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A Future Agenda for the European Security and Defence Policy (ESDP)

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Introduction: beyond St. Malo

Ten years after the inception of the European Security and Defence Policy (ESDP) the European Union (EU) may boast several achievements in this domain, particularly through the launching thus far of 21 civilian and military missions abroad –something unthinkable not so long ago–, some in close cooperation with the UN. An instrument of its Common Foreign and Security Policy (CFSP), the ESDP has helped to shape the singular nature of the EU as a global actor endowed with "soft power" or, hypothetically, also "hard power" tools for the purposes of maintaining international peace and security and/or defending its immediate interests and values. There is a growing security culture in Europe along with an increasing recognition of the need for the EU to play a more coherent, active and efficient role in the management of crises, as laid down in the 2003 European Security Strategy (ESS)[1]. Relatedly, the EU must also be more effective and capable, in the words of the recent Report on the Implementation of the ESS[2].

Nonetheless, nowadays **European Defence** as such, and as a subset of modern philosophies on security which the ESS reflects, remains a work-in-progress, largely more on paper. In particular, the goals of a **common European defence policy,** let alone a common defence, envisaged in the Treaty on European Union (TEU)[3] and reaffirmed by the Lisbon Treaty, have not been achieved and will not be so unless

1 "A Secure Europe in a Better World", European Security Strategy (December 2003).

2 Report on the Implementation of the European Security Strategy, "Providing Security in a Changing World" (11 December 2008), at http://www.consilium.europa.eu/cms3_fo/showPage.asp?id=266&lang=EN&mode=g.

3 When citing specific provisions of the TEU, we will mean that Treaty as amended by the Lisbon Treaty.

European leaders have the resolve to carry out significant measures in this field. In this respect, it is well known that several limitations and structural problems hamper efforts in the specific defence pillar of the ESDP, shortfalls which constrain the capacity of the EU to exercise true influence on the dynamic strategic stage of the XXIst century –with shifts in power and competing values, as the Report on the ESS reckons. These stumbling blocks on the road to European defence (in the realm of capabilities, narrow-minded management of defence budgets, political hurdles, etc.) have been accurately highlighted by several experts over the last years; thus this paper does not unnecessarily dwell on them. Moreover, the costs of non-Europe in defence are, at this point, undisputable –above all, when the roughly €200Bn that EU Member States as a whole spend on defence is taken into consideration.

It could be argued that these policies are even at odds with democratic governance and accountability; for all the talk about public opinion´s reaction in the face of bolder defence commitments in Europe, the other side of the coin is that European citizens lend more support for an enhanced role of the EU in these matters than what is sometimes taken for granted[4].

The Lisbon Treaty might mean significant progress for European Defence –above all, through the implementation of the mechanism of Permanent Structured Cooperation (PSCoop) or an Enhanced Cooperation in accordance with the Treaty on the Functioning of the EU– and in the broader sphere of EU´s external action, if it finally takes effect by the end of this year or in 2010.

- **Scope of the paper**

This working paper, the result of a general consensus among several experts in leading European institutions and think-tanks, intends to bolster debate and policymaking in the near future through a number of proposals in the main areas and topics regarding EU defence. We believe that the majority of them are feasible and would make up a Future Agenda for the ESDP – or a "road map". It pays due

4 See for instance, the questions on European defence put to Spanish citizens, in the survey "¿Qué Europa queremos?" (Fundación Alternativas & Secretariat of State for European Affairs, Spanish Foreign Affairs Ministry, 2008, at http://www.falternativas.org/la-fundacion/documentos/libros-e-informes/informe-que-europa-queremos). For instance, an average 74% of respondents were in favour of European Armed Forces –way beyond the actual scope of the ESDP–; 87% supported that EU Member States committed themselves to collective defence in the face of an armed attack on any one of them, and 49% would keep defence budgets at their present levels, but with improved allocation and coordination of expenditure.

attention to the basic initiatives adopted by the 2008 French Presidency of the EU, whilst aiming to go forward, paving the way for further advances in the future.

Although it assumes modern notions underpinning security, largely addressed in Chapter 1 (on the ESS and beyond), *its priority is the specific defence area,* as a logical element of the former. The basic assumption of the institutions here represented is that Europe must advance towards a **common defence system** –as EU-specific as it may be– through a gradual integration of national capabilities and policies, in turn, developing an autonomous, fully capable ESDP. This goal will not clash with NATO –although it would strengthen the case for changes in NATO as the EU increasingly takes on more responsibilities for its own defence. It will rather strengthen the transatlantic partnership as the EU assumes a bigger share in the management of global affairs –such is already the case in other relevant areas, trade being a good example.

In order to further that objective, we first consider different options for what should be possible *for the EU as a whole* and then for what is feasible *for smaller groups of States* who want to proceed faster in this field within the overall EU framework. In this respect, we suggest proposals for implementing specific sections of the Lisbon Treaty dealing with ESDP –such as PSCoop; others are not dependent upon its entry into force, since defence remains an intergovernmental area.

The paper starts analyzing the broader security questions in Chapter 1, which deals with the European Security Strategy (ESS), as the necessary framework for decision-making in defence matters; it includes ideas for future reviews and also proposes the adoption by the EU membership of a specific **European Defence White Paper.** Chapter 2 develops several pathways first, for the EU as a whole to advance towards a common European defence; secondly, for smaller groups of willing Member States in the capabilities domain and under the watch of the European Defence Agency which would provide useful criteria for establishing the **Permanent Structured Cooperation** of Lisbon. Relatedly, a number of ideas are put forward with respect to the establishment of an Enhanced Cooperation under the Lisbon Treaty or a so-called "political *avant-garde*" made up of those States which assume more commitments to that ultimate purpose. Finally, in Chapter 3 the paper examines the related question of *European defence industry,* critical if EU Member States want to have a sound basis for this endeavor.

This working paper concludes with a summary of the main proposals for the near future which the authors hope will be useful for European policymakers, in order to fulfill the aspirations set forth in the Treaties.

1. The future of the European Security Strategy: towards a European Defence White Paper

1.1 A regular assessment process of the European Security Strategy

The 2003 European Security Strategy (ESS) is one of the most important steps in the development of a Common Foreign and Security Policy (CFSP). It has become a symbol of and a point of reference for the European foreign and security policy, highlighting prevention, civil-military cooperation, effective multilateralism as well as the possibility of robust engagement –or "robust intervention", as the ESS puts it. It stands for a holistic approach towards international security and crisis management in the XXIst century, which includes both so-called soft power and hard power tools (from diplomacy and trade, to military operations), emphasizes coherence in their use, the importance of peacebuilding and prevention, etc. Such an approach is also embodied in the 2008 "Report on the Implementation of the European Security Strategy" (hereinafter, the ESS Implementation Report), which deems it to be "distinctively European"[5]. Moreover, the ESS represents a valuable consensus among the Member States on common threats and tools available to tackle them.

However, the Strategy is not narrowly focused on security in terms of military implications, and certainly does not constitute a defence document. It is rather a general strategy covering the whole range of EU's external action, with a special

5 p.2, ESS Implementation Report. The Report was endorsed by the European Council of December 11 and 12, 2008. "Declaration by the European Council on the Enhancement of the European Security and Defence Policy (ESDP)", Annex 2, Presidency Conclusions, 12 December 2008, at http://www.consilium.europa.eu/cms3_fo/showPage.asp?id=432&lang=EN&mode=g).

focus on foreign policy and security. In particular, the aims of the ESS have been to define the threats facing the EU and its citizenry, to lay down the guiding principles of EU's foreign and security policy, as well as to describe the Union´s responses to these challenges and the main partners for such purposes. This framework has been extremely useful; thus the objectives and categories of instruments are generally still valid. The problem of Europe´s foreign and security policy lies more on *implementing the aims of the Security Strategy:* the proclamation-implementation gap.

Any overall review or update of the ESS should therefore concentrate on how the European foreign and security policy as outlined in the ESS can be implemented. Moreover, since the ESS has been a guiding reference and benchmark for Europe's security policy in the past five years, it has become clear that actual developments since 2003 have left their imprint on European security and should therefore be taken into account. This reflects the need of Europe to adjust its strategy and adapt the aims and instruments of the Union to dynamic challenges and current strategic circumstances –such as the appearance of key players shaping an already multi-polar world where power relations are crucial[6]. Circumstances which increasingly provide more reasons for the EU to truly assume its responsibilities as a global power, that is, in the words of the ESS "to share in the responsibility for global security and in building a better world". On the other hand, as a matter of course, the short document leaves some issues open or undealt with that can be deepened and enlarged.

In this respect, the ESS Implementation Report, as its own title reckons, more than an overall review of the ESS, has rather meant a useful yet somewhat limited update (of changes in some areas, new faces of threats already defined in 2003, new partnerships or political developments, and so forth) whilst maintaining the validity of the basic tenets of the 2003 document, namely, effective multilateralism, the previously mentioned holistic approach and EU responsibility in global peace and security. It does not set a follow-up mechanism to enhance implementation of the ESS either, a logical step after the doctrinal reflection, which would entail progress towards a true strategic review.

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6 As Jolyon Howorth argues, "the time has come for the EU to think constructively in terms of power relations –what is the nature of power in the world today, how is its definition shifting, who wields it, what strategic objectives should the 27 aim for through the application of power in all its guises, in alliance of in partnership with whom, through the deployment of precisely which range of instruments? These are the questions at the heart of a grand strategic approach which the EU will ignore at its peril". "The case for an EU Grand Strategy", in "Europe: a Time for a Strategy", Sven Biscop, Jolyon Howorth & Bastian Giegerich, Egmont Royal Institute for International Relations (January 2009).

Above all, it is important to underline that the CFSP/ESDP is not merely a matter of words; adding some phrases or grand statements will not suffice. We thus do not propose a full overhaul of the ESS but rather a *practical, regular assessment process* in light of lessons learned and the said changing geo-strategic settings. This review should be conducted every five years after a new European Parliament has been elected. It should candidly assess the successes and shortfalls of the actual policies in all of the areas covered by the ESS, including aid and trade, democracy and human rights promotion, diplomacy, and civilian and military missions.

