

Can France and Germany Make PESCO Work as a Process Toward EU Defense?

By Alice Billon-Galland and Martin Quencez

Following the development of several new initiatives, European defense cooperation is once again a hot topic in Brussels. It now lies in the hands of the member states to deliver. France and Germany are leading the process to implement PESCO, proposing a phased approach toward capability and operational commitments as a way to increase Europe's general defense effort.

Yet, many practical challenges remain on the way to a successful PESCO, it will primarily depend on France and Germany's ability to address short-term technical issues, such as the definition of ambitious projects and the monitoring of the countries' commitments, and to focus on the concrete military effects of this initiative. On the other hand, differences in strategic cultures and models for European defense, although crucial in the long run, should not be overestimated in the current security environment.

France and Germany may have found a way to awaken the so-called "Sleeping Beauty of the Lisbon Treaty," the Permanent Structured Cooperation (PESCO).¹ A shared sense of insecurity has recently increased political will to deepen European defense cohesion and this has been met by the European Commission, which has presented a set of initiatives to enhance European defense cooperation over the last 18 months.

The articulation of the Common Annual Review on Defense (CARD), the Permanent Structured Cooperation (PESCO), and the European Defense Fund (EDF) will be key: while CARD will aim at identifying force and capability gaps at the EU level and the EDF will help fund projects to fill the gaps, PESCO constitutes the political cornerstone of the triangle. It would provide the political guidance that can enable a coordinated approach to the two other initiatives to emerge, and thus its success will determine whether any of the initiatives deliver real results.² PESCO's successful launch — expected by the end of 2017 — largely depends on whether France and Germany can rally a large enough number of member states around their proposals for what PESCO should look like.³

1 Jean-Claude Juncker, "In Defense of Europe," Defense and Security Conference Prague, June 9, 2017.

2 On the goals and prospects of CARD and EDF, see for instance: Sophia Besch, "What future for the European Defense Fund?" Center for European Reform, June 28, 2017; and "Can CARD change European thinking about capabilities?" European Leadership Network, September 5, 2017.

3 Federica Mogherini, High Representative of the Union for Foreign Affairs and Security Policy, reaffirmed this ambitious deadline at the Informal Defense and Foreign Ministers meeting in Tallinn on September 7, 2017.



PESCO, as defined by the 2009 Lisbon Treaty, is an inclusive, output-oriented, and legally-binding framework of cooperation on defense, with an ambitious commitment to address “the most demanding missions.” The conclusions of the June 2017 European Council gave the member states three months to draw up “a common list of criteria and binding commitments with a precise timetable and specific assessment mechanisms.” In response, France and Germany, with the support of six other member states, presented in July 2017 their shared vision for PESCO, which is an encouraging start toward a truly ambitious, but also feasible, program.⁴

Paris and Berlin managed to find a compromise that accommodates their seemingly incompatible desires for an ambitious (Paris) and inclusive (Berlin) defense structure, by turning PESCO into a process. By taking a phased approach EU states would be able to move forward with cooperation and develop new, common capabilities without having to first resolve big end-goal differences. This innovation, together with the current political and strategic environment, fosters a general sense of optimism in Brussels and some European capitals. Nonetheless, a measure of caution is needed given the numerous failed attempts at developing a serious EU defense cooperation project in the past.⁵ Even if we decide to sideline the larger conflicts around defense cultures and long-term priorities, there remain some technical and political obstacles to successfully implementing PESCO in the short and medium term. Specifically, the immediate questions of membership, projects,

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and compliance measures will need answers if defense cooperation is to truly awaken from its long sleep.

PESCO as a Pledging Process

The victory of Emmanuel Macron was received with relief — and even hope — in Berlin, as the new French president promised ambitious reforms at home and showed the desire to work closely with German leadership to “rebuild” the European project. In this context, defense issues have been high on the bilateral agenda: on July 13, the Franco–German Defense and Security Council and the announcement of a plan to work on a “new generation of joint fighter jets” highlighted the renewed aspiration for deeper defense cooperation.⁶ Both countries also reaffirmed their support for the EU defense package as well as their desire to see quick results.

