

### **POLICY PAPER**

### **How Could Non-EU Countries Participation in PESCO Projects Strengthen EU Strategic Autonomy?**



\*This Policy Paper was written by Valentina Bacco | 16 January 2021



Rue de la Science 14, 1040 Brussels



office@vocaleurope.eu



+ 32 02 588 00 14

### **Table of contents**

1.	Background: 2020, what a year for EU defence and security	2
2.	State of play	3
	2.1. PESCO and EU strategic autonomy	3
	2.2. Third country participation and EU strategic autonomy	4
	2.3. European Defence Fund and EU strategic autonomy	6
3.	Policy recommendations: Yes, but not now	6

#### **VOCAL EUROPE**

RUE DE LA SCIENCE 14B, 1040 BRUSSELS TEL: +32 02 588 00 14 VOCALEUROPE.EU





- YOUTUBE.COM/VOCALEUROPE
- INSTAGRAM.COM/VOCALEUROPE

#### **Disclaimer and Copyright**

This document is prepared for, and addressed to Vocal Europe and its audience. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of Vocal Europe. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged.



#### 1. Background: 2020, what a year for EU defence and security

2020 has been a crucial year for the EU security and defence. Different initiatives previously undertaken by the EU to enhance defence cooperation have produced their very first (not always positive) results. These initiatives include the Coordinated Annual Review on Defence (CARD), the Strategic Compass, the new European Defence Fund (EDF), and the Strategic Review of Permanent Structured Cooperation (PESCO).

The CARD Report, published by the European Defense Agency (EDA), provided the very first comprehensive overview of the European defence landscape. In addition, the Strategic Compass has been launched during Germany's Presidency of the Council of the EU. This initiative is expected to strengthen a common European security and defence culture. The initial threat analysis was completed in November 2020 and Member States will adopt the final Strategic Compass document in early 2022. At the end of 2020 the Council also adopted the regulation laying down the EU's multiannual financial framework for 2021-2027, including the resources to be allocated to the EDF.

Above all, the most crucial (and most awaited) event was the Strategic Review of PESCO, led by the 25 participating Member States (pMS). It was approved by the Council of the EU in November 2020,<sup>3</sup> and it provides guidance for the following phase (2021-2025) on the overall aim, policy goals, incentives and projects. The big step further was the Council decision that allows non-EU countries to participate in individual PESCO projects.<sup>4</sup>

The *fil rouge* of CARD, the Strategic Compass, EDF and PESCO is to progressively create a common strategic culture and facilitate collaborative defence capability development, which ultimately will lead to EU strategic autonomy. As regards to the non-EU countries participation in PESCO projects, the Council declared that it will enhance the EU's strategic autonomy and strengthen its capacity to act as a security provider, together with its partners.<sup>5</sup>

The EU's focus on strategic autonomy is straightforward, but this concept is quite problematic. There is an ongoing debate on what it means in practice and some EU officials<sup>6</sup> have publicly expressed doubts on the value of this narrative. Apart from the disagreements around the concept itself, it is not clear how the enlargement of PESCO projects will contribute to the EU security provider role and its strategic autonomy.

Therefore, this policy paper explores how the EU could benefit from external partnerships from a military, political and financial perspective. Moreover, it presents the challenges of the participation process and the deep implications for the EU strategic autonomy. At the end, some recommendations

<sup>&</sup>lt;sup>6</sup> German Defense Minister Annegret Kramp-Karrenbauer warned against illusions of European strategic autonomy in an op-ed for politico.eu. 'Europe still needs America', *politico.eu*, 2 November 2020, (https://www.politico.eu/article/europe-still-needs-america/). Consulted on January 4, 2021.



<sup>&</sup>lt;sup>1</sup> European External Action Service (EEAS), 'Towards a Strategic Compass', November 2020, (<a href="https://eeas.europa.eu/sites/eeas/files/towards">https://eeas.europa.eu/sites/eeas/files/towards</a> a strategic compass 20 november.pdf). Consulted on December 22, 2020.