The ESS already provides policy guidelines for all the European institutions involved in external relations, a focus which should be maintained or even extended. Such a comprehensive assessment process would empower the EU to specifically focus on the areas where the ESS has not yet been translated in effective action –or has been poorly implemented. It would allow for a gentle revision of the 2003 ESS, whilst strengthening and legitimizing the security dimension of the process of European integration.

Before addressing subjects for this assessment process, specific to the ESDP, we will just set some basic principles as regards actors:

- For the sake of overall EU coherence, this review, led by the High Representative for the CFSP (High Representative of the Union for Foreign Affairs and Security Policy, should the Lisbon Treaty be finally law), hopefully helped by the External Action Service, should involve the Commission and the European Parliament, with the final endorsement by the European Council.

- A great achievement since the inception of the CFSP/ESDP has been the growing development of a specifically **European security culture.** In order to gain support from the European citizens for a common security and defence policy, the process, on the one hand, should involve the broader security community as well as national political institutions (national Parliaments, above all). On the other hand, national governments must commit to engaging their domestic arenas with the results of the review, as part of the efforts to mainstream the security/defence pillars of the EU. A sense of ownership is a must in most aspects of the integration process; it is even more so in this subject.

Furthermore, this review process might also be translated in the development of some security "sub-strategies" or specific **policy plans** (on the basis of regions and/or partners), which are suggested below.

1.2 Subjects for future assessments processes of the ESS

The following provides some ideas in terms of priorities for such future assessment process as regards the effectiveness and implementation of the ESS. The result could be the development of specific **"sub-strategies"**, a term with which we mean **policy and action-plans,** implementing the grand principles of the ESS. Naturally, the main focus here is on the ESDP component, the subject of this paper.

A) Challenges and Threats

It would not be a silver-bullet solution to add a long list of new threats and challenges to the document. It is rather necessary to outline the linkages between existing and emerging challenges, new dimensions or urgencies of persistent threats as well as reflecting on their causes. This would help the EU to decide upon the priorities of its policies in a timely manner and support the various actions to tackle the roots of security challenges rather than fighting only the symptoms. The renewed emphasis in the ESS Implementation Report on energy security, climate change (the "threat-multiplier") and piracy, is a positive step in this regard. As said above, a related priority for this strategic review would be to assess the trend towards multi-polarity and the emergence of regional powers –some of them with competing interests in areas of strategic importance for Europe.

B) Neighbourhood: ESDP priorities

In today´s world and as it is presently recognized in the ESS several of the threats to European security are global in their scope, such as nuclear proliferation. Additionally, some of those termed "distant" constitute in fact a pressing, immediate concern for Europeans. The ESS Implementation Report correctly underlines that "Europe has security interests beyond its immediate neighbourhood". This all but makes the case for Europe to be a global player with decisive leverage in the world, a purpose for which it must be in a position to wield in a coherent manner the abovementioned combination of tools which make up its external action, from trade, an enhanced CFSP, the European Neighborhood Policy (ENP), etc.

That being said, to some extent the ESS is right when it states that geography still maters. More specifically, *geopolitics matters.* With clear exceptions such as Afghanistan –which the said Implementation Report points to as "a particular concern"– or Iraq, *the geographic area of priority for the European Security and Defence Policy in particular, as an instrument of the CFSP, should firstly remain the neighbourhood of the Union,* namely regions such as the Caucasus, the

Mediterranean or the Middle East. These regions pose particularly pressing challenges to the security of Europeans –and some of the ongoing crises there to the world as a whole, the Middle East being an obvious example. Some are directly in sight, as the challenge of massive illegal migration, direct threats for the European energy supply (of present relevance in view of the consequences on Europeans of the gas dispute between Russia and Ukraine this winter 2009), organized crime and frozen conflicts with the potential of becoming eternal proxy wars (South Ossetia and Lebanon as the most recent examples).

Other regions would seem to be more remote, such as endemic violence in failed States in Sub-Saharan Africa and pervasive extreme poverty. Yet the multi-faceted problems they raise are more obvious every day; terrorism or piracy are clear examples, Somalia being a test-case for both. A proactive, timely and robust European engagement in these crises is thus required, through the different tools the EU may muster, depending on the situation.

This idea –also implicit in the Implementation Report when it calls for a "greater EU engagement" in its (very problematic) neighbourhood– does not mean disentanglement from other crises at all, "more global" in scope. It does mean that the level of practical European engagement and tools leveled, specifically through ESDP instruments (up to the deployment of EU troops, putting them in harm´s way), should first bear in mind these priorities, in view of this overlapping of threats and the considerably higher impact of Europe in the neighborhood. Moreover, setting specific regions/criteria for involvement will also be useful in terms of the related priorities for European military involvement in particular; focusing on the acute challenges in the European neighborhood would be helpful in the decision-making process on where to deploy scarce European capabilities, also in the face of public opinion.

Secondly, this view would be compatible with the consideration of other criteria such as Europe´s contribution to upholding in the world the principle of the **Responsibility to Protect (R2P),** officially adopted by the UN in 2005. Contribution through i) diplomatic means at UN fora or, if it is necessary, ii) through the deployment of ESDP missions in support of UN operations or iii) troop contributions to UN peacekeeping missions. This is an issue which we shall further analyze when putting forward possible elements of a European Defence White Paper[7].

7 See below on criteria for Military Crisis Management.

With these general ideas as a background, the assessment process we argue for, in terms of regions, should outline and reflect on the

- Collective Europeans interests in these specific regions (energy, control of migration, fight of organized crime, etc.), or values which must be uphold.

- Different instruments to deal with the challenges stemming therein. These instruments should, again for the sake of more external coherence, include not only the capabilities of the Council (ESDP in particular) but also all the instruments of the Commission, because an overall approach directed at a common vision for the European neighborhood is necessary.

- Different partners the EU will mainly work with depending on the region/issue, in the pursuit of effective multilateralism, as will be explained below.

C) Transversal coherence of the security policy´s tools

The ESS briefly describes how the EU will deal with the new threats. It fails to clearly spell out the whole instrumentarium with which the EU can contribute to a better world. In the case of capabilities, the "proclamation-implementation gap" is biggest, because the ESS remains very unspecific concerning the different instruments at hand. Especially trade policy, development aid and internal security policy – competences of the Commission– should be in tune with the aims of the security strategy. The Lisbon Treaty is but one step on this way, which has to be followed. The EU-Africa Strategy shows the idea of a strategic approach with all capabilities of the Union aiming for the same direction.

D) Partners: policy plans for organizations and key powers

The "effective multilateralism" of the ESS is a critical aspect of the positive image ascribed to the EU; namely, effective international organisations and legal instruments for addressing the threats to peace, together with the resolve to react decisively when the rules of the game are broken. In practice the cooperation with regional or global organizations and key actors is based on ad hoc decisions or political scenarios in the Union. There is no stable basis for cooperation or political dialogue. This should change. As the EU and the AU have negotiated the common Africa-EU Strategy, combining aims and all the different instruments, the ESS should be developed through organizational, actor-focussed sub-strategies outlining the strategic aims for cooperation partnerships between the EU and these relevant actors.

- **UN:** The United Nations will continue to be the main reference for international peace and security, the "apex of the international system", as the ESS Implementation Report highlights. The EU-UN partnership in peacekeeping and peace building must be deepened.

- **NATO:** EU and NATO have much in common (not least membership –21 member states in both of them). This makes the relationship between these two organizations a crucial link to guarantee the security of the transatlantic community, particularly when both organizations are undergoing a similar process of goal definition, mapping out objectives in the field of military capabilities, and are facing common threats as well. NATO secures the cooperation of the United States as the strongest military power and the EU commands the most diversified and powerful system of economic and development aid instruments. In general, *a new strategic dialogue between NATO and the EU is increasingly reckoned as necessary; the current situation is counterproductive and at odds with the needs of both organizations and their membership*[8]. This dialogue might receive a fresh impetus as regards the future roles of the EU and of NATO if some of the proposals here outlined are adopted.

- **USA**: the transatlantic bond is already mentioned in the ESS as irreplaceable, the US being the key partner for Europe, according to the ESS Implementation Report. However, implementation is suboptimal, for US-European cooperation still has a lot of room for improvement. A **security strategy EU-US,** maybe within the framework of a reassessed New Transatlantic Agenda (NTA), should provide for the formulation of common goals and threat perceptions, discussed openly between the EU and the US to relaunch the transatlantic community in the face of new XXIst century context –a renewed partnership, in the words of last December´s European Council´s Conclusions. Both parties need a direct, suitable forum to candidly address actual security-related issues, different perceptions on both sides of the Atlantic, together with ESDP matters –a policy of mutual interest for both Europe and the US, as American officials are increasingly recognizing. The EU-US summit is not enough to build a true strategic partnership, nor is the North Atlantic Council: we need a specific **EU-US security summit,** maybe overlapping with the schedule of European Council´s meetings, and at least bi-annual[9].

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8 As stated by President Nicolas Sarkozy and Angela Merkel in a joint article, it is "regrettable that the "strategic partnership" between NATO and the EU does not live up to our expectations, due to persistent disagreements among certain nations. We think this must change. We must advance towards a real cooperation, based on a necessary complementarity" (in "Security, our common mission", Le Monde, February 3, 2009).

9 See also the proposals of the memo of the European Council of Foreign Relations, "Re-wiring the US-EU Relationship" (december 2008), by Daniel Korski, Ulrike Guérot and Mark Leonard.

- The EU should endeavour to attract **Russia** to greater cooperation in the fields of foreign and security policy, *on condition of reciprocity of commitments,* and within a general review of Russia´s role in the European security architecture. This should be done in furtherance of the common interests called for in the ESS Implementation Report and without hindrance to other concerns (the rule of law or energy, among them). Russia can become a valuable partner in the fight against terrorism, organised crime and proliferation. Although diplomatic positions will at times diverge, joint cooperation in ESDP missions remains a plausible possibility, as EUFOR Chad/RCA might point to.

- In the case of other regional organizations or other regional powers the EU should follow the example set by the 2007 Africa-EU Strategy (or the EU-China strategic partnership) and develop common visions and strategies with its partners, particularly, as said, with those of its immediate vicinity (such as with the new, Barcelona-based Union for the Mediterranean).

