

# EU Strategic Autonomy: Filling the Gaps

*A New Momentum for  
Common Security and  
Defence Policy*

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## Introduction

The EU Global Strategy on Foreign and Security Policy, which was presented in June 2016, sought to “nurture” the ambition of European ‘strategic autonomy’. Debate on the meaning and implications of this aspiration continue today and raises questions such as:

- Does ‘autonomy’ imply an independent capacity to act with the associated political will?
- To what extent must such action be contextualised based on the current multi-polar system and be contingent upon the realities of interdependence and the multilateral order?
- Are there concerns among states, which are members of both EU and NATO, that this ‘autonomy’ should align with their existing security and defence obligations?
- Can we conclude that reaching an appropriate level of autonomy implies a voluntary approach to cooperation in security and defence policy?

The timing of the 2016 EU Global Strategy launch was considered unusual given the UK’s decision to leave the European Union. After considerable reflection and advice, the EU High Representative for Foreign Policy, Federica Mogherini, briefed colleagues in the European Parliament on her decision to proceed, admitting that despite the UK referendum results, it was “exactly the right moment” for Member States to advance with efforts to pool resources, in particular in the EU’s Common Security and Defence Policy (CSDP).

By the end of 2017, High Representative Mogherini remarked that “*we have achieved more in this last year than*

*we achieved in decades on security and defence in the European Union*”. Though this statement was somewhat exaggerated, developments on CSDP were already underway.

Support for advancing CSDP was not limited to the EU institutions. In a Spring 2018 Eurobarometer survey, three quarters of respondents expressed support for a common security and defence policy among EU states (with one in five opposed). Ireland ranked seventh place, with 67% in favour and 24% against. According to the EU Global Strategy, the political context was then “fragile”, which contrasted starkly with the previous EU security strategy document in 2003, entitled ‘A Secure Europe in a Better World’.

This policy brief will examine the accelerated development in the subsequent two years, which has resulted in closer cooperation on security and defence issues. This includes Permanent Structured Cooperation (PESCO), the Coordinated Annual Review on Defence (CARD), the European Defence Fund (EDF) and the new 2018 Capability Development Plan (CDP). Second, it maps the further evolution of CSDP, an integral component of the Union’s Foreign and Security Policy, and third, it argues for further coordination to address the continuing and substantial capability gaps in Europe’s security and defence policy.





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## A framework for closer cooperation

The EU's Permanent Structured Cooperation (PESCO) was adopted by the Foreign Affairs Council, and endorsed by the European Council in December 2017 with 25 participating EU Member States, including Ireland. Participating States committed to cooperate through projects to jointly develop capabilities and enhance their operational readiness. Denmark, Malta and the United Kingdom did not participate.<sup>1</sup>

PESCO, which was referred to as the 'Sleeping Beauty of the Lisbon Treaty' by European Commission President, Jean-Claude Juncker, was formerly an unused mechanism. It was a means to enable closer defence cooperation among a vanguard of EU Member States who were ambitious and militarily able, though most could not agree on the entry criteria. Ultimately, on 21 July 2017, France, Germany, Spain and Italy addressed High Representative Mogherini (with support from Belgium, Czech Republic, Finland and the Netherlands), and proposed to activate provisions on PESCO. A formal initiative of 23 Member States followed to set PESCO in motion, with the later addition of Portugal and Ireland, which was then adopted by the European Council in December 2017.

PESCO grew in scale as Member States' interpretation of the "higher criteria" changed under Article 42(6) of the TEU and Protocol 10 to the Treaty, which set out the terms of participation.

Paris had envisaged PESCO as a means for a limited number of participants with high ambitions to strengthen

European 'strategic autonomy'. In contrast, Berlin viewed PESCO as an integrative exercise, involving as many interested Member States as possible. The European Council agreement to allow for an "inclusive and ambitious" process in June 2017 resolved these contested views over participation.