<sup>&</sup>lt;sup>2</sup> Council of the EU, 'Multiannual financial framework for 2021-2027 adopted', 17 December 2020, (<a href="https://www.consilium.europa.eu/en/press/press-releases/2020/12/17/multiannual-financial-framework-for-2021-2027-adopted/">https://www.consilium.europa.eu/en/press/press-releases/2020/12/17/multiannual-financial-framework-for-2021-2027-adopted/</a>). Consulted on January 4, 2021.

<sup>&</sup>lt;sup>3</sup> Council of the EU, 'Council Conclusions on the PESCO Strategic Review 2020', 13188/20, 20 November 2020.

<sup>&</sup>lt;sup>4</sup> Council of the EU, 'Council Decision establishing the general conditions under which third States could exceptionally be invited to participate in individual PESCO projects', Council Decision 15529/18, 27 October 2020.

<sup>&</sup>lt;sup>5</sup> Council of the EU, 'EU defence cooperation: Council sets conditions for third-state participation in PESCO projects',

<sup>5</sup> November 2020, (<a href="https://www.consilium.europa.eu/en/press/press-releases/2020/11/05/eu-defence-cooperation-council-sets-conditions-for-third-state-participation-in-pesco-projects/">https://www.consilium.europa.eu/en/press/press-releases/2020/11/05/eu-defence-cooperation-council-sets-conditions-for-third-state-participation-in-pesco-projects/</a>). Consulted on December 22, 2020.

will be made on how to best enforce the Council decision on third States PESCO projects participation. To do this, the official documents of the EU bodies and agencies and decision makers' opinions will be considered, taking into account also the present international political landscape.

#### 2. State of play

#### 2.1. PESCO and EU strategic autonomy

Even though 2020 has been characterized by an intense debate on the EU strategic autonomy, this concept is not new. It first appeared in the Council of the EU conclusions of November 2013 in relation to defence industry,<sup>7</sup> and it was subsequently included in the 2016 EU Global Strategy.<sup>8</sup> The November 2016 Council conclusions draw a first definition of strategic autonomy: "the capacity to act autonomously when and where necessary and with partners wherever possible".<sup>9</sup> Then, the concept has been mentioned again by the Council in 2016, 2017, 2018, 2019, 2020 and lately, by the European Council in October 2020 in its wider sense.<sup>10</sup>

The narrative of strategic autonomy has also been incorporated by PESCO. The initiative's main objectives are to enhance the EU's capacity as an international security actor, contribute to the protection of the EU citizens and maximise the effectiveness of defence spending. The EDF, which complements the PESCO initiative by providing the financial support, has been designed to contribute to Europe's strategic autonomy in protecting and defending its citizens. 12

Nevertheless, in spite of being an agreed language, not all the Member States understand strategic autonomy in the same way. There are doubts and fears on what it means in practice and how it would impact NATO and the transatlantic relationship. Some officials see EU autonomy as a synonym of isolation, and they are concerned by the consequences of a possible distancing from the US. <sup>13</sup> Nonetheless, it should be finally recognised that Europe is no longer a security and defence priority in the US. This has been clearly demonstrated by the policies and behaviour of Donald Trump, which were consistent with his "America First" campaign. <sup>14</sup> In particular, considering that Europe could no longer rely hundred percent on the US as a security provider, the French President Macron has strongly promoted the idea that the EU should be able to operate more independently in the defence realm. <sup>15</sup>

<sup>&</sup>lt;sup>15</sup> P. Tamma, 'Europe's Biden bind: Stick with US or go it alone?', *politico.eu*, 15 November 2020, (https://www.politico.eu/article/bidens-win-sharpens-europes-strategic-dilemma/). Consulted on January 4, 2021.



<sup>&</sup>lt;sup>7</sup> Council of the EU, 'Council conclusions on Common Security and Defence Policy', *Foreign Affairs (Defence) Council meeting*, 18 November 2014, (<a href="https://www.consilium.europa.eu/media/24990/145824.pdf">https://www.consilium.europa.eu/media/24990/145824.pdf</a>). Consulted on January 4, 2021.