1.3 Strengthening the ESDP: towards a European Defence White Paper

The EU is an international actor which already musters significant soft power and has successfully applied it to a number of crises. It must also be willing –and capable– to act as a **hard power** in some circumstances (of course, in the European holistic way of crisis management), to sustain its interests and its values, such as in dire R2P scenarios. The ESS Implementation Report goes some way along the efforts to emphasize the ESDP component within the ESS (missions, capabilities, etc.), as the operational tool for a European foreign and security policy –a Europe which is "more effective and capable"[10].

But all these statements remain within the overall security framework and security culture. They fail to address their logical defence implications.

Therefore, and aside from such regular assessment processes of the ESS, *the EU needs to develop the doctrinal defence component of the ESS and the CFSP/ESDP through a specific* ***European Defence White Paper (EDWP).*** This would be a civilian-military strategy, which would guide Member States' efforts in the operational domain (missions, troop-commitments, etc.), including in the framework of Permanent Structured Cooperation as provided for in the Lisbon

10 ESS Implementation Report. The 2003 ESS barely mentions the ESDP; logical, as it was then very

Treaty or through the other pathways we lay down below, on Chapter 2, not dependent on Lisbon. Moreover, this European Defence White Paper should be inclusive, representing the common agreement of all EU membership in the defence pillar of the ESS.

A) Why a European Defence White Paper?

What is required for the military capacity-building of European States is firstly *a unified vision on the level of ambition,* cutting across organizational divides: how many forces should the EU-27 as a whole be able to muster for crisis management as well as for long-term peacekeeping, for which priorities, how many operations might be conducted simultaneously, which reserves does this require and which capacity must be maintained for territorial defence? In all probability the result will be that Europe does not need two million uniforms, which is roughly the figure for the total armed forces´ personnel of European Member States.

This **European Defence White Paper (EDWP)** should thus define more clearly *the common European ambitions in the field of defence.* The ESS states that the first line of defence will often be abroad, as the new threats are dynamic. It also mentions the "mutual solidarity" of the EU member states. And the mutual assistance clause contained in the new Treaty (art. 42.7 TEU) carries with it some symbolic importance –yet of limited, practical implications. This is not enough, because this level of ambition of the EU is low. The EDWP should explicitly state as an overall agreement amongst EU Member States that, in the long-term, *the EU will ultimately aim for a system of collective defence,* in line with the aspirational provisions of the Treaty on European Union.

This system should cover the newly identified threats, which might require deployments *overseas;* territorial defence as well defence against threats or attacks which might take place *within the EU,* that is, internal defence. Some of the recent crises have provided evidence on how close the EU is to a number of conflicts, and that the chance of an attack on a European country might not be a far myth from the Cold War –nor is a large-scale attack(s) by non-state actors.

The debate on whether and why the EU must in the end take responsibility for its own defence seems increasingly outdated. We will thus only provide a summary of reasons for that:

- It will provide for a fair allocation of responsibilities between the EU and NATO in the regional and global scene, putting an end, as some have put it, to

the EU´s continuing *evasion of strategic responsibility*[11]. It will thus allow for NATO to better carry out the priority operations agreed by the Allies –thus lowering the demands and resulting overstretch. The EU will in turn conduct autonomously some other operations it deems necessary *for its specific interests/values as a complete political actor,* and/or in places where it may be perceived as more neutral a peace-broker (for instance, in Africa or the Caucasus).

- It would be but a logical element of the European integration process –already discussed from the outset, in the 1950s, at the time of the stillborn European Defence Community. A process which aspires to create a sort of political entity –whatever its name– deciding the future of European peoples on an ever growing number of important aspects.

- In addition, it is needed to bolster the ambitious agenda of building capabilities and acting as a single entity on the global scene. Without a credible system of collective defence, including effective mutual assistance clauses and a further institutional interlocking of the European armed forces, this ambition remains half-hearted.

Furthermore, this EDWP will ultimately advance the project of a system of Euro-Atlantic security made up of two founding pillars, NATO and the EU. A project which, if realized, might also bring the promise of solving the divisions amongst Member States on the organizational framework. What some have termed the "Europeanization" or an EU caucus in NATO, through intensified cooperation of the EU member states in the North Atlantic Council (NAC), might be a necessary consequence of the EU assuming more responsibilities in defence. The long-term aim might be some sort of transformation of the North-Atlantic Council into a **permanent NATO-EU Council,** meaning the EU speaking with one voice and pooling the European votes.

However, it is important to note that this should not lead to the dissolution of ESDP in NATO. These should be *consequences of, not the solution to* European

11 Alyson J.K. Bailes, "With 27 members already, and more lining up in the Western Balkans, the EU cannot pose as a small huddle of vulnerable do-gooders sheltering under the wing of NATO and the United States. It has a strategic weight of its own and an external impact that can be experienced in many places as oppressive: it is moving down the road towards having potential enemies as well as competitors". "The EU and a "Better World": What role for the European Security and Defence Policy", in International Affairs (January 2008).

Defence. ESDP and European Defence stem from a specific logic, underlined throughout this paper, which is not answered by NATO´s framework.

Moreover, the work towards a European Defence White Paper could benefit from the input of several national defence reviews which as of 2008 are being implemented in countries such as France, the UK or Spain1[12]. It makes but common sense that innovative synergies stemming from these defence cultures should be channeled towards a shared understanding of what European defence should look like, rather than always having 27 (or 30) all-encompassing defence strategies.

B) Military crisis management: where, when, how and for what purposes

Direct military interventions are one of the most visible cases where capabilities are applied, but they are also a very contentious instrument for public opinion and between Member States. The agenda of the ESS concerning interventions, also after the ESS Implementation Report, is still too vague and needs specification in the EDWP. When working on this Defence Paper, EU institutions and Member States should set sufficiently transparent criteria on *i) where, ii) when, iii) how and iv) for what strategic purposes* the EU will intervene in crises or conflicts through the deployment of military capabilities under its flag. Amongst these criteria, we propose consideration of the following issues:

• **Interests**, in line with the said assessment process of the ESS; for instance, where there is a risk that the unfolding of a crisis might severely jeopardize stability in the EU´s vicinity (Lebanon, for example) or in areas of strategic interest for Europe. On the other hand, this should obviously include responses to threats to European populations –for example, rescue missions for the evacuation of EU nationals from trouble scenarios.

• Dire **humanitarian crises,** in particular, in scenarios meeting the thresholds of the principle of the responsibility to protect (R2P), supported by UN Member States in 2005 and spearheaded by the EU. The R2P is an embodiment of the broader notion of "Human Security" which bolsters the holistic approach to crisis management and is part of a new, XXIst century multilateralism. The ESS Implementation Report specifically endorses the R2P for the first time.

12 Spain, for instance, is in the process of passing a new Directive on National Defence, which, notwithstanding the name, embodies a forward-looking vision of European defence together with a commitment to NATO. This will be a part of a future, broader National Security Strategy.

This commitment to humanitarian principles should be done in the understanding that they will not be the sole criteria for EU military engagement. As inferred from the other criteria or scenarios above, there may also be circumstances where there may be plain, collective interests at stake of a more "self-serving" nature (e.g., protection of EU nationals abroad), overlapping or not with global humanitarian concerns. Other considerations should also balance such principled compromises, above all, the risk of not living up to the expectations –which, on the other hand, reinforces the case for Europeans *to make good on their statements* (as last months´ debate on a yet-to-come EU bridging operation in the Kivus, Congo, has shown).

• **Overall UN blessing:** another factor might be a request or support from the UNSC, as was the case with Eufor Tchad/RAC for the EU to set in motion an operation. A bridging operation in support of another UN mission is a case in point, increasingly in demand. Coercive measures of a military kind (particularly against third States and other similarly difficult cases) should preferably be conducted in partnership with the UNSC. Overall, in some cases, the EU might decide that a deployment of troops under an EU flag is required; in other scenarios, the EU has other means to provide significant contributions for solving the crisis, such as a civilian mission (for instance, the EU Monitoring Mission in Georgia –EUMM), contributions to UN peacekeeping operations or generally through an enhanced CFSP.

These criteria will guide decision-making as regards the specific European engagement and the different operations decision-makers subsequently agree to launch (peace-enforcement operations, rapid response missions, civilian-military integrated missions, rescue missions, etc.). They will mark a decisive start towards an **EU crisis management doctrine.** Relatedly, on the question of how many operations, the EDWP should strive for scenarios which are both realistic and ambitious, as a consequence of the foregoing. In this respect, the so-called **level of ambition** explicitly set forth in the Declaration on Strengthening Capabilities[13], endorsed by the European Council of December 2008, provides an

13 Council of the European Union, 11 December 2008. Summarizing, this level of ambition provides inter alia that "in the years ahead" the EU should be capable of planning and conducting simultaneously, two major stabilisation and reconstruction operations for at least two years; two rapid response operations of limited duration; an emergency operation for the evacuation of European nationals in less than ten days; a maritime or air surveillance/interdiction mission; a civilian-military humanitarian assistance operation lasting up to 90 days, and around a dozen ESDP civilian missions, including a major mission (possibly up to 3000 experts), which could last for several years.

idea of what kind of missions Europeans might collectively aim at, in the years ahead. Yet Member States *must go beyond this level of ambition and also accept within that level more high-intensity operations,* for a instance, of a peace-enforcement nature[14].

On the other hand, this level of ambition would guide efforts in the development of capabilities, addressed in Chapter 2. As the EDA recalls, this is not merely a numerical matter ("how many troops on the ground?"), but qualitative (capabilities should be those necessary to produce the desired strategic effect).

14 In this respect, Battle Group-size rapid response operations of limited duration seem to be the only high intensity target listed in that Declaration. The new Treaty, among the Petersberg´s tasks, speaks of "tasks of combat forces in crisis management, including peace-making...". It further adds that "all these tasks may contribute to the fight against terrorism, including by supporting third countries in combating terrorism in their territories" (art. 43.1 TEU).

