divide the essential political unity among PESCO participants. Operatively, the European Defence Agency can play a central role in the coherent management of the PESCO-CDP, its modules and the set-up of their criteria.

One key aspect of the establishment of PESCO will be the way its actions are funded. Expenditure for administrative tasks can be covered by the EU budget, with suitable financial arrangements in the post-2020 Multiannual Financial Framework. Differently, for the main body of PESCO's actions a high level of ambition of the cooperation will require non-indifferent budgetary efforts from its participants. Nevertheless, it does not make sense to set budgetary input criteria for accessing PESCO. Making countries stick to mere expenditure commitments has been proved difficult throughout the whole history of NATO and the fact

"In no way is the modular approach meant to distract from the goal of EIF's capability development or to divide the essential political unity among PESCO participants."

of spending the same percentage of GDP in national defence assets does not ensure in any way the efficiency, effectiveness and ambition of the cooperation that PESCO is meant to be. For this reason it should be opted for criteria focused on output. By pooling together more R&D efforts, PESCO participants would cut useless duplications and generate savings that will compensate, at least partially, for the higher budgetary effort required by the PESCO level of ambition. **Joint public procurement** of relevant assets and services will ensure savings too. Jointly purchased assets and services could be used either for national armies (on the model of Belgium and the Netherlands' joint procurement of military ships) or for the EIF.

Planning joint R&D projects and joint public procurement together along the lines of a PESCO-CDP would maximize the interoperability of military assets employed in the framework of the EIF and potentially of the assets of the remaining national divisions too. At the beginning, the R&D and public procurement strands of the PESCO capability development can be funded through the EU-wide **European Defence Fund** (EDF). Since the budget proposed by the Commission for the EDF in 2017 is only € 500 million/year for research and € 1 billion/year for development and acquisition in the post-2020 Multiannual Financial Framework¹⁴, the PESCO level of ambition would require either an additional ad-hoc PESCO fund or a very substantial increase of the EDF capacity. In both cases, the **post-2020 EU Multiannual Financial Framework** would need to be structured taking into account the establishment of PESCO. In order to maximize the structural alignment of national defence cycles from the capability development plan to capability acquisition, the coordination of PESCO countries' defence budgets is essential. This could be done through the **Coordinated Annual Review on Defence (CARD)** as already endorsed by the Council at unanimity¹⁵. Nonetheless, it is useful to bear in mind that a federal defence budget of suitable size at European level would be the best way to finance European defence.

For serious permanent and structured coordination of defence expenditure, it would be more suitable to set up an ad-hoc PESCO-CARD managed by the same CARD

secretariat in the EDA and following the same procedures as the EU-wide CARD, but responding to standards adequate to the PESCO level of ambition. A meaningful PESCO-CARD should ensure transparency among participants, facilitate the political direction taken at PESCO level, align the time-frame of national defence expenditure and give coherency to national defence programmes taking into account the priorities set out in the PESCO-CDP and the various clusters of PESCO participants reflecting the research modules created to attain the PESCO capability targets. Commitment to the **PESCO-CARD should be a mandatory criterion for the access to PESCO** as, together with the PESCO-CDP it constitutes the concrete procedure making PESCO cooperation genuinely "structured" throughout the defence cycle (apart from the training and deployment of the EIF, entrusted to other PESCO structures). As the PESCO-CARD is a procedure common to all the modules of PESCO's capability development, it also represents an administrative instrument ensuring cross-modular permanent coherence with PESCO-CDP targets and more in general with PESCO political objectives.

It is important not to underestimate to what extent the depth of PESCO cooperation and the level of funding involved in the development of its capabilities would contribute to the growth of a **European Defence Technology and Industrial Base** (EDTIB). Joint public procurement defence would boost the demand side of the European defence market and will strongly contribute to create economies of scale. In parallel, joint R&D, if properly conducted involving both public and private stakeholders, would prop up the supply side of the European defence market to new qualitative levels. Such changes would effectively establish a **truly European single market for defence** only if the proportion of joint public procurement will have a meaningful size and if current EU directives of public procurement in the field of defence will be improved and if the EU co-legislators will meanwhile adopt an ambitious **European Defence Industrial Development Programme**¹⁶. PESCO joint procurement should not be limited to defence companies operating in the Member States participating to PESCO, it should rather be open to all defence companies being active in the European Economic Area, or the European

¹⁴ Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions on Launching the European Defence Fund, [COM\(2017\) 295 final](#), 7 June 2017.