<sup>&</sup>lt;sup>8</sup> EEAS, 'Shared Vision, Common Action: A Stronger Europe' - A Global Strategy for the European Union's Foreign And Security Policy, June 2016.

<sup>&</sup>lt;sup>9</sup> Council of the EU, 'Council conclusions on implementing the EU Global Strategy in the area of security and defence, 14149/16, 14 November 2016, (https://www.consilium.europa.eu/media/22459/eugs-conclusions-st14149en16.pdf).

<sup>&</sup>lt;sup>10</sup> J. Borrell, 'Why European strategic autonomy matters', *EEAS EU High Representative personal blog*, 3 December 2020, (<a href="https://eeas.europa.eu/headquarters/headquarters-homepage/89865/why-european-strategic-autonomy-matters">https://eeas.europa.eu/headquarters/headquarters-homepage/89865/why-european-strategic-autonomy-matters</a> en). Consulted on January 4, 2021.

<sup>&</sup>lt;sup>11</sup> PESCO, 'Scope and ambition', (https://pesco.europa.eu/). Consulted on January 4, 2021.

<sup>&</sup>lt;sup>12</sup> European Commission, European Defence Fund, news, 19 March 2019,

<sup>(</sup>https://ec.europa.eu/commission/news/european-defence-fund-2019-mar-19 en). Consulted on January 4, 2021.

<sup>13</sup> See for example, P. Tamma, 'Europe's Biden bind: Stick with US or go it alone?', 15 November 2020, (https://www.politico.eu/article/bidens-win-sharpens-europes-strategic-dilemma/); or, P. Tamma, 'Europe wants strategic autonomy — it just has to decide what that means', 15 October 2020, (https://www.politico.eu/article/europe-trade-wants-strategic-autonomy-decide-what-means/). Consulted on January 4, 2021.

<sup>&</sup>lt;sup>14</sup> E. Jones, 'The US and the EU: Game Over?', in *Four Years of Trump. The US and the World*, ISPI Report, November 2020, pp. 161-179, (https://www.ispionline.it/it/pubblicazione/four-years-trump-us-and-world-27375).

Biden's victory and his pledge to restore close ties with the US' traditional allies have not discouraged the pro-strategic autonomy faction. In fact, the US has undertaken a progressive withdrawal from Europe and the Middle East even before Trump's administration, as it could be already observed during the Obama presidency. Consequently, Biden's election should be interpreted as an opportunity to pursue the same ambition in a more peaceful and calm manner. 17

From an external point of view, the debate on strategic autonomy has clearly taken a turn too focused on the EU vs US dispute. What appear to be unbridgeable differences, in reality are merely artificial, as declared by an EU official. Strategic autonomy has not to be considered in contrast or competition with NATO, the US or other partners. On the contrary, a more robust and autonomous European defence will ultimately lead to a stronger NATO. 19

In the end, all parties in the debate aim to ensure the EU's ability to act. In order to achieve that, the EU should be equipped with the necessary capabilities. PESCO projects come into play here, considering their crucial role in developing and operating European defence capabilities more together. As rightly pointed out by the Member of the European Parliament (MEP) Anna Bonfrisco, PESCO will allow the EU and its Member States to contribute more equitably and effectively to the Atlantic Alliance, in terms of costs, shared responsibilities and challenges, becoming a reliable security provider.<sup>20</sup>

This debate surrounding the concept of strategic autonomy is also the reason why the definition of the conditions for third States participation in PESCO projects was so sensitive and difficult to agree. It took indeed two years for Member States to reach a common agreement, even though the European Parliament had called for this important decision on multiple occasions, as mentioned by MEP Lukas Mandl.<sup>21</sup>

#### 2.2. Third countries participation and EU strategic autonomy

EU strategic autonomy means also that the EU has autonomy to choose its partners in order to fulfill its security and defence aspirations. From a military point of view, an EU official has recognised that PESCO projects have to include certain selected partners. This was clear since the beginning for mainly two reasons. Eirst, Member States alone do not possess the resources to meet the EU military level of ambition. Second, the EU is closely cooperating with NATO, including NATO Allies that are not Members of the Union. There is a close spirit of complementarity between PESCO and NATO, as highlighted by the fact that 38 out of the current 47 PESCO projects broadly respond to NATO priorities. Moreover, NATO has been involved in building both PESCO and the EDF,

<sup>&</sup>lt;sup>24</sup> NATO, 'Fifth progress report on the implementation of the common set of proposals endorsed by EU and NATO Councils on 6 December 2016 and 5 December 2017', 16 June 2020, (<u>200615-progress-report-nr5-EU-NATO-eng.pdf</u>). Consulted on January 4, 2021.