2. Towards EU collective defence

2.1 Inclusiveness and multi-speed European Defence

Having dealt with possible policy dimensions for future reviews of the ESS and the need for a specific defence strategy (a European Defence White Paper), this chapter deals with the practical decisions required to turn ESDP as it is now into an enhanced European Defence. We first include proposals in matters we deem critical –and possible– for the whole bloc, endorsing the principle of inclusiveness. We also put forward a number of proposals for smaller groups of States that want to proceed faster in defence cooperation within the mechanisms currently or potentially available, starting in the domain of capabilities (e.d. under the benchmarks of the European Defence Agency, ad hoc projects, etc.), up to a so-called political *"avant-garde"* of those States willing to go even further in the integration of their defence systems. Some of the ideas might take place within the mechanisms contained in the Lisbon Treaty (the Permanent Structured Cooperation or PSCoop, and Enhanced Cooperation, in particular), which will provide them with a clearer institutional framework. But they might also be carried forward within the current institutional setting (meaning the Nice Treaty, the EDA and intergovernmental agreements), defence being the very intergovernmental arena of the European integration process.

Hence, this paper attempts to combine **inclusiveness** in European Defence together with the idea of **multi-speed Europe,** a reality with other subjects of the process of integration.

The construction of ESDP has both a political objective, i.e. permitting the European Union to truly become a global actor on the international stage, and a practical

objective, i.e. building up the military capabilities needed to carry out ESDP missions in a more effective, efficient and ambitious way; missions, which, as the ESS Implementation Report reckons, are increasingly in demand. The long-term goal, as stated when elaborating on the European Defence White Paper, should be to reach the capacity for an autonomous, EU collective defence.

The more Member States´ defence policies converge and the more their armies cooperate, the more efficient defence expenses will be. From an economic point of view, and in terms of military proficiency, ample evidence has been given that EU Member States have an interest in moving together from "non-Europe"[15] in this subject towards aligning their defence policies as much as possible, parallel to the development of a comprehensive Common Foreign and Security Policy (CFSP).

2.2 What should be possible for the EU as a whole: proposals in critical areas

The CFSP was created in 1992 in the Treaty of Maastricht. At this time, the ESDP was not a policy area of the EU and it was the Western European Union (WEU) that dealt with these questions[16]. The ESDP has its roots in the Franco-British summit of St. Malo, in December 1998, when the idea of a European defence policy that would enable the European Union (EU) to act autonomously in military matters was successfully launched. This idea was accepted by all European partners and then formalized at the European Council of Cologne in June 1999, thus marking the birth of the ESDP[17].

During the years which followed, the Member States of the Union achieved several objectives such as:

- Defining basic structures for the ESDP:
  - The Political and Security Committee (PSC)
  - The European Union Military Committee (EUMC)
  - The European Union Military Staff (EUMS)
  - The Civilian Planning and Conduct Capability (CPCC)
- Launching more than 20 civilian and military operations.

15 See, for instance, "The costs of non-Europe in the area of security and defence", Policy Department external policies, European Parliament, Directorate-General for External Policies of the Union, June 2006.

16 An organisation which, it should not be forgotten, has had a mutual assistance clause for years.

17 It is worth remembering that EU leaders in Cologne already subscribed to the idea that "the Union must have the capacity for autonomous action, backed by credible forces and the means to decide to use them" (emphasis added). European Council Declaration Strengthening the Common European Policy on Security and Defence, Cologne, 3 and 4 June 1999.

- Creating the European Defence Agency (EDA) which deals with all aspects of defence at the European level: capabilities, research and technology (R&T), armaments, market and the European Defence Technological and Industrial Base (EDTIB).
- Agreeing on the European Security Strategy (ESS) in December 2003, aholistic approach for international crisis management, as explained in Chapter 1 of this paper.

But this is not the end of ESDP's development, aside from all the shortfalls which have been obvious in this first decade. Indeed, despite the apparently high number of operations launched to date, it appears that it is increasingly difficult to maintain steady progress on ESDP matters. In general, progress on acquiring capabilities is sluggish and this is not only due to flat defence budgets; restrictions on the pooling of capabilities are essentially the result of the Member States´ desire to retain sovereignty in this area, entrenched defence portfolios and vested interests. There is neither a common military doctrine nor many multinational units, notwithstanding initiatives such as the Eurocorps or some Battle Groups (BG)[18]. It is also difficult to build common equipment and to have an efficient European defence industry. On the other hand, the large majority of the operations which have been launched can be deemed civil operations (Rule of Law, Security Sector Reform missions, etc.) –many of them small, involving few EU personnel– rather than military ones[19]. The criticisms raised as regards the latter (e.g., in terms of funding, real objectives, lack of a coherent EU crisis management strategy, etc.) are well-known.

The goal should be to go further and deeper in order to have the most integrated European defence policy possible, the common defence policy which was envisaged in the Maastricht Treaty and remains the objective of the Lisbon Treaty –which commits EU leaders to a "Common Security and Defence Policy" (CSDP), a symbolic change[20]. *The ESDP can no longer be detached from its ultimate, Treaty-based purpose;* an objective which, of course, must be filled up with specific elements. This is a task this paper intends to contribute to.

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18 Three basic types of BG have been set up since 2007: national BG, BG with a framework nation or multinational BG.

19 Only the operations Artemis (Congo), Concordia (Macedonia), EUFOR RD Congo, together with ongoing EUFOR Althea (Bosnia), EUFOR Tchad/RCA (Chad) and the new maritime mission, EU-NAVFOR ("ATALANTA"), may be deemed military.

20 As said above, the Lisbon Treaty maintains the provision according to which the (now) common security and defence policy "shall include the progressive framing of a common defence policy" which "will lead to a common defence, when the European Council, acting unanimously, so decides" (art. 42, TEU, Consolidated version of the Lisbon Treaty, emphasis added).

It should be possible –and is highly desirable– for all Member States to make headway as EU. Hence, they should endeavour to make progress as a group in the following critical areas:

- With respect to the overarching security framework, harmonising national foreign and security policies which goal would be to achieve a real Common Foreign and Security Policy (CFSP) and a Common Security and Defence Policy (CSDP), as provided for in the Lisbon Treaty. To achieve this goal and as a summary to Chapter 1, EU Member States need to work on a common view of the role and objectives of the European Union in the international community in the face of security threats and challenges. In particular, the EU needs a specific **European Defence White Paper** developing the defence implications of the ESS, in terms of crisis-management, missions, etc.

- **Harmonising military doctrine and training of personnel** to increase interoperability between national forces and thus the ability of military personnel to work together. The European Defence Agency highlights this point: interoperability is key not only for equipment, but *to all European capability development work,* from language to procedure to training[21]. The initiatives advanced by the 2008 French Presidency of the EU to promote exchanges of young officers (some sort of a military Erasmus) and to build on the European Security and Defence College represent a first step, which must be further elaborated on.

  This represents but a part of a general trend in the European integration process (meaning, harmonisation of national requirements in education, social policies and so forth). Harmonization of military and defence cultures must likewise be carried forward, the more since *it concerns the ability of European militaries to operate together in difficult environments where they might risk their lives.* This is a crucial objective if the EU wants to have fully combat-capable, multinational units. Of course, effectiveness does not require interoperability at all military levels, but it certainly does at those necessary to build effective forces among European countries. We must advance indeed towards building multinational forces, yet that previously demands more common doctrines, training, joint exercises in Europe or overseas and so forth. Otherwise creating joint units which

21 European Defence Agency, "An Initial Long-Term Vision for European Defence Capability and Capacity Needs" (October 2006, at http://www.eda.europa.eu/genericitem.aspx?id=146).

are not accustomed to working together in difficult circumstances amounts to putting the cart before the horse[22].

Moreover, if the EU is making efforts towards coherence of foreign policies and greater effectiveness at the diplomatic level –amongst others, through the establishment of a European External Action Service (EEAS) should the Lisbon Treaty enter into force– it makes at least as much sense to do so at the operational level. *The present heterogeneity is detrimental to the very idea of European Defence* and, furthermore, *to the success of operations should the EU decide to engage more regularly in scenarios with determined XXIst century war actors pursuing asymmetric strategies*[23] (some of the Petersberg tasks will indeed entail demanding missions, if there is such a political will).

On this basis, together with the improvement of the European Security and Defence College, the Council should agree on the creation of a specific **European Military School** for officers, centralizing existing programs. Work along these lines could be carried forward in the near future, in order to have the basic elements of that School agreed by 2011.

- Common command and control, strategic planning structures through a Brussels-based, civil-military[24] integrated **European Operational Headquarters (OHQ)** in order to get a genuine European capacity for conducting ESDP missions and to overcome the present situation of i) dependency (for EU operations must be carried on in national HQ or those of NATO under Berlin+); ii) fragmented command structures and iii) separation between civilian and military planning[25].

- **Funding of operations.** Every strong policy must have a sound budget for its implementation. It does not make sense anymore for the European Security and

22 A criticism sometimes put forward as regards the design of multinational Battle Groups (BGs), for the current heterogeneity in the EU BGs could have "disastrous consequences in combat situations". See Yves Boyer, "The Battle Groups: Catalyst for a European Defence Policy", Policy Department external policies, European Parliament, Directorate-General for External Policies of the Union (October 2007).

23 The point is clearly made in the EDA´s "Long Term Vision" when it states that "...the operations for which European forces should primarily prepare for the foreseeable future will require force to be applied in opaque circumstances, against an opponent at pains to conceal himself amongst civil populations, under tightly constraining rule of engagement and 24/7 media scrutiny".

24 Therefore, it would be different to that proposed by the Member States in the so-called Tervuren initiative, in 2003 (a purely military OHQ).

25 Along these lines, N. Witney rightly shows that "a series of awkward compromises has produced a system for the planning and direction of EU operations that is disjointed, unstable and plainly transitional" (Witney, N., "Re-energising Europe´s Security and Defence Policy", ECFR, July 2008).

Defence Policy to be different in this respect. The aspirational goals of the Treaty cannot be met with the present situation, where those States who contribute troops must also pay for practically the whole mission, plus, in a context of 27[26], largely uncoordinated, stagnating defence budgets.