When launched, PESCO participants had prioritised 20 common commitments and a first set of 17 collaborative projects, which expanded to 34 projects in total in 2018.<sup>2</sup>

Ireland is a participant in two PESCO projects, which include a Greek-led upgrade of maritime surveillance to provide an effective response in international waters, and development of an EU Training Mission Competence Centre ("training of trainers"), led by Germany.

In addition to its participation, Ireland has availed of the observer status option within PESCO, in which states can stay informed of project developments, without the obligation to contribute with resources and expertise. Ireland is observer on a further eight PESCO projects from both tranches.

A project on military mobility, a so-called "Schengen area", will facilitate the movement of military units across borders by simplifying administrative procedures. This would address challenges experienced by countries for training and exercises of their troops. The project has garnered broad participation of Member States, with the exception of Ireland, which is an observer.

High Representative Mogherini underlined the significance of military mobility in deepening EU cooperation.

If successful, this project could enable a more efficient deployment of mission forces, and greater preparedness in crises. At the European Council in June 2018, Ireland welcomed the respect for sovereignty of national territory and decision-making on military movements, within the Council conclusions.

PESCO has since grown in scope, with a second set of projects announced in November 2018, amounting to 34 projects in total [see appendix]. The second set of projects address a wide range of capabilities and issues of operational readiness, such as mission training, cybersecurity and maritime surveillance. The next call for project proposals will be in May 2019.

Another development is the Joint EU Intelligence School led by Greece, which will offer education and training in intelligence to Member States' relevant personnel. Until now, the UK had obstructed progress in this area to protect its own participation in the Five Eyes alliance, an intelligence grouping with Australia, Canada, New Zealand and the US. As of now, EU Member States have the opportunity to move ahead within the PESCO framework, taking account of the UK's expected departure from the EU.

Observers of the process argued that these initial projects offered little in strategic value and needed to have more focus in the future. Though as PESCO generates new projects on an annual basis, it will strengthen its focus on collective strategic needs in capabilities for participating states. PESCO, it is hoped, will become a useful tool for enhanced cooperation among Member States in the area of security and defence - an ambition shared by the Secretariat comprised of

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1 Due to an opt-out, Denmark cannot participate in EU decisions and actions which have defence implications. Malta decided to opt-out of PESCO, as well as the UK following its referendum on EU membership.

2 <https://www.consilium.europa.eu/media/37028/table-pesco-projects.pdf>

the European External Action Service (EEAS), the EU Military Staff (EUMS), and the European Defence Agency (EDA).

## Complementary Initiatives

Three complementary initiatives to PESCO are the new capability development plan, the coordinated annual review on defence and, the European Defence Fund. The functions of each are the following:

- The Capability Development Plan guides the focus of joint efforts;
- The Coordinated Annual Review on Defence provides a current overview and identifies a path forward;
- PESCO offers the means to do this collaboratively;
- European Defence Fund can support the implementation of cooperative defence projects through funds, which may also assist PESCO.

## Coordinated Annual Review On Defence

The Coordinated Annual Review on Defence (CARD) emerged as part of the implementation of the EU Global Strategy. Member States asked the High Representative to present an annual review that would address capability shortfalls, enhance cooperation and improve effectiveness for national defence planning cycles and capability practices. This would benefit both the EU as a whole and its Member States individually. Ireland, like other states, supports the voluntary participation in CARD, which also recognises defence policy as a national competence.

