



PERMANENT STRUCTURED COOPERATION - PESCO

DEEPENING DEFENCE COOPERATION AMONG 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 of the Union for Foreign Affairs and Security Policy/
Vice-President of the European Commission

MORE SECURITY FOR THE EU AND ITS CITIZENS

In light of a deteriorating security environment, EU Member States launched several initiatives to step up security and defence cooperation within the EU framework. Better coordination, increased investments and more collaboration are necessary to jointly develop and use the military capabilities that Europe needs. Working together on security and defence enables Member States to undertake the most demanding military operations abroad and protect its citizens at home.

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, 25 Member States committed to cooperate more closely on defence.

DEEPENING DEFENCE COOPERATION THROUGH BINDING COMMITMENTS

PESCO is a Treaty-based framework to deepen defence cooperation amongst EU Member States who are capable and willing to do so. 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 voluntarily by the participating Member States. Decision-making remains in the hands of the participating Member States in the Council without prejudice to the specific character of the security and defence policy of certain EU Member States.

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 setting out a list of 20 more binding common commitments in the areas of defence investment, capability development and operational readiness.

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.

¹The 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 the group of Member States that take part in it, under the oversight of the Council. To structure the work, a decision on governance rules for the projects has been adopted by the Council on 25 June 2018.

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

The first **PESCO Strategic Review** was conducted in 2020 and as a result, the Council provided 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. A next review is foreseen by 2025.

Assessing the fulfilment of the more binding commitments



- > Each participating Member State is required to communicate every year their National Implementation Plan (NIP), informing the other participating Member States about the progress it has made on implementing the more binding commitments it has undertaken.
- > The National Implementation Plans form the basis of the assessment process, as described in the Council decision establishing PESCO. The High Representative presents every year an annual report on PESCO to the Council based on an assessment done by the PESCO secretariat.
- > On this basis, the Council reviews annually whether the participating Member States continue to fulfil the more binding commitments.

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). Furthermore, the projects must contribute to fulfilling the more binding commitments and achieving the EU Level of Ambition.

> **There are in total 60 projects put forward since March 2018:** They cover a range of different domains, such as land, air and maritime capabilities, hybrid and cyber as well as space. A list of all current projects and participating Member States can be found here: <https://www.pesco.europa.eu/>

These include [projects](#) in the areas of capability development and in the operational dimension, such as: the establishment of a European Medical Command, Cyber Rapid Response Teams and Mutual Assistance in Cyber Security, Maritime Surveillance, Land Battlefield Missile Systems, Strategic Air Transport for Outsized Cargo, Next Generation of Small RPAS, European Secure Software defined Radio, the creation of a European Military Space Surveillance Awareness Network, Specialised Helicopter Training as well as European Patrol Corvette.



Every two years, there is a process launched to generate new projects. The list of projects and their participants is updated each year in 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. So far, there were 4 waves of PESCO projects: two in 2018, one in 2019 and one in 2021. The next call for project proposals will take place in July 2022.

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 meeting certain conditions.

> These general conditions and related procedures are set out in a Council Decision adopted in November, 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 are taken by unanimity by the 25 PESCO participating Member States, in accordance with Article 46(6) of the Treaty on the European Union.

> In May 2021 the Council authorized the participation of US, Canada and Norway to join the PESCO project on Military Mobility.

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 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.
- 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. Coherence with NATO is ensured.

PESCO AS PART OF A COMPREHENSIVE DEFENCE PACKAGE

PESCO is closely connected to the [Coordinated Annual Review on Defence \(CARD\)](#) and its coherence with the [European Defence Fund \(EDF\)](#) has been ensured:



The **CARD**, run by the European Defence Agency, helps to monitor national defence spending plans to identify opportunities for new collaborative initiatives that could, notably, pave the way for new PESCO projects.



The **EDF** is a competitive industrial programme and provides financial incentives for industries to foster defence cooperation from research to the development phase of capabilities including prototypes through co-financing from the EU budget. EDF actions supporting prototyping undertaken in the context of PESCO projects may benefit from increased EU co-financing through an extra 10% bonus.



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 CARD. Eligible projects could also benefit from financing under the EDF.



The **Strategic Compass** will provide guidance to make full use of PESCO and EDF to develop interoperable high-end systems and advanced technologies, including strategic capabilities, through collaborative projects, such as: major land platforms and related logistic systems, high-end naval platforms, next-generation air capabilities, space-based and cyber defence capabilities.