Two different visions of PESCO had been promoted by Paris and Berlin: while the French focused on the initiative’s potential for ambition and efficiency, pushing for high entry criteria and strong operational commitments, the Germans insisted on inclusiveness, wary that setting standards for PESCO that were too high would in fact create new divisions within the EU and alienate a great number of member states. This dichotomy framed the discussions and, as late as June 2017, was still the source of serious disagreements between the two countries.

The key step forward occurred when France and Germany compromised and proposed to turn PESCO into a “pledging machine.” In order to enter the framework, members states would not need already to possess and provide a high level of capability or operational assets, but would instead commit to reach ambitious goals. PESCO would thus become a *process* as much as a *framework*, and the final objective — encouraging a group of European countries to increase their defense efforts and improve the coordination of their defense policies — could be achieved while keeping an inclusive approach.

⁴ The French, German, Spanish and Italian “Proposals on the necessary commitments and elements for an inclusive and ambitious PESCO” was also supported by Belgium, the Czech Republic, Finland, and the Netherlands.

⁵ The reality of the ongoing European defense “momentum” has been largely discussed in 2017. See for instance Jo Coelmont, “With PESCO Brought to Life, Will European Defense Live Happily Ever After?” Egmont, July 2017; and Alexandra de Hoop Scheffer and Martin Quencez, “Will Europe’s Defense Momentum Lead to Anything.” The German Marshall Fund of the United States, June 26, 2017.

⁶ “France and Germany to Develop New European Fighter Jet,” Reuters, July 13, 2017.

This game-changing compromise was detailed in the list of proposed commitments drafted by France and Germany before the summer, which serves as a basis for the future notification on criteria and commitments to the October European Council. Having gathered the support of six other member states with different strategic characteristics, the Franco-German text presents a position shared by a relatively representative group of European countries.⁷ The proposals, which also take into account the well-known concerns of Central European member states, are structured around the two visions of PESCO.⁸ Ambitious objectives — stating that PESCO could strengthen European strategic autonomy and constitute the first stage toward a full-spectrum force package — are combined with a reassuring “phased approach” — which allows member states to specify their own timeline to reach the capability goals.

Sidelining Long-Term Questions

Considerations of defense cooperation at the European level often starts and ends at the fundamental divides between the French and German strategic cultures, which are seen as “persisting constraints” to cohesion.⁹ While these divisions are real, they do not block the building of PESCO or its short-term successful implementation. In fact, with time the divides may narrow.

The first constraint concerns the impossibility of a fair sharing of security responsibility between France and Germany. In this view, Germany’s history and strategic culture will not allow for the same types of military intervention and engagement as France, and this could be problematic when trying to define the operations that a European defense would have to conduct. Yet, France is well-aware of the ongoing efforts made by Germany in recent years to increase

its military capabilities and, more importantly, to be more directly involved in military interventions outside Europe, such as in Mali. The division of labor in the Sahel confirms that German troops and French troops will continue to assume different roles, but also shows that constructive cooperation is possible and already in place despite this difference.¹⁰

The second cultural issue concerns European countries’ ambivalent perceptions toward the increase in German military capabilities. Germany’s neighbors, and especially France, are often said to prefer that Berlin remain a limited military power within Europe. Due to its history, the argument goes, Germany’s defense policy should therefore be constrained so as not to exacerbate other European powers’ discomfort. This argument, mainly used in Germany to justify only timid increases in national defense spending, is far from convincing. France’s desire to see Berlin take more security responsibilities is likely to overshadow any concern of Germany becoming militarily dominant, at least in the short and medium term.

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Finally, France’s possible leadership in European defense issues is sometimes questioned by the countries that are most-attached to the security guarantees provided by NATO. Indeed, French strategic culture, which promotes strategic autonomy and the diversification of formats of defense cooperation, as well as its own troubled history within the Alliance, may not reassure those who see the deepening of EU defense cooperation as potentially weakening the transatlantic security partnership. Yet, the French leadership’s position has been clear — as reaffirmed in the July PESCO proposals: the territorial defense of Europe will continue to rely

⁷ Spain, Italy, Belgium, Czech Republic, Finland, and the Netherlands officially support to the proposals. This group represents different geographical — Mediterranean, Central European, Nordic — profiles, as well as NATO and non-NATO member states.

