



EMERGING CHALLENGES June 2018

PESCO takes off: a turning point in the EU's defence policy

The European Council of 26-28 June revealed stark contrasts between the EU Member States on migration and foreign policies. Nonetheless, the Council has made a crucial step forward in EU defence policy by adopting a common set of governance rules for projects within the Permanent Structured Cooperation (PESCO) framework. PESCO is the most ambitious tool in the EU's security arsenal, and would allow the EU's military integration to finally take off.

The process that led to this agreement has been very uneven. PESCO was first envisaged in the Lisbon Treaty of 2009, but for ten years the Member States have been reluctant to launch it. This was a consequence of PESCO's framework in its initial stage. In 2009, the aim was not for PESCO to be as inclusive as possible, but rather to assemble the happy few: those Member States whose military capabilities fulfilled higher criteria and which were happy to make more binding commitments to one another in individual areas, including the level of investment on defence equipment. Many Member States thus tended to see it as a top-down machination that would reduce their autonomy. Such a perception was wrong. The Lisbon Treaty leaves it up to Member States to define what exactly "more binding commitments" should entail and what the "level of investment" should be. Furthermore, every Member State can decide in full autonomy whether or not to participate in a project.

Yet the problem remained that the voluntary nature of the arrangement could promote selective integration of the already influential Member States, like France and Germany. So the potential existed for increasing the dichotomy in European defence, rather than lessening it. A slow and difficult process was needed to make PESCO as inclusive as possible. On 11 December 2017 PESCO governance was structured around two levels: the Council level is responsible for overall policy direction, including the assessment mechanism to determine if Member States are fulfilling their commitments; the Projects level hands over responsibility for the successful management of each project to the Member States contributing to it.

On 6 March 2018 all Member States (except Denmark, Portugal, Ireland, Malta, and obviously the UK) decided to participate in PESCO and agreed upon the first 17 collaborative projects in the areas of capability and operational development – ranging from the establishment of a European Medical Command, a Joint Training Centre, and a Cyber Rapid Response Team, to an upgrade of Maritime Surveillance and the introduction of common standards for military radio communication. These are meant to overcome the fragmentation of the European defence market, the lack of interoperability, and the duplication of efforts that goes with them.

Finally, the latest European Council meeting has provided the rules that will ensure a coherent and consistent implementation of PESCO projects, including the roles and responsibilities of the participating Members, the Council, the European External Action Service (EEAS) and the European Defence Agency (EDA). A second wave of projects is expected by November 2018. Of course, core disagreements along with gaps in threat perceptions and security priorities among the partner states have not magically disappeared, but there is a new window of opportunity for real integration. At a time when US President Trump's isolationist policies cast a shadow over NATO's future and the traditional American support to Europe, the success of PESCO is vital, as far as national governments understand this priority.

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