The logical corollary to the rule of unanimity in decision-making as regards defence should be that all Member States voting in favour of an operation must contribute somehow to ESDP operations –beyond the voting decision–, if not with troops, with funding. The present system based on the "costs lie where they fall" rule is untenable with the objectives of ESDP, let alone a closer integration in defence. The Athena mechanism barely covers 10% of the extra costs of EU operations. It should be fully reviewed in early 2010 to provide for more common, shared costs. Quicker procedures for emergency disbursements are also needed.

Moreover, the start-up fund provided for in the Lisbon Treaty (art.41.3), based on Member States´ contributions, might amount to a small progress if the Treaty comes into force. Although in principle its scope is limited to "preparatory activities" for ESDP missions, when taking the decisions regarding its establishment, foreseen in art. 41.3, Member States in the Council should interpret this provision broadly and provide for that fund to cover a large share of common costs[27].

The remaining question EU leaders should address is why, notwithstanding *the insistence that the ESDP (or, in the future, maybe the CSDP) is an instrument of the CFSP, ESDP crisis management operations are excluded from the common budget, whereas CFSP is not* –a question basically left intact by the Lisbon Treaty. Therefore, a long-term solution should envisage a sort of **European fund for ESDP missions,** for instance, through a further development of the abovementioned start-up fund.

- Developing more, more efficient and more interoperable **capabilities,** advancing towards **pooling and specialisation**[28]. These are the objectives of the Headline Goals 2003 and of the Headline Goals 2010, augmented by the decisions of the

26 When refering to 27 Member States, we do so for the sake of clarity, although for most practical reasons they are 26, in view of Denmark´s opt-out in defence questions. It cannot be excluded that other States might resort to similar opt-out options in the future.

27 In this task the High Representative of the Union for Foreign Affairs and Security Policy will have a big say, since these decisions of the Council, by qualified majority, will be taken on his proposal.

28 See Jean-Pierre Maulny and Fabio Liberti, "Pooling of EU Member States Assets in the Implementation of ESDP", Policy Department external policies, European Parliament, Directorate-General for External Policies of the Union, February 2008

European Council of December 2008, the achievement of which is still in progress. Member States must have confidence in the EDA to pursue the Capability Development Plan in order to elaborate common R&T projects, gain common equipment and generally coordinating defence budgets´ investments. Specific proposals for smaller groups of States in the area of capabilities are developed below.

- Relatedly, in the context of a general reappraisal of the Headline Goals 2010 which engages the EDA, the EUMS and the EUMC, Member States must build on existing initiatives for **EU rapid reaction forces,** such as the Battle Groups. Consideration is due for their improvement through the creation of other joint forces, such as the proposed **Task Force 5.000** (combining air, sea and ground components)[29]. The interoperability of such forces would benefit from the harmonization process described above. On the other hand, some of the Petersberg tasks entail longer operations, as the level of ambition of the Declaration on Strengthening Capabilities foresees –operations which require not only deployable standby units, but the necessary support elements (air, logistics, etc.). Reflection on the model of forces needed for such operations is due.

- Strive to achieve the goal of setting up a common defence market and a strong **European Defence Technology and Industrial Base (EDTIB),** as addressed in Chapter 3.

Decision-making in all these matters would be strengthened with an agreement on a formal **Council for Defence ministers,** a logical corollary to a Common Security and Defence Policy.

Progress at EU level remains an uphill battle, but one which is worth fighting for on grounds of European solidarity and general ownership of European Defence. This being said, it remains necessary to lay out how progress can be made in smaller groups. The objective is to go further with smaller groups that may later be joined by others. The following sections explain plausible steps in this regard.

29 Yves Boyer, supra note 22.

2.3 The Lisbon Treaty: the Philosophy of Permanent Structured Cooperation

Permanent Structured Cooperation (PSCoop), as conceived in the Lisbon Treaty[30], has the potential to make European military capabilities more efficient without a strong integration policy, while allowing for a smaller group of Member States to advance faster and deeper towards defence integration. It embodies the idea of multi-speed Europe in this domain; other provisions of the Lisbon Treaty arguably also condone such an approach[31].

PSCoop does not impose specific criteria which would restrict certain countries from taking part from the start; so to speak, it leaves the option open for every EU Member State to participate (the inclusiveness idea). The agreement that emerged before the failed ratification of the Lisbon Treaty in Ireland is that the Union would adopt a technique known as the "wedding list": that is, that in order to take part in the PSCoop, Member States must respect the general commitments described in Protocol #10 in the annex of the TEU and make a certain military contribution to what we might call the "common good" of the ESDP. A further possibility was that each State would develop their defence plans within the framework of the Capability Development Plan[32] in a bid to fill in the capability gaps identified in 12 priority domains[33].

However, as some national defence officials have cautioned, while no State would be excluded from membership in PSCoop from the outset, *permanence* would indeed be more demanding. A case has been made towards finding a middle ground between too loose an interpretation on the criteria for membership contained in art.1 of the Protocol, which would deprive PSCoop of its meaning, and a too stringent one[34]. The key, as some experts have rightly argued, is not only present, but also **future performance;** this idea is implied in art. 2, on the commitments of participating Member States.

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30 "Those Member States whose military capabilities fulfil higher criteria and which have made more binding commitments to one another in this area with a view to the most demanding missions shall establish permanent structured cooperation within the Union framework". Art. 42, 46 TEU and Protocol 10, Lisbon Treaty.

31 For instance, art. 42 and 44 TEU, which provide that the Council may "entrust the implementation of a task to a group of Member States which are willing and have the necessary capability to undertake the task". As some have argued, these provisions´ potential lie in the fact that they might point to a particular lead-nation(s) model within the EU framework (see B. Angelet & Ioannis Vrailas, "European Defence in the Wake of the Lisbon Treaty", Egmont Institute, May 2008).

32 Adopted on July 8th 2008.

33 See background note on the Capability Development Plan.

34 See also B. Angelet & Ioannis Vrailas, "European Defence in the Wake of the Lisbon Treaty" (supra note 31).

A more restrictive understanding of this mechanism, taking a step beyond this "wedding list" type of implementation, would impose more demanding criteria on States, such as a minimum percentage of the GDP which must be allocated to defence expenditure on equipment or R&D. This, however, raises the problem that some countries are simply unwilling to abide by a rule that resembles the Euro criteria for convergence.

If the Lisbon Treaty comes into law, and a number of States initiate the process for establishing PSCoop, the **European Defence Agency** would be well-positioned to judge implementation of their commitments, in accordance with art. 3 of the Protocol –therefore acting closer to a watchdog body, an authority which is needed in European Defence. Overall, the provisions of the Treaty seem to point to a bolstering of the powers of the Agency, aside from providing it with a clear legal basis.

PSCoop attempts to balance inclusiveness of *all* in European Defence and the legitimacy of *some* to go faster, within the Union´s framework. This, together with its real potential to make a more capable ESDP, provides another reason for the Lisbon Treaty to enter into force. Finally, PSCoop grants States the liberty to contribute according to their particular interests, while permitting Europe as a whole to make significant progress in defence integration and policy coherence.

Even if the Lisbon Treaty is not adopted, *PSCoop remains a valid concept* that provides some technical guidelines needed to beef up EU military capabilities. It could therefore be de facto implemented by those States supporting it, even without the adoption of the Lisbon Treaty. The project could be carried out by willing States with the support of the European Defence Agency. Such a method admittedly lacks the legal obligation enshrined in a Treaty, but as is always the case, it is the Member States' political will that will determine the future of PSCoop and of European Defence in general. In fact *the "cooperation on ad hoc projects" and "the pioneer groups on capabilities" we propose below contain proposals that could be included in PSCoop.* It is a way for implementing PSCoop even if the Lisbon Treaty is not ratified by all the 27 Member States of the Union.

2.4 Multi-speed European Defence: possible steps as of 2009

The entry into force of the Lisbon Treaty would in principle mean a step forward for European Defence –above all, for the mechanism of PSCoop and maybe an Enhanced Cooperation– and, needless to say, for the EU as whole.

Yet as mentioned above, there are several priorities which can and should be addressed by EU Member States as of this 2009, to advance in European Defence within the present framework, as provided by the Nice Treaty, the benchmarks of the EDA and intergovernmental decisions. Likewise, there is a number of pathways already open for smaller **groups of States** that want to proceed faster in the near future. Notably:

- A first possibility is to let willing states **cooperate on ad hoc projects** (section 5). The 2008 French Presidency of the EU took this way, launching ad hoc projects to face the impossibility of dealing with the PSCoop during its term and for the foreseeable future.

- The second, related possibility is to form different **"pioneer groups"**[35] in order to make more progress in the specific area of capabilities (section 6), as a sort of **"case-by-case Permanent Structured Cooperation".**

- Thirdly, the more **politically oriented *"avant-garde"*** to set common defence policies and impose more stringent obligations among certain Member States (section 7).

The first two approaches roughly concern the capabilities domain, while the political *"avant-garde"* comprises other aspects, even closer to the end-goal foreseen in the TEU.

Overall, these approaches are compatible with one another. Importantly, they are possible and feasible within the current EU framework, while respecting the principle of sovereignty in its double meaning: those States that do not want to advance further in the field may do so, as much as others have the right to go ahead (and to be allowed to do so) by means of pooling their defence capabilities and harmonising their defence cultures, etc., in furtherance of –in the words of the ESS Implementation Report agreed by *all* Member States– an autonomous, effective and capable ESDP.

The following issues need to be underlined:

35 This paper shares Nick Witney´s notion about possible "pioneer groups" and his methodology for progress in the ESDP area of capabilities ("Re-energising Europe´s Security and Defence Policy", ECFR, July 2008, supra note 25).

- The steps we explain in the following sections of this Chapter would certainly be strengthened with the Lisbon Treaty becoming law, and therefore opening the option for **PSCoop** and for an **enhanced cooperation** in security and defence matters (allowed by art. 329.2 of the Treaty on the Functioning of the EU). Yet the truth is that all three of them may be implemented without Lisbon, admittedly, then, remaining within the presently weak institutional structure, embodied in the voluntary, collective benchmarking now defining EDA´s work (which, as stated, Lisbon might change significantly).