⁸ Red lines include notably the mention of a European army, as well as the duplication of NATO missions and prerogatives. For many NATO member states, the Alliance should remain the first guarantor of European territorial security.

⁹ Dr. Nicole Koenig and Marie Walter-Franke, “France and Germany: Spearheading a European Security and Defense Union?” Jacques Delors Institut Policy Paper, July 19, 2017.

¹⁰ On the convergence of French and German strategic interests in the Sahel region, as well as the limit of the cooperation on the ground, see for instance Denis Tull, “La Coopération Franco-Allemande au Sahel: Conséquences et Perspectives du ‘Tournant Africain’ de l’Allemagne,” IRSEM, September 20, 2017.

on NATO, and the development of EU defense initiatives is also meant to strengthen the Alliance altogether by increasing the collective capabilities of many Allies. Contrary to some misunderstandings, European strategic autonomy need not mean strategic independence.

This leads to the strategic question of EU–NATO complementarity roles. In the long term, after Europeans have separately and collectively filled all the considerable capability gaps that both NATO and EU want filled, it could become an issue whether prioritization over further capabilities should be driven by NATO or the EU. But the possibility of the EU eventually becoming a competitor for the Alliance should not prevent moving forward in the short run. In order to reassure those who may be wary about such a prospect, the Franco–German proposals for PESCO specify that capability projects should lead to a “full-spectrum” force package, and are thus not aimed only at the Common Security and Defense Policy (CSDP) missions which do not require full-spectrum forces.¹¹

Cultural and strategic divergences and their impact on the development of European defense are no myth. They should be taken seriously as long-term issues. The same way the EU and NATO offer two compatible — and potentially competitive — approaches to European security, France and Germany present two different — and opposing — models for defense policy, which could potentially be hard to reconcile as European forces and industries become more closely integrated. These issues are well-known by all actors, and are even being currently discussed as part of France’s strategic review.¹² However, given the reality of European defense spending and commitments, these considerations are not the most pressing problems. Nor must they be fundamentally resolved in order to make significant progress. Thus, the approach must be to focus on resolving the shorter-term technical

11 The EU’s mostly civilian and crisis management missions abroad require a different set of capabilities than NATO’s collective territorial defense missions. While both NATO and the EU need enablers (strategic airlift, air-to-air refueling, intelligence surveillance and reconnaissance, etc.), capabilities such as ballistic missile defense or anti-submarine warfare are outside of the scope of possible CSDP operations.

12 The risks of a possible “Germanization” of the French strategic culture have notably been highlighted by the French military during a preparatory workshop. See Jean-Dominique Merchet, “Quand la Defense Francaise Craint sa Germanisation,” L’Opinion, September 17, 2017.

and political issues — and allowing the larger debates to remain open. This pragmatism can be implemented via PESCO, which is why the immediate focus needs to be on setting it up for success.

What Will PESCO Look Like?

As PESCO offers a pragmatic plan to make step-by-step progress toward enhanced capabilities. But even the first steps will not be automatic. Despite having found a way to bridge the gap between ambition and inclusiveness, a few obstacles still stand in the way from making PESCO work. First among these are the identification of participants, what projects to choose, and how to achieve compliance.

Who Is In? Member States’ Participation and Third State Cooperation

As a voluntary process, the pre-selection occurs between the member states that are interested in participating in the framework and willing to make commitments to an ambitious yet loosely defined PESCO, and those that are not. The treaty requirement of a minimum of nine member states participating in order to launch the framework will easily be reached and, all in all, PESCO is likely reinforce European integration more than it divides.¹³

Although perceived by some as a Western European project,¹⁴ it would be unfair to portray PESCO as a deliberately divisive two-speed format based on an East-West divide. Some Central and Eastern member states have different priorities and threat perceptions than Paris or Berlin,¹⁵ and do not want to weaken NATO efforts by signing up to binding commitments to invest in PESCO projects, which is why they are less keen to participate and commit. Poland, for instance, is not interested in joining PESCO for both strategic and political reasons. Warsaw does not support the concept of European strategic autonomy, and is a fierce defender of NATO’s role and the importance of

13 Consolidated Version of the Treaty on European Union, art. [20.2].

14 The signatories of the July proposals are mostly Western member states, and Germany and France have recently become the most vocal proponents of PESCO.

