The Challenges Ahead for EU Defense Cooperation

Martin Quencez and Sophia Besch

As the European Union enters a new institutional era in 2020, its ability to sustain the recent defense momentum will be scrutinized. In the short term, the priority will be to manage successfully the implementation of existing initiatives. The review of the Permanent Structured Cooperation as well as the vote of the budget for the European Defence Fund will be tests for the credibility of these projects.

European countries will also have to look beyond capability development and address the operational pillars of defense cooperation. The work on Article 42.7 of the Lisbon Treaty and the development of the European Peace Facility are meant to provide some answers, but these remain limited initiatives compared to the expectations.

Finally, the EU currently faces a crisis of leadership, with the French-German relationship unable to drive an ambitious agenda in foreign and defense policy. The divisions among European countries on the future of the transatlantic partnership, the relationship with Russia, and the nature of the threats need to be overcome in order for the EU to continue its efforts in defense cooperation.

The EU has awakened to defense issues and over the last three years multiple initiatives have been presented as "game-changers" for European cooperation in this field. But it would be a mistake to believe that the EU has successfully built itself into a credible defense actor yet. Instead it is about to enter into an implementation phase, during which much can still go wrong. The pressure to deliver is high.

As the EU enters a new institutional era in 2020, with a new European Commission, a new European Parliament, and soon a new multi-year budget, three challenges will determine whether European countries will manage to sustain and capitalize on their efforts in the defense realm in the years to come. First, rather than launching new projects, the EU will have to focus on implementing what has already been developed. Second, EU defense cooperation cannot remain limited to capacity building and needs to deliver on its operational ambitions. Finally, the EU's current leadership crisis, notably illustrated by the unproductive state of the Franco-German relationship, cannot be used as an excuse for complacency. Whether the EU can overcome its current political tensions to present a more positive agenda will determine the fate of the defense momentum in the near future.

Implementation

The past three years have seen the creation of new European defense initiatives. New acronyms have been thrown into the "EU alphabet soup,"[1] and EU institutions have geared up to fully embrace their new role in defense matters. This creative period, which partly stemmed from the shock of the annexation of Crimea by Russia in 2014, must now be followed by an implementation phase. There is little political appetite and limited administrative bandwidth to design new initiatives, as EU institutions and member states focus on turning existing projects into concrete policy successes.

One priority is to overcome the hurdles that are preventing full implementation of the European

Defence Fund (EDF) and the Permanent Structured Cooperation (PESCO). The relevant actors continue to discuss the conditions for third-country participation in EU industrial projects and the access to EU funding. The Finnish presidency of the Council of the EU in the second half of 2019 has been particularly involved in overcoming these issues, which have poisoned the launch of the two initiatives for months. A compromise that would enable the United States and a post-Brexit United Kingdom to participate under certain criteria now seems to be within reach. In 2020, the European Commission will publish 12 additional calls for proposals for EDF programs, with the fund becoming fully operational in 2021. The funding of the EDF is a different question: if the final sum allocated from the EU budget remains far below those in the announcements of recent months, the symbolic hit to the EU's ambitions will be significant. In that context, the first budget proposal submitted by the Finnish presidency, which allocated €6 billion over seven years instead of the €13 billion that were expected, was perceived as a very worrying sign in many European capitals.

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The 2020 Croatian and German presidencies will also have to focus on reinforcing the internal coherence among all the EU initiatives. With regard to capability development alone, the interactions of the Capability Defense Plan (CDP), the Coordinated Annual Review on Defense (CARD), Permanent Structured Cooperation (PESCO), and EDF form a complex system with risks of overlaps.[2] The European Court of Audi-

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1   Council of the European Union, EUMC Glossary of Acronyms and Definitions, February 22, 2019.

2   Dick Zandee, "EU and NATO Capability Development: Separate or Together?", in Corentin Brustlein (ed), "Mutual Reinforcement: CSDP and NATO in the face of rising challenges", Focus Stratégique, Institut français des relations internationals, October 2019.

tors recently pointed out that the EU has now created four different defense-planning tools: the EU Military Staff's capability-development mechanism, the European Defense Agency's capability-development plan, the new "coordinated annual review for defense," and PESCO.[3] They often contradict each other and should be coordinated internally, as well as aligned with NATO defense-planning timelines. PESCO, for example, would benefit if, instead of a long list of projects, member states created thematic clusters (say on cyber capabilities) and linked these clearly to the level of ambition, such as the goal to protect European citizens, as well as set stricter delivery timelines.

Finally, the implementation phase will be marked by the approach of the new European Commission, under the leadership of Ursula von der Leyen. Her promise to build "a truly geopolitical Commission" reaffirms the EU role in promoting European interests globally. The division of labor among the different actors of the commission will be key: the European External Action Service, which is to work under von der Leyen's guidance, may have more of a supporting role, while the newly created position of commissioner for internal market is supposed to drive policies to make the EU a "key industrial player" and control the long-awaited Directorate General for Defense Industry and Space. These structures will consolidate the role of the EU in these domains by giving more institutional weight to those in charge.