- These decisions should take place together with the implementation of the other proposals thus far outlined, aimed for the **whole EU bloc.** Proposals regarding strategic questions (a European Defence White Paper, in particular); an enhanced institutional framework (through the launching of the European OHQ); more common funding for operations, etc.

- The approach followed can also be framed in terms of gradual commitments: from more flexible cooperation, in principle open to all, towards more stringent criteria for participating Member States up to the political *"avant-garde"*.

2.5 Cooperation of the willing through ad hoc projects

The French Presidency of the EU decided to launch different ad hoc projects, capability-oriented. Those projects are open to all EU Member States, but are launched following the "coalition of the willing" format. The idea is to obtain a cooperative programme *open to all, but without the threat of veto,* hindering the will of participants. Some of the co-operative programmes launched by the French Presidency are still on the "operational definition" stage, such as the future heavy helicopter or that on mine-clearance. In some other cases the pre-definition phase is over and the programme must now be launched, as in the case of the MUSIS observation satellites programme, which will take the form of a mutualisation of national assets. Other co-operative ad hoc programmes examples are possible, such as the mutualisation of the in-life support and assets of the A400M European fleet, or the fund created to sustain an European fleet of transport helicopters.

In each of these cases we saw the creation of a coalition of the willing, with the impulse of the Presidency and using the EDA as a toolbox for all these programmes. In this case, in the short-term there are several ways for future" coalition of the willing" programmes:

- First, present and coming EU Presidencies[36] should try to launch new programmes if there are opportunities for new "cooperation of the willing" programmes.

- Second, each Presidency tries to find pragmatic tools in order to better manage, in terms of efficiency and integration, programmes launched during past presidencies under the "coalition of the willing" format. This is needed on grounds of coherence and continuity of efforts in this field.

Indeed, in many areas progress is possible with a "coalition of the willing" format, specifically with respect to capabilities´ shortfalls: medium armoured vehicles network centric oriented; UAV; future studies on unmanned combat aircraft vehicles (UCAV); future border security maritime assets, or anti-IED technology assets. It is also possible to progress in the field of logistic and common through life approach for current co-operative programmes.

On the other hand, in order to implement this "coalition of the willing" ad hoc projects we need specifically very pragmatic budgetary and juridical tools which could be develop by the European Commission.

2.6 "Pioneer groups" for capabilities: criteria

Dwelling further in the domain of capabilities and beyond such ad hoc projects, some Member States could establish more restrictive obligations among themselves. It is not necessary to elaborate new legal instruments in this area as the "pioneer groups" for the capability process could be driven by the European Defence Agency, which will be at its center. In fact, the result would be the same as if we were setting restrictive criteria for the PSCoop framework which, as we know very well, some countries could not or would not fulfil immediately. In that case, the criteria for such "pioneer groups" can be loosened as necessary in specific cases, on a flexible basis.

Among the criteria that might be included in these "pioneer groups" for the capability process, the following proposals are worth considering:

36 We are aware that these proposals should be updated and adapted with the relevant institutional changes the entry into force of Lisbon would entail (as regards the President of the European Council, the High Representative, etc).

The first three criteria are independent of each other and of the following blocks of criteria.

1) Higher percentage of **spending on equipment in the defence budget.** It is clear that the current ratio equipment/defence budget is too low. There are approximately 2 millions soldiers in the EU in contrast to 1.5 million in the US. There are overlaps in logistics and many other areas. Dedicating 35% of the total defence budget to procurement would be a productive goal.

2) An objective in the area of **R&T expenditures.** This proposal has already been made during the EU French Presidency with the objective of spending 2% of global defence expenditure in R&T.

3) The percentage of **deployable forces** out of the total military personnel, bearing in mind NATO´s sustainability ratio of 8%. An additional point on the financing of common costs of EU operations is the implementation of the abovementioned Athena mechanism, which sets forth that States providing a high percentage of troops to the mission would contribute less to the common costs. We can add the idea of having a system of decreasing common costs sharing in the Athena process for those Member States which have the higher percentage of deployed forces on the total of military personnel.

Criteria 4 through 7 are interlinked and describe the creation of a united block:

4) The mandatory **opening of national defence markets** by 2015 (except in specific sensitive technology areas such as nuclear deterrence).

5) The realisation of cooperative programs with the aim of filling the gaps in **key capabilities** identified by the EDA, such as strategic airlift or space assets; this obligation will go further than that which was specified in Article 1 of the Protocol defining PSCoop.

6) The creation of a sub-group working on the convergence of operational needs within the EDA; such a group will be open at all times and to all countries, its objective being to systematically define the common needs for all equipment in contrast to what currently exists.

7) The **free circulation of defence products** within the “pioneer groups” (this mechanism will be more detailed than the European Commission directive project on intra-community transfers). This is linked to the necessity to have common process controlling arms exports.

Criteria 8 through 11 of the "pioneer groups" for the capability process form another unit:

8) The constitution of **multinational military units.** The objective of this measure is to establish a kind of *Capability Development Plan* of multinational units. The EU Member States participating in the pioneer groups would create specific objectives for themselves. The final goal is to eventually place European armies within a harmonized framework. We can logically expect that this project will lead to the creation of common means of support and logistics, as well as in areas where capabilities are in surplus. This entails harmonizing the structure of armed forces by coordinating the typology and structure of units. These units could be fully multinational indeed, bi-national or following the "framework-nation" concept, as the case may be. These measures would also benefit from the creation of the European Military School and the reassessment of initiatives such as the Battle Groups, proposed above.

9) The **pooling of capabilities and specialization.** In the pioneer groups approach the pooling of capabilities is more than ever the possibility of having common procurement for capabilities with common logistic and through life approach of the equipments. It must be articulate with what is done at the EU level.

10) The coordination of **strategic national defence planning** (concerning periodicity, nomenclature and content), to put in place a overarching strategic plan for the pioneer groups by 2020.

11) The creation of a common communications, command and control **(C3)** structure.

Pioneer groups in the capabilities areas would be formed on a voluntary basis. In order to encourage Member States to participate in a common capability pioneer group and to cooperate effectively, incentives such as reducing the common costs of EU operations could be made available for certain participating states. In this case the Council will have to approve specific cooperations on a majority basis. The lesson learned from the French Presidency is that it is easier to maintain progress on ESDP by implementing this sort of **"case by case" PSCoop.**

Indeed, should the Lisbon Treaty become law, **these criteria for different pioneer groups might serve as useful toolkit for a number of Member States to agree on establishing the single, Lisbon Treaty-based PSCoop,** and for admitting other

States subsequently[37]. On the other hand, it should be noted that Lisbon also envisages the establishment of "specific groups within the Agency bringing together Member States engaged in joint projects" (art. 45.2 TUE).

2.7 Enhanced cooperation and political *"avant-garde"*

We are very aware that some of the 27 (or 26) Member States are not that enthusiastic, for the time being, about the ultimate goal of developing "the progressive framing of a common defence policy, which might lead to a common defence", stated in the Treaty on European Union. We believe, though, that with the road map thus far here envisaged –from the establishment of a European Defence White Paper, greater harmonization of doctrines, etc., to the most demanding capabilities pioneer groups– serious progress can be achieved at different levels, which would benefit the EU as a bloc.

In this scenario, parallel to such efforts within the EU as a whole and at smaller groups, as outlined, some European countries may wish to go even further in the way of building up a common security and defence, establishing additional commitments among them, without jeopardizing the obligations they have with other Member States. They might create an *"avant-garde"* in the Security and Defence area that could later be joined by other States.

This *"avant-garde"* might be developed as an **enhanced cooperation** (ECoop) "in the framework of common security" under the Lisbon Treaty (art. 329 Treaty on the Functioning of the EU), if it comes into effect. It is arguably a mechanism which sets forth more conditions than PSCoop (unanimity as opposed to Qualified Majority Voting, etc.)[38].

Notwithstanding these procedural requirements, enhanced cooperation under the Lisbon Treaty has several upsides:

- It remains a plausible possibility which willing Member States have under the new Treaty, engaging both the Commission and the High Representative, to further the objectives, protect the interests and strengthen the integration of the Union[39].

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37 In the view of N. Witney, a "constellation of specialized groupings is necessary so that the single group foreseen in Lisbon is derived from it...comprising those who contribute most to most aspects of European Defence effort" (N. Witney, "Re-energising Europe´s Security and Defence Policy").

38 The Nice Treaty, currently in force, excludes enhanced cooperation on security and defence matters.

39 Art. 20 TEU.

- Moreover, it does not have to refer *only* to the development of military capabilities, as PSCoop; hence interested Member States could aim for a broader scope of this Treaty-based enhanced cooperation. In this respect, for instance, they could assess more demanding commitments and elements, amongst those outlined above or others.

- Another upside, in line of the inclusiveness idea, is that, in accordance with art. 331, *other Member States might later follow suit* and assume the commitments of this group.

On the other hand, nothing can prevent a group of countries from establishing closer agreements on defence, up to a **common defence policy,** provided they are not incompatible with their obligations within the institutional framework, as already occurs between France and Germany. Such an initiative is undoubtedly more difficult to achieve and to manage than the pioneer group for defence capabilities as it requires new legal instruments and strong commitments by the participating states. This option which we term **political *"avant-garde"*** (political inasmuch as it will not be based on the treaties, although it would need specific legal instruments) could therefore explore the following options:

- A **legal clause of mutual assistance** endowing the *"avant-garde"* with the ability to ensure their collective defence. A priori, this clause would need to be compatible with paragraph 7, Article 42 of the TEU. Regardless, no State has discredited the WEU Treaty and the provision of mutual assistance specified in Article V. Indeed, this clause has never been a point of contention with NATO and the mutual assistance clause of Article V in the North Atlantic Treaty.

- A **common defence strategy.** This common defence strategy will go further than the all-encompassing European Defence White Paper proposed in Chapter 1 of this paper (for the entire bloc). It would define a common strategy and military doctrine for civilian-military operations for participating States. It would require that nuclear countries agree with non-nuclear countries of the *"avant-garde"* on the role, doctrine, and conditions of the use of nuclear forces for deterrence and protection. The rules of engagement (ROE) of the members of "avant-garde" would be the same for military operations. In the common defence strategy, participant Members States share the rules of engagement in a doctrinal paper and for each operation in order to avoid the frequent caveats problems on the battlefield. The political *"avant-garde"* has a common policy for the support and control of arms export.