15 Daniel Keohane, “The Unbearable Lightness of European Defense,” Carnegie Europe, November 24, 2015.

the United States in European security. But as well, political tensions between Warsaw, Brussels, and Paris also play a role.

A number of Central European and Baltic member states such as the Czech Republic, Estonia, and Lithuania have expressed interest in joining the framework. Although these only represent some of the 11 Central and Eastern European countries that are members of both NATO and the EU, a successful integration of their defense priorities in PESCO could serve as an incentive for the remaining countries which are for now either undecided or against the project.

Third country participation is another unresolved question. How can the United Kingdom, with its significant capabilities, be associated with PESCO after Brexit? The U.K. wishes to continue its contribution to CSDP missions and operations if it can participate in both the mandate development and detailed operational planning stages of the process.¹⁶ Although France and Germany would welcome British participation, they will most likely want to set limits and not give London voting rights. This is unlikely to satisfy the U.K.'s desire to plug into the EU defense package in a "deep and special" way.

Defining the Projects: the Heart of the Battle

PESCO will need tangible and visible projects to be successful and to gain support from the European public. About 30 projects are currently on the table, with the stated goal of identifying two or three output-oriented ones that meet the EU level of ambition and that would contribute to closing the capability gap.¹⁷ Reflecting the French and German priorities, the projects will be a combination of deployment and procurement ones, thus making it easier for member states to pick and take part in at least one project. To give impetus to PESCO from its launch, projects should be decided upon and announced at the time of the October Council notification.

¹⁶ United Kingdom Government, Department for Exiting the European Union, "Foreign Policy, Defense and Development. A Future Partnership Paper," September 12, 2017.

¹⁷ High Representative of the Union for Foreign Affairs and Security Policy, "Implementation Plan on Security and Defense," November 14, 2016.

Few details are known about the projects themselves, which are still being debated. Germany, which has been active in proposing projects mostly on training and civilian missions, strongly supports the concept of a Center of Excellence providing support, best practice, and training for the European Union Force operations (EUFOR) and Training Missions (EUTM). As this addresses a capability gap and offer deployment support, the project is likely to satisfy France and thus make it to the shortlist. Meanwhile, France is particularly interested in setting up a Crisis Response Operational Corps.

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While some projects will be specifically created for PESCO, other existing projects will probably take advantage of the framework to take a step forward. For example, the European MALE RPAS (Medium Altitude Long Endurance Remotely Piloted Aircraft System) project, originally developed by France, Germany, and Italy, with which the European Defence Agency (EDA) has been associated since 2016, is likely to become a PESCO project. However, member states need to ensure that PESCO will primarily be used to develop new projects and initiatives rather than support existing ones.

Other potential projects currently being discussed include the Single European Sky initiative (aimed at coordinating the airspace throughout the European Union and at creating a legislative framework for European aviation¹⁸), and training on political-strategic issues for the top level of member states' militaries, which would help the strategic cohesion of European military forces by developing shared narratives and perceptions of security threats.

Finally, PESCO's ability to identify and implement meaningful projects, or succeed at all, will depend on how well it can reconcile its political nature with its military purposes. The initiative has been developed

¹⁸ EuroControl, "Single European Sky."

mostly by European diplomatic and civilian services, without necessarily including military staff in the process.¹⁹ The definition of projects requires direct operational and military inputs in order to have a real impact on defense activities. Previous attempts at deepening European defense cooperation in the past have failed to integrate these perspectives: PESCO needs not to remain a mere “political tool,” or it will lack the support from those who are meant to actually use and benefit from it.

Assessment and Compliance Mechanisms

Given that binding commitments are to be spread out over time to allow for an inclusive PESCO, an ambitious PESCO will need to contain assessment and compliance mechanisms to ensure that participating member states meet the targets.

The first issue here is that PESCO capability targets (which are based on the EDA’s 2007 objectives concerning expenditure on defense equipment²⁰) are rather vague. In contrast to NATO’s, the EDA’s capability targets are both collective and voluntary. Although the Franco–German proposals require member states willing to join PESCO to propose a national timeline within which to prove their ability to meet the 2007 EDA benchmarks, it does not set a specific timeline for the achievement of the benchmarks but only calls for a regular increase. The “binding” nature of the commitments will thus be hard to enforce.