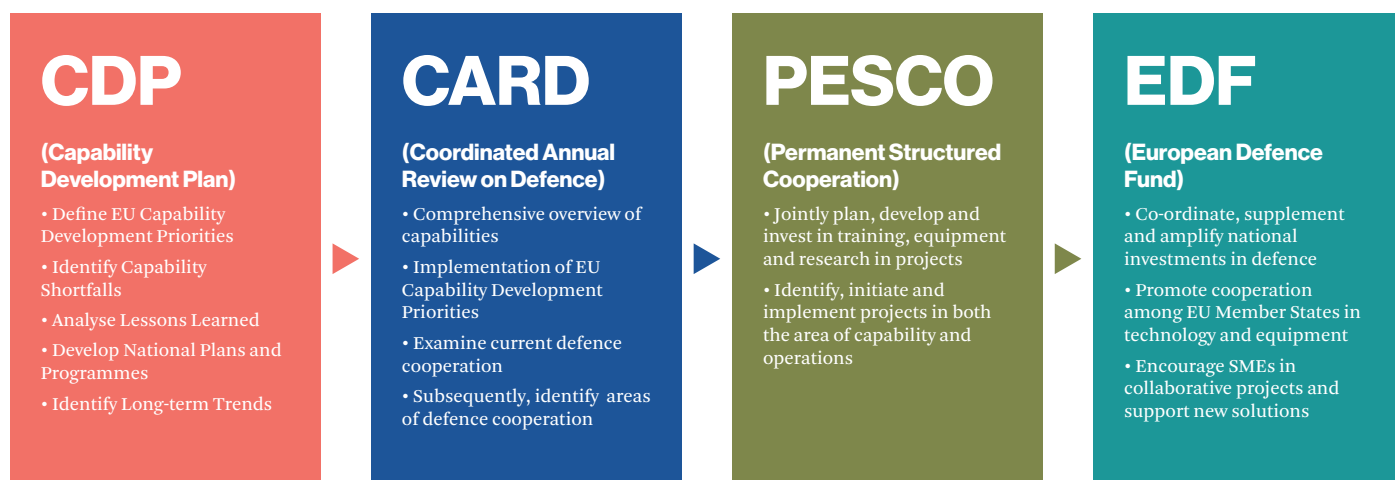
In spring 2017, the Council of Ministers endorsed proposals on the scope, procedures and content of CARD. A trial run involving all EU Member States began in autumn 2017 and full implementation is set to take place in autumn 2019. As part of this process, the EU Military Committee highlighted gaps in the capabilities necessary for a credible security and defence strategy. It noted that while

there had been some recent increase in assistance to defence among Member States, investment in defence research and development was still decreasing, from 23.5% of total investment in 2015 to 21% in 2017<sup>3</sup>.

## European Defence Fund

The European Defence Fund (EDF), which is now subject to formal approval, aims to further strengthen European security and defence with funding for research, development and procurement of security and defence infrastructure. The European Commission has played an important role in this regard with a proposal for a €13bn European Defence Fund for the period 2021 to 2027. The EDF would offer €4.1bn to directly finance competitive and collaborative research projects, and €8.9bn for Member State investment in defence products through co-financing.

Minister of State at the Department of Defence, Paul Kehoe, noted that “Ireland sees the fund as a means of supporting the development of



3 European Defence Matters, CARD: From Trial Run to First Full Cycle Starting in 2019, Issue 16, November 2018, <https://eda.europa.eu/webzine/issue16/in-the-spotlight/card-from-trial-run-to-first-full-cycle-starting-in-2019>

EU military capabilities for CSDP operations”.<sup>4</sup> It could particularly help to develop collective capabilities in areas such as maritime surveillance and cyber security, where Ireland’s overall defence expenditure, is well below the EU average, approximately 0.3% of GDP. This cooperation may also provide opportunities for SMEs in Ireland for joint projects.