Thinking Beyond Capability Development

All member states agreed in 2016 that the EU should be able to do three things as a defense actor: respond to external conflicts and crises, build up the capacities of partners, and protect the union and its citizens.

First, since it built up its defense momentum in 2016, the EU and its member states have made the most progress in capability development. The capability gaps that need to be filled for the EU to be an effective crisis-management actor have long been

well-known, though a recent study showed just how under-equipped the EU was in this field.[4] The European Commission hopes that the EDF will incentivize member states to research and develop more capabilities together.

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With 47 projects now proposed by its members, PESCO—the other flagship of the EU's defense efforts—has also largely focused on capability development so far. Its operational commitments were far more controversial among member states than the framework's capability arm, which includes a direct line to funding from the EDF. Member states have so far largely used PESCO to get financial support for already ongoing multilateral cooperation projects. This has resulted in a long list of projects without a clear purpose or link to the EU's ambitious plans to become strategically more autonomous. European countries should take another look at the operational side of PESCO, which has not received much attention since the framework's launch. Its members pledged to improve their militaries' ability to deploy together, and to reform the way joint military operations are funded. Since PESCO has neither deadlines nor sanctions for failing to meet targets, it is difficult to hold its participants to account. A PESCO review to assess the framework's progress is planned for 2020, which will evaluate how the first projects developed and assess if member states are respecting their budget and investment commitments

Second, the European Peace Facility proposed by high representative for foreign affairs and security policy Federica Mogherini in 2018 aims to improve

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3   European Court of Auditors, Review No 09/2019: European Defence, September 2019.

4   Douglas Barries et al., "Protecting Europe: meeting the EU's military level of ambition in the context of Brexit, German Council on Foreign Relations, November 2018.

the EU's ability to do "capacity building" in partner countries. The idea is that the EU should be able to provide weapons to the soldiers it has trained in a partner country. The hope is that this would not only improve the effectiveness of the EU's training missions, but also make its efforts more sustainable—and prevent other countries like Russia, China, or Iran from swooping in with no-strings-attached military aid of their own. The facility would be set up outside the EU budget, which is the only way get around treaty provisions that prohibit financing of military activities. It is currently under negotiations, with member states taking different views on questions of financing and whether the EU should get into the business of providing foreign militaries with lethal capabilities at all.

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The third priority, protecting citizens, remains the least well defined in its implications for the EU's defense operations. What it encompasses—for example, counter-terrorism, cyber operations, or the defense of member states—remains an open question. The EU has a mandate for the latter: Article 42.7 says that member states are obligated to come to the aid of one of them experiencing an armed attack on its territory. However, they disagree on whether and how this commitment should be fleshed out over the coming years.

France in particular wants European militaries and defense ministries to engage in concrete scenario planning and exercises on EU responses to hybrid attacks or even conventional attacks on non-NATO EU member states. A first scenario-exercise involving the political directors of European defense ministries took place before the summer 2019 and was considered by the participants a very positive step. France

would like to get to a political declaration that settles the question of the use of Article 42.7 during its presidency of the Council of the EU in 2022. In a similar vein, its European Intervention Initiative also encourages participating countries to carry out threat assessments, exchange expertise and intelligence, and share lessons learned. The objective is for them to get on the same page with regard to their security and defense interests, and to make it easier to deploy together in the future

But other member states worry that merely engaging in these types of exercises could divide the EU further, with some supporting a stronger defense policy to balance a weak NATO while others worry about alienating the United States further or are altogether opposed to the EU engaging in collective defense. Member states could start a process of discussion and deliberation among themselves—in other words a "strategic compass"—during Germany's 2020 presidency of the Council of the EU. The goal would be to unite everyone behind a political and military interpretation of the union's defense ambitions.

A high-level debate and military exercises are necessary to clarify the military and political implications of the EU's new defense policy plans. And European countries should have these debates sooner rather than later since developing military capabilities takes years, sometimes decades.

The future defense relationship with a post-Brexit United Kingdom will certainly play a role in this evolution, and the 10-year anniversary of the Lancaster House Treaty[5] in 2020 (which France would like to update and upgrade) will be a case in point with the deepening of security and defense cooperation between Paris and London. In order to integrate the United Kingdom in strategic deliberations and coordination, European governments

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5   The 2010 bilateral treaty include a series of defense cooperation initiatives between France and the United Kingdom, among which the development of a Combined Joint Expeditionary Force and the deepening of knowledge-sharing on nuclear weapons.

might decide to set up a European Security Council. This body might make it easier and faster for member states to agree on common responses when they already agree in broad terms, and it could make it more difficult for reticent member states to disrupt EU foreign policy. As has been argued, however, it would not make Europeans more willing to act on foreign policy and defense matters if most governments do not want to, or bridge large disagreements between them.6 It might even risk dividing European countries further. Leading politicians in France and Germany have spoken out in favor of the idea, but the exact set-up—whether the council would be a formal institution or a more informal meeting format, who would be on it, how voting would work, and how the council would work with the EU institutions—remains unclear.