The second issue is the manner in which PESCO commitments are to be reviewed. At the heart of the proposed “phased approach” is the role given to the EDA to assess and report on member states’ participation with regards to capabilities.²¹ However, there is no indication whether such a review will be mandatory nor how it will be linked to the CARD process, which the current proposals encourage member states to commit to as much as possible but on a voluntary basis. A better, more stringent approach would be for CARD to be made a pre-condition

for participation in PESCO. This would also avoid conducting two capability review processes in parallel — a PESCO one and a CARD one. Member states that decide to participate in PESCO should be automatically enrolled in the CARD process, through which they would provide data on their PESCO targets to the EDA, a small and understaffed agency, which could then more efficiently conduct a complete capability commitment review for the Council.

Although PESCO commitments will be binding, the key issue for EU defense projects is that there is no real pressure on member states to comply. Whereas the NATO Defense Planning Process (NDPP) is a top-down process in which Allies — first of which the United States — collectively exert pressure on each other to meet their commitments, there is no equivalent at the EU level either from the institutions or from big member states. The EDA is not a powerful enough organization to enable guaranteed compliance with the commitments made.

As the Franco–German proposals thus indicate, what remains is that the PESCO member states will stand as guarantors. Unfortunately, this will likely fall short because there is no politically credible mechanism to ensure compliance. The one established in the treaty gives the Council (with only participating member states, except the one in question, voting through qualified majority voting) the right to adopt a decision suspending the participation of a member state which no longer fulfills the criteria or is no longer able to meet the commitment.²² In formal terms, this is tougher than NATO’s NDPP which proceeds by consensus minus the country at issue. But in practical terms, the conditions for using this mechanism are unlikely ever to be met: it is doubtful that member states would resort to excluding one of their own since such a decision would send a negative signal of disunity and seriously damage the integration project that PESCO is aimed at reinforcing. Nevertheless, to avoid another Maastricht-like scenario, big member states — and first among them France and Germany — will need to do what is necessary to ensure compliance to the PESCO commitments.

19 Daniel Keohane, “EU Defense Is Not Just for Diplomats,” Carnegie Europe, August 24, 2017.

20 European Defence Agency, “Benchmarks,” November 2007.

21 Consolidated Version of the Treaty on European Union, Protocol 10, art. [3].

22 Consolidated Version of the Treaty on European Union, art. [46.4].

Conclusion

Not all underlying questions of EU defense will be answered by the launch of PESCO. But if the cooperation starts producing results we will be a few steps closer to some answers. Tangible results would encourage more member states to join the effort and could potentially lead to more strategic convergence in Europe. This area is one that concerns national sovereignty par excellence and, given the persisting historical and cultural divergences, a pragmatic small-step approach is most likely to be the only way forward.

If it works, PESCO could deeply shift national thinking about defense in the direction of a proper collaborative approach and hence a more common understanding of Europe's defense and future. PESCO might not only be a framework but also a process toward convergence, common defense planning, and a possible first step toward common defense. This ambitious objective, however, is precisely what some of the most skeptical European countries are afraid of, as it would potentially lead to a marginalization of those that do not participate as well as to a less NATO-centric defense in Europe. On the other hand, a failure of PESCO to deliver results could leave the EU unable to move forward on defense issues for another decade, and would significantly reduce the impact of other initiatives such as CARD and the EDF, due to the lack of the coherent and effective political framework that PESCO could provide.

Important issues remain to be resolved if PESCO is to be a true game-changer for European defense. In doing so, European leaders should not confuse short-term technical obstacles with long-term cultural issues. The latter, although important to keep in mind, have less relevance today considering the gravity of the situation. European partners urgently need to provide answers to short-term security challenges, and cannot expect to reconcile all the differences in their strategic cultures before engaging a process toward a more coordinated and more ambitious European defense.

Strategic convergence between Paris and Berlin offers an opportunity to move forward, and the emphasis should be put on defining ambitious concrete projects that could embody this new momentum. For the longer term, these projects will already reveal whether the French or German model of defense is likely to prevail in Europe, or whether a possible synthesis between the two could emerge in the implementation process.



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