



Permanent Structured Cooperation – PESCO

Deepening Defence Cooperation among EU Member States

Towards 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. Member States agreed to step up the European Union's work in this area and acknowledged that enhanced coordination, increased investment in defence and cooperation in developing defence capabilities are key requirements to achieve it.

This is the main aim of a Permanent Structured Cooperation on security and defence (PESCO), as outlined in the Treaty of the EU, Articles 42 (6) and 46, as well as Protocol 10. 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.

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PESCO is the outcome of good teamwork, high ambition on the common commitments that will now need to translate into concrete projects of cooperation, but also of an inclusive process. It is an example of how the European Union can serve Member States' priorities, can be efficient and effective and how our integration is serving our citizens priorities - in this case, the need to have a more integrated security and defence approach.

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Federica Mogherini

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This will thus enhance the EU's capacity as an international security partner, also contributing to protection of Europeans and maximise the effectiveness of defence spending.

The difference between PESCO and other forms of cooperation is the binding nature of the commitments undertaken by participating Member States. However, participation remains voluntary and decision-making will remain in the hands of participating Member States.



Structure and Governance

PESCO will have a two-layer structure:



- **Council Level:** Responsible for the overall policy direction and assessment mechanisms to determine if Member States are fulfilling their commitments. Only PESCO members are voting, decisions are taken by unanimity (except decisions regarding the suspension of membership and entry of new members which are taken by qualified majority).



- **Projects Level:** PESCO's effectiveness will be measured by the projects it will develop. Each project will be managed by those Member States that contribute to it.

Steps towards a PESCO

Under the guidance of the European Council, three major steps are foreseen to establish PESCO:

1. Step: Member States presented a list of common commitments in September 2017 in the main areas of Protocol 10 to the Treaty, notably defence investment, capability development and operational readiness.

2. Step: On 13 November 2017, Ministers from 23 Member States signed a common notification on the PESCO and handed it over to the High Representative and the Council. The common **notification** is the first formal step to set up the PESCO. It sets out the principles, in particular underlining the binding and inclusive character of the legal framework, a list of binding common commitments the Member States have agreed to undertake, as well as proposals on the PESCO governance.

3. Step: Following the notification, a Council decision establishing PESCO to be adopted by qualified majority before the end of 2017

PESCO – an instrument relevant for the security of the EU and its citizens

- ✓ PESCO is both a permanent framework for closer operation 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. This is different from the voluntary approach that is currently the rule within the EU's Common Security and Defence Policy.
- ✓ PESCO is designed to make European defence more efficient and to deliver more output by providing enhanced coordination and collaboration in the areas of investment, capability development and operational

readiness. Enhanced cooperation in this domain will allow decreasing the number of different weapons' systems in Europe, and therefore strengthen operational cooperation among Member States, increase interoperability and 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.
- ✓ It is about providing an umbrella for such examples of regional defence integration as the Belgian-Dutch Navy or the European Air Transport Command.
- ✓ 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), which is currently being developed under the European Defence Industrial Development Programme. They are complementary and mutually reinforcing tools contributing to the same political goal:

- CARD, to be run by the European Defence Agency, through systematically monitoring of national defence spending plans, will help identify opportunities for new collaborative initiatives.
- The EDF will provide financial incentives to foster defence cooperation from research to the development phase of capabilities including prototypes.
- PESCO will develop capability projects, identified notably through the CARD process in priority areas. Eligible projects could also benefit from financing under the EDF, which would foresee an additional 10% financing for the defence industrial development phase of projects developed within PESCO framework.