- **Common military units** operating with common doctrine and training, building on the Eurocorps, the Franco-German Brigade, the Battle Groups or other initiatives.

- Common co-operative programmes and common procurement. **The pooling of capabilities** of this group becomes the rule and non-pooling the exception. Participating Member States define a common defence planning in order to bring a common capability of assets to the EU.

- Mandatory goals in order to go further the capability process, such as: the percentage of GDP to be allocated to defence, the percentage of defence budgets to be allocated to R&D, the fusion or specialization of support, logistical, and experimental capabilities, common or fully interoperable armament programmes to supply Armed Forces and the centralization of procurement within the political *"avant-garde"*. This should be coupled with common defence export policies for both states/regions and types of equipment.

Such a core group defining a common defence policy might logically need a joint, permanent planning structure, maybe within the framework of the OHQ proposed above. Unlike the "pioneer group" for the capability process, the requisite criteria in order to become a member of the political *"avant-garde"* would be inflexible. Participating members would have to respect all obligations.

The integration of the *"avant-garde"* group will be a gradual process. The *"avant-garde"* project would allow European military tools to be used efficiently and open the way for a closer integration of all Member States. Participating States will be able to use their military forces or capabilities in the framework of EU and NATO or even individually if they want to. This project also corresponds to the political objective of those countries willing to further integrate their defence policies to build a comprehensive European foreign policy.

To sum up, the *"avant-garde"* projects are to be regarded in the long term as part of a Russian nesting doll construction of the EU's cooperation on defence policy. So to speak, gradual participation from ad hoc projects, constitution of specialized groupings cooperating under the benchmarks of the EDA, a core group PSCoop with Lisbon, together with ECoop, and a political *"avant-garde"*. The objective is thus to promote policy coherence in these phases. A country in the PSCoop phase must logically be able to participate in the pioneer groups. Those countries accepting to be part of the pioneer groups could form a political *"avant-garde"* or

set in motion an ECoop, if Lisbon becomes law and the conditions provided therein are met. However, there is no obligation on countries to progress along these lines. Countries involved in the political *"avant-garde"* are Members of the European Union and their defence policies will remain compatible with the Union's common policy.

In other words, these are not elitist projects, nor is the whole idea of multi-speed European Defence. They respect the point of view of those that do not wish to further integrate their defence policies within a European framework, but allow for other countries that wish to push forward in that way. This would contribute to the goal for Europe to be a truly relevant, strategic player in the international stage.

3. European Defence industry

As the European Council of December 11 and 12 2008 stated, with the Declaration on European capabilities, there will be no strong ESDP without a strong European Defence Technological and Industrial Base (EDTIB). Political action, decisions in the are of capabilities, the drafting of an European Defence White book, etc., will not achieve their full potential if European countries have no security of supply for their equipments.

European arms industry is today one of the industrial excellences at the continent level. Still, under-investment, especially in the field of R&T compared to the United States, could provoke in the future serious competitive problems to our EDITB. If consolidation in the aerospace and electronic sector achieved some strong European champions, in the naval and land sector EU Member States still hold redundant industrial skills. Better investment in R&T, consolidation of national industrial players at the European level, and promotion of cooperative equipment programmes seem essential for maintaining a strong EDTIB, and is the essential pre-condition for the development of a strong an autonomous ESDP.

3.1 Goals

The European Union needs a strong Defence and Technological Industrial Base for many reasons:

- First of all, European Union Member States need to achieve their **defence transformation process.** This process cannot be considered as achieved without new and adequate capabilities. Second, the current defence-spending

trend makes really difficult to predict a growth in the short term. This means that a strong European DTIB should be able to deliver better and modern capabilities, at a reasonable price. This cannot be achieved without a new round of restructuring, especially in the land and naval sector, and without a reorganisation of the European defence market.

- ESDP is an instrument of the Common Foreign and Security Policy. In order to achieve an autonomous European Foreign Policy, our defence needs a guarantee as regards the security of supply. Strengthening our DTIB can fulfil this goal.

- Defence spending is currently flat or is going to decrease, although it is clear that at bottom is not a question of just increasing defence budgets –but of better coordination, higher investments in R&T, etc. To achieve better value for money, armament cooperative programmes and capability pooling are increasingly necessary. The more national and cross-borders defence industries cooperate on joint programmes, the more the emergency of a real European DTIB is likely.

3.2 Future agenda to achieve a strong EDTIB

A) Market organisation

A more competitive European Defence Equipment Market (EDEM) would help making Europe's defence industry stronger and obtaining cheaper prices. Many actions still need to be undertaken:

- First of all, it is necessary to harmonize the legal framework in which European companies evolve. For instance, the harmonisation of the legislation under the control of foreign investments is a crucial issue. Which European technologies are truly "strategic" for the future on national and European DTIB? Shall we close our market to foreign investments directed to nuclear engineering companies? A list of defence-related and dual use technologies that are crucial for the development of a strong, independent and efficient DTIB should be drafted. This list should be frequently revised and shall be technology-oriented. What is important is to maintain European technologies on EU soil, not necessarily to directly control the national origin of the investment. European Union Member States should remain open to foreign investment, but may introduce some caveats on the ownership of crucial technologies.

A good example for a European Union legislation on this topic is the work performed by the Committee on Foreign Investments in the United States (CFIUS). The European Commission should drive the process of drafting a crucial technology list as well as elaborate legislative proposals.

- Secondly, it seems necessary to draft a **European Code of Conduct** on public/private shareholding in defence companies. Different models still exist in Europe regarding the ownership of defence equipment manufacturers. The result of this situation is a divergence in company cultural models and in national legislations that could slow down transnational cooperation and mergers at the European level.

  This code of conduct should stipulate that:

  1) Public investments within a defence companies should not exceed 50% of its capital. It is acceptable to have a growing public sharing above 50% if there is a risk of collapse due to the economic crisis.

  2) There should be no public interferences in the private business strategy of a private owned company.

  3) Member States should be able, by contrast, to put in place pre-emptive action in case of hostile takeover of a defence company, if there is a risk of losing control of key technology .

A common European position should be equally defined on the issue of **arms export subsidies.** Today the cultural, legislative and ethical differences between Member States distort the normal concurrence process in this sector.

The European Defence Agency should take an initiative to harmonize **arms export aids.** It is already done on the offset with code of conduct adopted on October 24, 2008. Now the offset cannot represent more than 100% of the contract value. But the European Defence Agency must continue on this way in order to i) harmonize the European legislation on arms export subsidies and ii) avoid concurrential distortion with United States on arms order subsidies.

In the future the goal is that the European Council has to work out common political directives on arms export, defining export countries/regions for commonly produced defence equipment, in order to have, beyond the arms export code of conduct, a **common arms export policy** defined within the CFSP framework.

3.3 A future agenda for the European Defence Equipment Market

- EU Member States should support a **public market directive.** The EU Defence and Security Procurement Directive, adopted by the European Parliament on January 14, 2009 is a good step forward in order to achieve true and sustainable competition in this field. We have emphasized that duplication and lack of coordination lead to huge costs on taxpayers.

  But it is necessary to consider that the necessity of a European defence market should be coupled with the need to ensure security of supply of assets and strategic technology. The EDA and the European Commission must organize a good balance between a true European Defence Equipment Market and the necessity to have a European industrial defence policy. This balance has to be applied in all the different areas of defence and technology. Papers like "Defence industrial policy" in the UK and different national papers on R&T give some good examples of what could be a European industrial defence policy compatible with the necessity of European defence equipment market.

- Phasing out exemptions applied to the EDA's Code of Conduct.
  It seems essential to us to phase out the number of exceptions delivered today to the EDA code of conduct. Sensitive technologies, such as nuclear weapons, should be obviously excluded from the implementation field of the Code. European armament cooperation must be based on existing and future capabilities. In order to achieve this, an EDA capability priorities specification catalogue should be defined, and truly competitive market mechanisms should be established in Europe. For their procurement the Member States should have always to account co-operative programme if they could strengthen the EDTIB. Their procurement policy must also have as guidelines the necessity to have equal access to the United States and the European market for American and European defence companies (on a reciprocity basis). The dynamic of the Code of Conduct and of the Electronic Bulletin Board should be reaffirmed. The Code of Conduct is not binding, and some participating Member States (pMS) have not really used this instrument.

- Setting a date for a **fully open market.**

  The EU Commission directives on Defence and Security Procurement and on inter-community arms transfer will probably be effective by 2011 – 2012, when Member States will have translated their provisions into national laws. At that date, the slowing pace of defence budgets as well as the internationalization of

defence will probably provoke new needs for the creation of a European defence equipment market. For those reasons we affirm that this market should be created by 2015. This goal is certainly ambitious, but it looks essential to strengthen EDTIB and it seems realistic if it is supported by a strong political ambition.

3.4 Restructuring the arms industry

A) The need for restructuring

Given the ongoing globalisation of the world economy, it is impossible to keep European defence manufacturers nationally owned. No European Member State has a large enough budget and no national market is large enough for the success of national defence manufacturing on the globalised world. If we want to maintain European defence technological capabilities, our manufacturers need open and rich markets. This is the only way for European companies not to be "hunted" by larger foreign companies. This would mean the end of national and European defence and foreign policy ambitions. Thus, the restructuring on the European level is necessary: to increase the competitiveness of Europe's defence industry on a global environment; to facilitate the achievement of an EDEM; to increase the possibility of achieving cooperative European equipment programmes.

B) Agenda for restructuring

The restructuring process is actually largely managed by industry, with governmental involvement. The EU and its Member States, however, can create stimulating preconditions to facilitate the arms industry's transformation and restructuring. Some actions should be put in place:

- European Union Military Staff, EDA and the Member States should define a long term plan for European defence needs, stemming from the European Defence White Paper proposed above, thus updating and developing as necessary EDA´s Document on "An initial long-term vision for European Defence Capability and Capacity Needs".