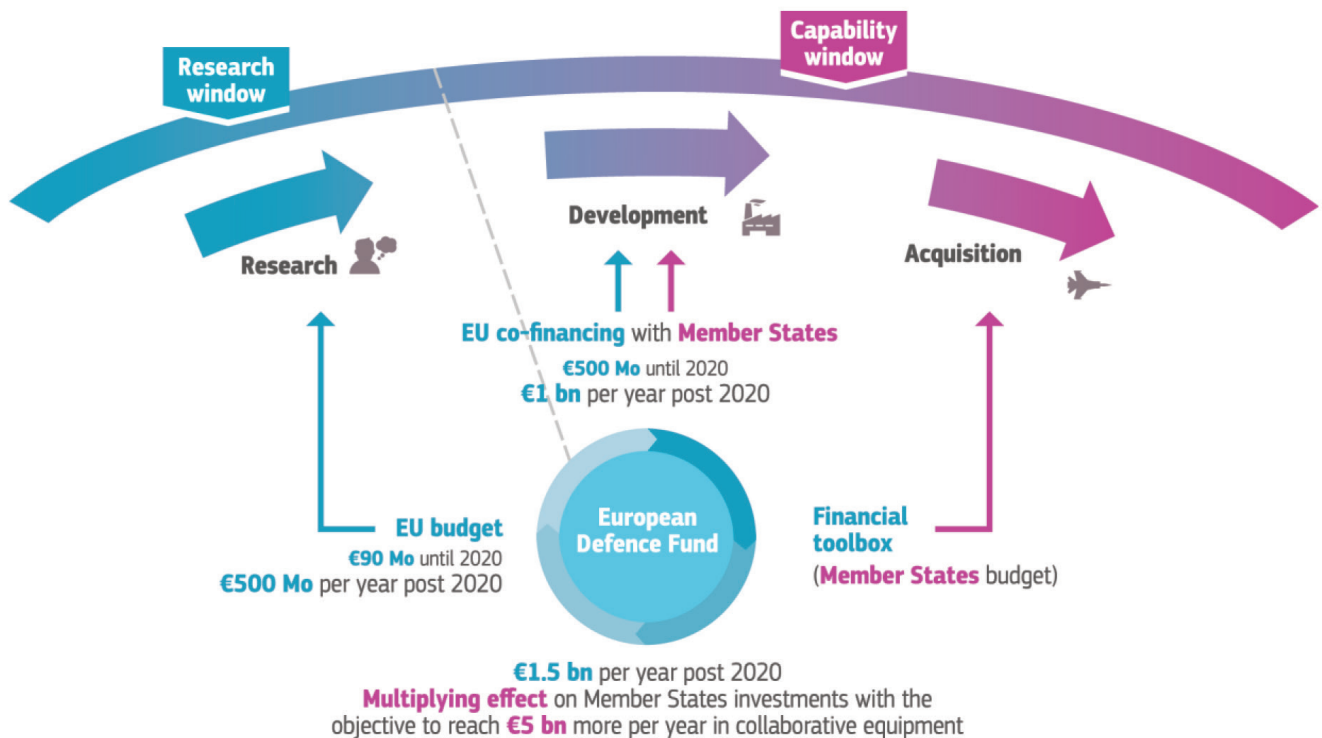
The budgetary aspects and certain provisions of the European Defence Fund will depend on the outcome of negotiations on the Multiannual Financial Framework (MFF). If achieved, officials and governments hope that it will optimise spending and reduce duplication in Europe through greater defence cooperation. However, the fund was contested in an external report for GUE/NGL, a Left-Nordic Green Part of

the European Parliament, which was presented ahead of the plenary vote in the EP on the EDF. In response, the Commission Spokesperson stated that the European Parliament, Council and Commission had already cleared the legal basis for the EDF.

The European Defence Fund, which promotes cross-border collaboration in defence research and development, would contribute to the aforementioned concept of European ‘strategic autonomy’, a Union that can “defend[s] and protect[s] its citizens”. In structure, it has two components – a *research strand* to finance collaborative studies in advanced defence technologies, and a *capability strand*, which provides financial incentives for cooperation on joint projects for defence equipment.


The capability strand, in particular, consists of the European Defence Industrial Development Programme (EDIDP) and a financial toolbox with instruments to address financial shortfalls in procurement and promote collaborative development. The EDIDP aims to promote cooperation in the production of technologies and equipment with €500 million for the period of 2019 to 2020 to address common security and defence challenges. The Irish Department of Defence assisted the development of Ireland’s position on the programme by leading an Interdepartmental Group, which focused on integrating national priorities, in particular opportunities for SMEs.

