



PERMANENT STRUCTURED COOPERATION - PESCO

DEEPENING DEFENCE COOPERATION AMONG EU MEMBER STATES

MORE SECURITY FOR THE EU AND ITS CITIZENS

In light of a changing security environment, the [EU Global Strategy for Foreign and Security Policy](#) (EUGS) started a process of closer cooperation in security and defence. EU Member States agreed to step up the European Union's work in this area and acknowledged the need for enhanced coordination, increased investment and more cooperation in developing defence capabilities.

This is the main aim of the Permanent Structured Cooperation on security and defence (PESCO), as outlined in Articles 42(6) and 46 as well as in Protocol 10 of the Treaty on EU. Through PESCO, Member States increase their effectiveness in addressing security challenges and advancing towards further integrating and strengthening defence cooperation within the EU framework.

DEEPENING DEFENCE COOPERATION THROUGH BINDING COMMITMENTS

PESCO is a Treaty-based framework and process to deepen defence cooperation amongst EU Member States who are capable and willing to do so. The aim is to jointly develop defence capabilities and make them available for EU military operations. This will enhance the EU's capacity as an international security actor, contribute to the protection of EU citizens and maximise the effectiveness of defence spending.

The difference between PESCO and other forms of cooperation is the legally binding nature of the commitments undertaken by the participating Member States. The decision to participate was made voluntarily by each participating Member State, and decision-making will remain in the hands of the participating Member States in the Council. This is without prejudice to the specific character of the security and defence policy of certain EU Member States.



PESCO is a decisive contribution for the development of Europe's capacity to act autonomously. It is key for the development of strong and integrated defence capabilities available to the EU, which will allow us to react effectively to the most demanding circumstances.

Josep Borrell

High Representative/ Vice-President (November 2020)

STEPS TOWARDS A PERMANENT STRUCTURED COOPERATION

On 13 November 2017, as the first formal step towards setting up PESCO, Ministers signed a common [notification](#) on the PESCO and handed it over to the High Representative and the Council. The notification sets out a list of 20 more binding common commitments in the areas of defence investment, capability development and operational readiness. It also contained proposals on the governance of PESCO and its principles.

Based on this notification, on 11 December 2017, the Council took the historic step to adopt a [decision](#) establishing PESCO and its list of participants. A total of 25 Member States decided to participate in PESCO¹.

¹– The participating Member States are: Austria, Belgium, Bulgaria, Czech Republic, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Ireland, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Romania, Slovenia, Slovakia, Spain and Sweden.

STRUCTURE AND GOVERNANCE

PESCO has a two-layer structure:



- **Council level:** Responsible for the overall policy direction and decision-making, including the assessment on whether participating Member States are fulfilling their commitments. Legal acts are adopted by unanimity (except decisions regarding the suspension of membership and entry of new members, which are taken by qualified majority). Only PESCO members can take part in the vote.



- **Projects level:** PESCO's output will be measured also by the projects it will develop. Each project will be managed by those Member States that take part in it, under the oversight of the Council. To structure the work, a decision on general governance rules for the projects has been adopted by the Council on 25 June 2018.

PESCO Secretariat: The European Defence Agency (EDA) and the EEAS, including the EU Military Staff, jointly provide secretariat functions for all PESCO matters and a single point of contact for the participating Member States and institutions.

Implementation of PESCO: On 6 March 2018, the Council adopted a Recommendation setting out a roadmap for the implementation of PESCO.

The first **PESCO Strategic Review** was conducted in 2020 and the Council validated on 20 November guidance for the next PESCO phase (2021-2025) in terms of overall aim, key policy goals, processes, as well as incentives to improve the fulfilment of the more binding commitments.

Assessing the fulfilment of the more binding commitments



- > Each participating Member State is required to communicate every year a National Implementation Plan (NIP), informing the other participating Member States about the progress made on the binding commitments it has undertaken. Participating Member States will submit their National Implementation Plans every year, in line with the Recommendation on the Roadmap adopted by the Council on 6 March 2018.

- > The National Implementation Plans form the basis of the assessment process, as described in the Council decision establishing PESCO. The High Representative will present every year an annual report on PESCO to the Council based on an assessment done by the PESCO secretariat.

- > On this basis, the Council will review annually whether the participating Member States continue to fulfil the more binding commitments. The first of these assessments was adopted by the Council in May 2019.