Overcoming the EU's Leadership Crisis

The EU's defense momentum did not develop in reaction to one single development. Rather, European leaders were incentivized to strengthen the EU's defense capabilities because of a general sense of a heightened threat environment, with a revanchist Russia, more terrorist attacks on European soil, and the U.S. security guarantee thrown into question. This all-encompassing sense that the EU needed to get its act together allowed European countries to spring into action without having to necessarily agree on exactly what it was they were going to defend against.

The concept of "strategic autonomy" that was employed then by some to frame the EU's defense efforts emphasized the risk of a United States that no longer comes to Europe's aid: the union should strive not to be overly dependent on external actors. That concept has triggered opposition from those countries that are keen to do whatever it takes to keep the United States engaged in Europe, however, and different attempts to rebrand the idea have taken

place. "Strategic sovereignty" stresses the EU's ability to act, acknowledging that transnational threats cannot be addressed purely within the bounds of national sovereignty. The concept focuses on the Europeans' legitimate ambitions to be sovereign strategic actors, without directly referring to their relationship with the United States. The proponents of strategic sovereignty attempt to soothe the concerns of those worried about a transatlantic uncoupling by emphasizing the goal to act "together when possible, alone if necessary." But a concept cannot make up for a lack of strategic prioritizing, and deeper political issues need to be resolved.

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For one, the EU's leadership crisis has almost become a truism. The political situation in Germany, with an uncertain coalition government and a weakened chancellor, undermines the country's leadership. What is more, German strategic thinking is stuck between the European reflex of the political classes and a deep strategic dependency on the transatlantic relationship. President Emmanuel Macron proposes leadership by France, anchored in the concept of European sovereignty and the need to respond to the predatory behavior of great powers. His vision and how he communicates it, however, are criticized by many, including in Germany, where France is perceived as an unhelpful disruptor. Meanwhile no other European power seems able—or willing—to provide the necessary leadership and vision to compensate for the weakening of the Franco-German couple.

These divisions are further fueled by a toxic transatlantic context. The administration of President Donald Trump has become increasingly hostile toward

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6   Luigi Scazzieri, Towards a European Security Council?, Center for European Reform, November 27, 2019.

the EU, and regularly denounces the "neo-Gaullist" tendencies that affect the transatlantic relationship. Faced with the U.S. threats of trade war and sanctions, the European Commission has been a vocal proponent of European interests and under its new leadership is expected to play an active role in defining a positive agenda for the transatlantic relationship. Given the widening divisions among European countries on this matter, it is paramount for them to reject the emergence of a binary and sterile opposition between European defense and NATO.

The balance between the national and institutional levels of decision-making will also define the strategic future of Europe. As EU initiatives will only bear fruits in a few years, the growing influence of Brussels in the defense realm will have to be accommodated by the member states. This is all but obvious given the political sensitivity of defense matters in many national capitals: as the EU only recently increased its ambitions in the defense and security realm, it faces the traditional tension between cooperation and integration. The EU's and member states' bureaucracies work on the development of frameworks and mechanisms to strengthen European defense industries and militaries, but it is still unclear if operational defense integration will also happen in the EU framework, or if cooperation frameworks outside the EU—such as the European Intervention Initiative—will thrive. With the relative strengthening of the European Commission's role on defense-industrial issues, but no parallel strengthening of the External Action Service, the risk is that strategy becomes detached from capabilities.

Conclusion

Following the launch of the different EU defense initiatives, the European Commission now has to deliver on the high expectations placed on them. Its primary objective will be to execute and develop them. Results, however, may not be visible before several years. Sufficient financing will be crucial.

The dispute around the concept of strategic autonomy has not led to any constructive consensus,

and it will likely affect debates in the future. Member states and the EU institutions will continue to promote different concepts that encapsulate their own vision of defense cooperation, as illustrated the "ability to act" concept used by Germany's Defense Minister Annegret Kramp-Karrenbauer and the recent remarks by Commissioner for Internal Market Thierry Breton on "European sovereignty." The battle for the narrative will also determine the EU's ability to look beyond capabilities.

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Finally, external factors will affect the evolution of the European defense debate. President Trump being re-elected in 2020 would undoubtedly be seen as a validation of France's vision for a more strategically autonomous Europe. The election of a different candidate who reaffirms support for the European project and transatlantic political cooperation would strengthen another vision of European power. European industrial policies in particular will continue to be influenced by the nature of the transatlantic dialogue after this year's presidential election in the United States. Security developments in the eastern and southern neighborhoods will also have an impact on European threat perceptions and could force the EU to refocus its narrative and defense efforts.

In this context, the outcomes of the different EU defense initiatives will depend on a mix of administrative competency to successfully implement what has been designed, strategic ambition to look beyond the low-hanging fruit of capability building, and political creativity to reach workable compromises among different European priorities and deal with external factors.

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