¹⁵ [Conclusions of the Council meeting on Foreign Affairs](#), 6 March 2017 and [Council conclusions on Security and Defence in the context of the EU Global Strategy](#), 18 May 2017.

¹⁶ European Commission, Proposal for a regulation of the European Parliament and of the Council establishing the European Defence Industrial Development Programme aiming at supporting the competitiveness and innovative capacity of the EU defence industry, [2017/0125\(COD\)](#), 7 June 2017

single market for defence will be disrupted before even coming to existence.

3.3. A STRATEGICALLY AUTONOMOUS EUROPE FOR A STRONGER NATO¹⁷

PESCO as it is here outlined would not duplicate NATO, nor should its establishment sway participating Member States to fulfill NATO commitments. The European Union and NATO are different organisations with different (largely coherent) objectives, different legal basis and different histories. Endowing the EU with a quickly-deployable and more strategically-autonomous force cannot be seen as detrimental to NATO's objectives of mutual defence, as it responds to operational needs that go beyond mere territorial defence, which are at the core of NATO's remit.

By developing EU-NATO cooperation in light of the establishment of PESCO, the two organisations can strengthen synergies and complementarity and avoid duplication at all levels. Structures and processes such as the NATO Force Structure and the NATO Defence Planning Process (NDPP) can be fully compatible with a well-designed PESCO. On the model of the Eurocorps, the Council and NATO could agree on arrangements to make the EIF available for NATO operations and joint trainings with NATO forces. To this aim, the arrangements should take into account the Partnerships for Peace that possible PESCO non-NATO members currently have with NATO. In addition, measures such as a PESCO-wide Schengen of Defence would be an asset also for NATO, since speeding up movement of military staff and equipment would directly speed up allied trainings

and potential operations¹⁸. As for capability development, the NDPP is an essential tool for the effective functioning of the north-Atlantic alliance as a whole, but is not designed to make single allies reach strategic autonomy. PESCO participants involved in the NDPP should strive to organise their capability-development efforts in way that allows for compliance with both PESCO-CDP and NDPP requirements at the same time¹⁹. Within PESCO, clusters of NATO members could set up ad-hoc R&D modules for compliance with the NDPP, to be attached to the PESCO-CDP and taken into account in the annual PESCO-CARD. As it is the agency delivering the PESCO-CDP, the European Defence Agency should also contribute to the planning and implementation of these NDPP-related modules. Administrative arrangements between EDA and NATO's Defence Policy and Planning Committee could be found to ensure coordination. Probably, if all PESCO participants would be already NATO members, the overall governance and the coherence between PESCO-CDP and NDPP would benefit, but **it would be a mistake for PESCO to be accessible only to NATO members**, as the two entities have different (coherent) aims. Plus, the Treaty of Lisbon never mentions a criterion of this kind for the establishment of PESCO. For even greater coherence between the EU and NATO, PESCO participants that are also members of NATO should enhance their coordination at all levels of NATO's governance and act together taking into account that their cooperation constitutes the main body of the European pillar of the alliance, with all the political and operational consequences that this entails.

¹⁷ It is beyond the scope of this paper to discuss this subject in depth. The aim here is to provide the reader with some ideas about a possible relationship between PESCO and NATO.

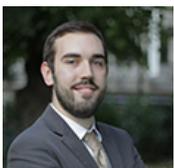
¹⁸ US Army Europe commander Lt. Gen. Ben Hodges recently advocated for a "Military Schengen Zone", mentioning its utility for NATO. More on Jen Judson, [Outgoing US Army Europe Commander pushes for "Military Schengen Zone"](#), in *Defence-news.com*, 30 July 2017. (Last accessed on 2 August 2017).

¹⁹ Sven Biscop, [Oratio Pro PESCO](#), Egmont Paper 91, Egmont Institute, January 2017, pp. 5-6.

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About FRANCESCO GUERZONI



Francesco Guerzoni is the Policy & Advocacy Officer of the Union of European Federalists (UEF).

ABOUT THE UEF

The Union of European Federalists (UEF) is a pan-European, non-governmental political organisation dedicated to the promotion of European political unity. Throughout the past 70 years it has been a leading voice in the promotion of European unity and an early campaigner for key milestones in the development of the European Communities and the European Union.

CONTACT

UEF European Secretariat

Square de Meeus 25
B - 1000 Brussels
Tel: +32 (0)2 508 30 30
Email: contact@federalists.eu

Co-funded by
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