PESCO projects: A Member State owned process



- > PESCO projects must have a clear European added value in addressing the Union's capability and operational needs, in line with the EU Capability Development Priorities and the Coordinated Annual Review on Defence (CARD). The projects contribute to fulfilling the more binding commitments and achieving the EU Level of Ambition.

- > **46 projects:** On 6 March 2018, the Council formally adopted the first set of **17 different projects and the project** members for each of them. A **second set of 17 projects** was adopted by the Council on 20 November 2018. A **third set of 13 projects** followed on 12 November 2019, bringing the total number of project to 47. The Council decided not to launch new projects in 2020. In addition, one of the 47 projects was terminated in February 2020, bringing the list of projects currently developed to 46.

There are currently **46 PESCO projects**. These include projects in the areas of capability development and in the operational dimension, such as: the establishment of a European Medical Command, an EU Training Mission Competence Centre, Cyber Rapid Response Teams, Mutual Assistance in Cyber Security, Military Disaster Relief, Maritime Surveillance, the creation of a European Military Space Surveillance Awareness Network, a joint EU Intelligence School, specialised Helicopter Training as well as co-basing, which would allow the joint use of national and overseas bases.

Every two years, there is a process launched to generate new projects. The list of projects and their participants is updated each year by November by the Council. Assessment criteria have been developed by the PESCO secretariat to inform the evaluation of the project proposals by the participating Member States. The Council adopts PESCO projects, following a recommendation by the High Representative. The Council recommendation of May 2019 on progress made on PESCO foresees that, after 2019, the next call for PESCO projects would take place in 2021.

Third States' participation in PESCO projects



> While membership of the Permanent Structured Cooperation is only for those Member States who have undertaken the more binding commitments, third States may exceptionally be invited to participate in PESCO projects upon certain general conditions.

> These general conditions and related procedures were adopted in the form of a Council Decision of 5 November 2020, which encompasses a set of political, substantial and legal requirements in line with the nature and goals of PESCO, while acknowledging the added-value that partners can bring to PESCO projects.

> It is first up to members of individual projects to consider inviting a third State to participate in a specific project. If they agree, then the project coordinator would submit that request to the Council. Decisions regarding third States participation will be taken by unanimity by the 25 PESCO participating Member States, in accordance with Article 46(6) of the Treaty on the European Union.

> Following the requests from the United States, Canada and Norway to participate in the Military Mobility PESCO project, the Council adopted on 6 May 2021 three Decisions confirming that their participation in that project meets the general conditions. They will join the project once the administrative arrangements with the project members are signed.

PESCO – AN INSTRUMENT RELEVANT FOR THE SECURITY OF THE EU AND ITS CITIZENS

- ✓ PESCO is both a permanent framework for closer cooperation and a structured process to gradually deepen defence cooperation within the Union framework. It will be a driver for integration in the field of defence.
- ✓ Each participating Member State provides a plan for the national contributions and efforts they have agreed to make. These national implementation plans are subject to regular assessment.
- ✓ PESCO is designed to contribute to making European defence more efficient, strengthen operational cooperation among Member States, connect their forces through increased interoperability and enhance industrial competitiveness.
- ✓ PESCO will help reinforce the EU's strategic autonomy to act alone when necessary and with partners whenever possible. Whilst PESCO is underpinned by the idea that sovereignty can be better exercised when working together, national sovereignty remains effectively untouched.
- ✓ Military capacities developed within PESCO remain in the hands of Member States that can also make them available in other contexts such as NATO or the UN.

PESCO AS PART OF A COMPREHENSIVE DEFENCE PACKAGE

PESCO is closely connected to the new [Coordinated Annual Review on Defence](#) (CARD) and the [European Defence Fund](#) (EDF). They are complementary and mutually reinforcing tools:



The CARD, run by the European Defence Agency, through systematically monitoring of national defence spending plans, will help identify opportunities for new collaborative initiatives.



The EDF provides financial incentives for Member States to foster defence cooperation from research to the development phase of capabilities including prototypes through co-financing from the EU budget. PESCO projects may benefit from increased EU co-financing, which could amount to 30% - instead of 20% - for prototypes.



PESCO will develop capability projects responding to the EU priorities identified by EU Member States through the Capability Development Plan, also taking into account the results of the Coordinated Annual Review on Defence. Eligible projects could also benefit from financing under the EDF, as explained above.