- A Pan-European Security of Supply agreement should be signed, in order to facilitate mutual dependencies created by such a restructuring.

- The European Defence Agency has to study the possibility to have harmonized type of procurement equipment contracts between Members States and

companies. The type of contract has always to be win-win one but it is surely not the same type if it is complex weapons or military equipment like civil equipment. A new round of defence industries restructuring could promote the development of European centres of excellence. This new round has to put in place a more rationalized model of restructuring with centre of excellence.

- An European agreement should be reached on national subsidies to arms manufacturing. The variety of national legislations on this issue distorts the natural market driven competition.

- National industrial policies often aim to keep at home "national" employments on high tech domains. Still, safeguarding national employment without an European strategy is damageable for the rise of a stronger EDTIB.

3.5 A Future agenda for European R&T

A **European common Research & Technology effort** is required. In order to achieve a more competitive defence industry and to spend national defence budgets more efficiently, European actions should be put in place in this area.

According to EDA defence spending facts & figures, EU Member States spend 2.6€ billions on R&T. U.S.A spend 13,6€ billions (i.e. five times more). Investing in R&T today means having at our disposal state-of-the-art technologies tomorrow. A Defence R&T spending increase looks extremely suitable. The current armed forces transformation at a national level should free some resources. A 1€ billion increase (just 0,5% of the total EU defence spending) would have a great impact on R &T results and strengthen EDTIB.

Others actions seem urgent:

- 26 countries (or more in the future) cooperating on R&T projects is extremely difficult. From this starting point, some bilateral forums have been created on this issue, such as the Franco-British High Level Working Group. Those initiatives can help to a significant improvement in R&T cooperative spending, but they should stay in touch with multi-lateral initiatives in order to avoid duplication. European Union framework programme on Research and Development, EDA R&T joint investment programme promises to achieve encouraging results. Member States that have the greater experience on R&T should lead this process. The creation of an European R&T fund, outside the CFSP structures, decided at the 12 December 2008 European Council, open to willing member states, is a good innovation in this area.

- In order to make multilateral cooperation easier, a **common European strategic technological capabilities list** should be drafted. UK and France experience on this issue needs to be shared.

- Common Intellectual Property Rights (IPR) standards seem fundamental to improve multilateral cooperation. EUROPA protocol drafted by WEAG is a good starting point, but national legislation still largely differs.

- A common future forecast at the horizon 2030 is essential. EU Member States should agree on a list of crucial technologies to manage at this date, and put in place joint efforts to achieve such a result.

Again, several these proposals might be implemented in the framework of the cooperation on ad hoc projects´ approach and some of the pioneer groups outlined in Chapter 2.

4. Summary of proposals for the near future

This paper has attempted to provide policymakers with a practical pathway to make European Defence a reality, in a context of protracted institutional uncertainty, in order to meet the aspirations of the TEU. It does so combining the need for inclusiveness, therefore engaging the EU as a whole, as well as the need to advance within the EU at different levels and different speeds. This perspective also intends to move beyond never-ending debates over the purpose of ESDP vis a vis NATO, a purported "militarization" of the EU, etc. As the US Ambassador to NATO proclaimed in a often cited speech last year, the world needs "a stronger, more capable European defense capacity...to act independently...for a European with soft-power is not enough". Indeed.

It is about time then to learn on the shortcomings of the ESDP, the costs of non-Europe, etc., together with a realization of what Europeans can achieve together in operations to further their values and common interests. Now that the first decade of ESDP´s existence has come to a close, we have to turn the positive page of St Malo and move on.

An EU with a real, workable defence system will not come fortnight, but it could surely come about through the sum of all of the efforts here argued for. The end result will be the EU being a stronger global actor, with a foreign and security policy based on the holistic perspective of international crisis management which shapes its identity, as advocated by the European Security Strategy. An EU, therefore, with all of the tools required to further international security, that of European citizens and/or its collective interests.

To conclude, and in the awareness that this working paper and the "road map" it proposes need and will benefit from further elaboration and discussion by policymakers[40], we will now set forth a brief summary of the main proposals making up a Future Agenda for the ESDP:

4.1 For the EU members in bloc

- Work on a **European Defence White Paper** (EDWP), along the lines described in Chapter 1, after the election of the new European Parliament and throughout 2010.

  As regards the ESS itself, since a limited review has already taken place, it would seem natural that EU leaders and institutions, on the basis of the 2003 ESS and the ESS Implementation Report, should focus on its implementation and progress towards the abovementioned regular assessment process. Such a strategic review would be helped with the setting in motion of the European External Action Service and the appointment of the High Representative of the Union for Foreign Affairs and Security Policy provided for in the Lisbon Treaty.

  In this respect, there appear to be two clear priorities. Firstly, an **US-EU Security Summit** might be convened for 2010. Such a summit could provide impetus to a renewed transatlantic partnership, defining common goals and interests, a candid dialogue on the allocation of responsibilities for ESDP and NATO, etc. Secondly, with this enhanced EU role in security and defence, work should be also undertaken to improve the partnership with the UN in peacekeeping and also peacebuilding.

- Implementation of the programs of exchange of European military officers, as well as a reassessment of how to draw the most potential from the European Security and Defence College. Above all, the creation by 2011 of a specific **European Military School** linked to the latter, funded at the beginning by contributions from Member States.

- Creation by 2011 of a Brussels-based, civil-military integrated **European Operational Headquarters (OHQ),** merging existing structures at the Council

40 Some of the proposals and themes have been informally discussed in candid dialogues with defence officials and policymakers.

and the Secretariat. The OHQ should at least have the capacity to conduct autonomously the operations foreseen in the level of ambition subscribed by EU leaders at the European Council in December 2008.

- Decisive review of the **Athena mechanism,** extending those costs of ESDP operations deemed as common. In the event the Lisbon Treaty enters into force after the final ratification of all EU membership, the Council should take the necessary decisions for the application of the abovementioned art. 41.3, on the start-up fund (conditions, limits, scope for its use, etc.) and providing for its use by the High Representative. In the mid-term this **start-up fund** could form the basis for a **European fund** for ESDP missions.

- Building on the initiative of the Battle Groups, engage the EUMS and EUMC for an assessment of possible steps towards fully combat-capable and sustainable **EU rapid reaction forces.** This work should also design objectives as regards other joint forces to be employed in the longer stabilization operations (of at least 2 years), envisaged in the Declaration on Strengthening Capabilities.

- EU Member States should develop more, more efficient and more interoperable capabilities, advancing towards **pooling and specialisation.**

- In the field of European Defence Industry, and as a summary to Chapter 3,

  -A list of crucial technologies for the future of EDTIB must be drafted. This exercise will involve the European Commission, the EDA and the arms companies.

  -A new round of **industrial consolidation,** especially in the field of naval and land armaments seems essential.

  -A **European Code of Conduct** on public/private shareholding in defence companies should be drafted. This code should include the impossibility for states of exceeding the 50% of the capital of a defence company, the non-public interference in private business strategy, and the possibility of taking preventive measures in case of hostile takeover of the company.

  -A European position should be defined on the issue of arms export subsidies and control.

-A real **European Defence Equipment Market** should be created by 2015 going beyond the European directive known as Defence package. Exemptions to the EDA's Code of Conduct should be phased out for non essential technologies.

-A **Pan-European Security of Supply agreement** should be signed.

-EDA should harmonize procurement equipment contracts between Member States and companies.

-The support to arms manufacturing should be harmonized at the European level.

-A European common effort for **R&T** is essential. We suggest that a common European Strategic capabilities´ list be drafted, the creation of common IPR standards.

4.2 For different pioneer groups of Member States

- Pioneer Member States could agree among themselves on the establishment of different cooperation groups under the coordination of the EDA and upon decisions of its Steering Board (a sort of **case-by-case PSCoop**). The abovementioned criteria should be considered, for instance, 35% of the total defence budget to procurement; 2% of global expenditure in R&T; setting specific rules as regards pooling and specialization; 8% of sustainability, etc. In particular, Member States wishing to join pioneer groups should realise cooperative programmes with the aim of filling the gaps in key capabilities identified by EDA. These States should also support the creation of a sub-group working on the convergence of operational needs within the EDA.

- Relatedly, Member States of these pioneer groups should create **multinational military units,** that go beyond the Battle Groups initiative. A sort of 'Capability Development Plan" of multinational units should be created. The final goal would be to place European armies within a harmonized framework. Strategic national plans (concerning periodicity, nomenclature and content) should be coordinated to obtain an overarching strategic plan by 2020.

- This plethora of specialized groups[41] might smooth preparatory work for standards, benchmarks and criteria on the establishment of a single **PSCoop,** in 2010, if Lisbon becomes law. If such a PSCoop is then established, EU leaders of participating States should be involved at the political level through the **European Council,** trying to engage other countries to follow suit.

- Likewise, in such an scenario, another option available, compatible with the former, is the establishment of an **Enhanced Cooperation (ECoop)** for a group of Member States that want to undertake an ever closer integration of their defence policies and instruments. They could start preparatory work (goals, benchmarks, etc.) in informal consultations with the High Representative. Such an enhanced cooperation would be open to more members of the EU in the future, provided, of course, they meet the conditions set therein. Some of the more demanding elements and criteria for pioneer groups which we have outlined above might be imported into this particular group, should it be finally established.

- If Lisbon does not enter into force-or the conditions for ECoop under art. 329 TFEU (unanimity, etc.) cannot be achieved, the same group of States, participating in the specialized groups in the EDA, could agree on the basic elements of an intergovernmental, politically oriented core group pursuing a common defence policy. Such a group might pave the way for future advances of the EU as a whole, as it is usually the case with some subjects of the European integration process. This *"avant-garde"* would contain Member States wishing, for example, to have a legal clause of mutual assistance, a common defence strategy, common military units, and mandatory goals in order to go further in the capability process. Criteria would be binding.

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41 Arguably, as mentioned, this approach might be implicitly condoned in several provisions of the new Treaty; for instance, in art. 45.2, when calling for "specific groups within the Agency" which will "bring together Member States engaged in joint projects".

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