Image Source<sup>5</sup>



4 Joint Committee on Foreign Affairs and Trade, and Defence debate – Thursday, 18 Oct 2018, [https://www.oireachtas.ie/en/debates/debate/joint\\_committee\\_on\\_foreign\\_affairs\\_and\\_trade\\_and\\_defence/2018-10-18/2/](https://www.oireachtas.ie/en/debates/debate/joint_committee_on_foreign_affairs_and_trade_and_defence/2018-10-18/2/)

5 Communication from the Commission to the European Parliament, The Council, The European Economic and Social Committee and the Committee of the Regions - Launching the European Defence Fund (Brussels, 7.6.2017 COM(2017) 295 final)



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A provisional agreement on the industrial programme was finalised in May 2018, and adopted later in July. On approval, the EPP's Vice-Chair, Françoise Grossetête, described it as “an historic step for European defence industrial projects and responds to three challenges: budgetary efficiency, competitiveness and strategic autonomy”. Furthermore, the EDIDP will cover the lead-in to the European Defence Fund for the 2021 to 2027 period.

At present, the Commission indicates that the current lack of cooperation and greater efficiencies of scale accounts for an annual cost between €25 billion and €100 billion because of inefficiencies. Additionally, 80% of defence procurement at present runs on a national basis leading to unnecessary overlap. This helps to explain the move towards greater collaboration in CSDP in recent years.<sup>6</sup>

### **The 2018 Capability Development Plan**

A third component of the initiatives above is the new Capability Development Plan, and associated priorities, approved by Member States in June 2018. The Plan indicates states' future capability needs, and supports Member States in their national defence planning and programmes. It is subject to constant revision based on developments and subsequent needs.

The Capability Development Plan also identifies future areas of cooperation for implementation under PESCO and the European Defence Fund, and is frequently updated by the European Defence Agency Steering Board. EU Member States, Ireland included,

support the different strands of the plan, which contribute to identifying the Capability Development Priorities.

These priorities are based on short to long-term capability trend analyses, with information provided namely by Member States, the EU Military Committee and EU Military Staff. The Plan provides a broader view for a short to long-term perspective. In the short-term, it accounts for shortfalls and the associated operational risks in addition to lessons learned from recent CSDP operations and missions. Midway, it provides an analysis of relevant activities from 2018 to 2030 while in the long-term, the Capability Development Plan offers a strategic analysis of capability trends for 2035 and beyond based on technology and future security environments.

### **Towards a Common Strategic Vision**

Developments in European security and defence do not occur in a political vacuum. A cursory analysis shows a fluid security landscape, varied threat perceptions and notions of self-interest of Member States. This has the potential to undermine a common strategic vision of the EU.

Difficulties in the EU with regard to third party participation in cooperation under CSDP, are particularly pertinent at present, as the UK is set to become a “third country”, according to the EU treaties. Third countries have previously filled EU shortfalls in CSDP, though the scope of cooperation remained limited as well as their visibility. While the UK has expressed a wish to continue cooperation with the EU in CSDP,

notably PESCO, the United Kingdom remains outside of the framework and as such will have no decision-making rights or any veto over its future strategic direction.

Third party participation could result in a “case-by-case” assessment for possible UK engagement in PESCO projects, as indicated by a House of Commons paper from December 2018<sup>7</sup>.

Even then, the UK post-Brexit might have to agree to further conditions set by the EU.

Further to this, the European Council conclusions in December 2018 revealed no advancement on third party participation, which suggests EU Member States still differ on the terms of engagement. A Benelux proposal entitled “Third party participation in PESCO projects” supported by 10 other states, gives a more positive view of the benefits of such non-EU state involvement in terms of expertise, capacities and financial contributions. For France, third party participation ties in with Europe's ‘strategic autonomy’. While not limited to the UK, larger states such as France and Germany have been cautious about waiving concessions before outlining the parameters of a future relationship with their Anglo-Saxon neighbour.<sup>8</sup>

A separate initiative, the EI2, aims at developing Europe's ‘strategic autonomy’, outside of the traditional EU framework. The brainchild of President Macron, this operations-oriented initiative is composed of a group of ‘willing and able’ states, which will maintain security ties with the UK in the case of a departure.

<sup>6</sup> European Commission Press Release, *The European Defence Action Plan: Towards a European Defence Fund*, 30 November 2016, [http://europa.eu/rapid/press-release\\_IP-16-4088\\_en.htm](http://europa.eu/rapid/press-release_IP-16-4088_en.htm)

<sup>7</sup> *EU Defence: The Realisation of Permanent Structured Cooperation*, House of Commons Briefing Paper, 18 December 2018, <https://researchbriefings.parliament.uk/ResearchBriefing/Summary/CBP-8149#fullreport>

<sup>8</sup> Alice Billon-Galland and Martin Quencez, *Can France and Germany Make PESCO Work as a Process Toward EU Defense?*, GMF Policy Brief, 2017, No. 033



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Nine EU countries (Belgium, Denmark, Estonia, Finland, Germany, the Netherlands, Portugal, Spain and the United Kingdom) signed a letter of intent in June 2018 backing the French plan, which has since welcomed Finland as a new member. EI2 defence ministers met in November 2018 in Paris to discuss the roadmap for 2019 and the current international security environment. States also shared their security and situational assessments to enable closer cooperation.

It is important to note that the EI2 group is outside of the EU Treaty framework, yet it has pledged to contribute to the EU, including PESCO, and assist the development of a European ‘strategic culture’ and operational cooperation between participating states. The EI2 involves a non-binding exercise and both its initiatives and operations will be subject to national decision-making. While operating outside of the EU structure, it includes Denmark and the UK. It raises doubt as to whether such cooperation could add value to efforts within the Union in future. The test, of course, will be to see how it develops at an EI2 Defence Ministerial in The Hague, which is scheduled for 2019.

## Where to from here?

In light of recent developments in security and defence, it is important for EU Member States to agree collectively on the aspirations of ‘strategic autonomy’ and subsequently the ambitions for CSDP. An assessment of the current security landscape will help to frame this discussion and determine where the EU can use its leverage.

If foreign policy is “cooperative by definition”, as High Representative Mogherini states, security and defence efforts in the future will involve further

collaboration with other EU Member States. This means finding a balance between Member States’ ambition and the practicality of cooperation based on national priorities.

As this paper argues, there is now additional momentum for the Common Security and Defence Policy, which may support efforts to foster Europe’s ‘strategic autonomy’. Still there are gaps within the EU framework and offshoots.

**Multi-speed development** – The EI2 provides room for more ambitious states in Europe to operate outside some of the constraints of the EU framework. The priority is to ensure that such offshoot initiatives still contribute to CSDP as they progress, rather than divert military capabilities. Coordination is also in the interest of participating states in both the EI2 and PESCO.

France has stated that the EI2 and PESCO are mutually beneficial in areas such as support to operations. While a merger of the two is ruled out given Denmark’s CSDP opt-out and the UK’s participation, the EI2 broadens the geographical scope of a common strategic culture.

**Outcome oriented** – How to translate CSDP momentum into outcome? The EU defence initiatives listed above (PESCO, CARD, EDF, CDP) are the components of one vehicle, that work in sync and propel it forward.

In conclusion, the purpose of PESCO to fill current capability gaps could address future capability needs. The EU’s new Capability Development Plan (CDP) is a useful tool to connect these shortfalls from the short to long term. The EDA’s participating Member States, Ireland included, have the opportunity to contribute to this review in consultation with other stakeholders, which will help

to translate initiatives into a more effective CSDP.

PESCO and CARD will work closer to address shortfalls in European defence capabilities. The implementation of CARD later in 2019 will provide an overview of expenditure and possible collaboration, and then feed into joint projects under PESCO. CARD can also help to operationalise the Capability Development Plan in its review of Member State implementation of the 2018 EU Capability Development Priorities.

Keeping a focus on output, the 2018 Capability Development Plan has also an innovative aspect in that it accounts for hybrid threats in relation to the EU’s level of ambition. This will address the need to counter hybrid threats.

As a number of CSDP initiatives are now established, it is important that they function as a comprehensive defence package in their implementation and relate to global challenges. These defence initiatives give some further weight to the EU’s CSDP, though the outcome will not produce immediate results and so in the interim period, EU Member States will have to manage expectations.



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