<sup>&</sup>lt;sup>16</sup> F. Hiatt, 'Obama's foreign policy reveals the effects of disengagement', *The Washington Post*, 27 July 2014, (<a href="https://www.washingtonpost.com/opinions/fred-hiatt-obamas-foreign-policy-reveals-the-effects-of-disengagement/2014/07/27/4c0f9452-1284-11e4-8936-26932bcfd6ed\_story.html">https://www.washingtonpost.com/opinions/fred-hiatt-obamas-foreign-policy-reveals-the-effects-of-disengagement/2014/07/27/4c0f9452-1284-11e4-8936-26932bcfd6ed\_story.html</a>). Consulted on January 4, 2021.

<sup>&</sup>lt;sup>17</sup> P. Tamma, 'Europe's Biden bind: Stick with US or go it alone?', *politico.eu*, 15 November 2020, (https://www.politico.eu/article/bidens-win-sharpens-europes-strategic-dilemma/). Consulted on January 4, 2021.

<sup>&</sup>lt;sup>18</sup> Correspondence with EU official, 18 December 2020.

<sup>&</sup>lt;sup>19</sup> J. Domecq, 'Strategic autonomy calls for more cooperation, less rhetoric', in *European Defence Matters*, European Defence Agency, Issue 18, 2019, pp. 28 - 30. <a href="https://www.eda.europa.eu/webzine/issue18/in-the-spotlight/strategic-autonomy-calls-for-more-cooperation-less-rhetoric">https://www.eda.europa.eu/webzine/issue18/in-the-spotlight/strategic-autonomy-calls-for-more-cooperation-less-rhetoric</a>

<sup>&</sup>lt;sup>20</sup> Correspondence with MEP Anna Bonfrisco, 28 December 2020.

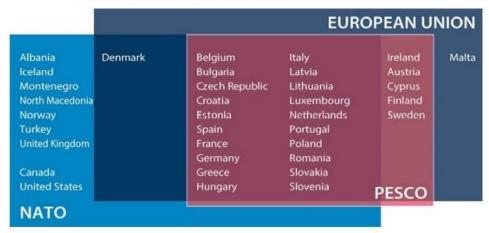
<sup>&</sup>lt;sup>21</sup> Correspondence with MEP Lukas Mandl, 17 December 2020.

<sup>&</sup>lt;sup>22</sup> Correspondence with EU official, 18 December 2020.

<sup>&</sup>lt;sup>23</sup> J. Coelmont, 'European Strategic Autonomy: Which Military Level of Ambition?', *Security Policy Brief*, Egmont, No. 109, March 2019.

avoiding duplication.<sup>25</sup> Consequently, there is a clear need of interoperability between PESCO and NATO that can be further ensured by enlarging PESCO projects membership.

PESCO, EU and NATO members



Source: PESCO: Ahead of the strategic review

It appears straightforward which are the most likely future partners of PESCO projects: all NATO Allies which are not EU Member States with the US, Canada and the UK in the forefront. But also Iceland and Norway, as pointed out by MEP Bonfrisco.<sup>26</sup> However every candidate, once it has been declared that it fulfills the conditions imposed on third country participation, has to be approved by the PESCO project Member States by unanimity and by the Council, as established by the 27 October 2020 Council decision.<sup>27</sup>

Apart from the different stages of the participation procedure, the most complex decision has been the establishment of the requirements to be met by candidates. The list comprehends a number of political, substantive and legal conditions.<sup>28</sup> Among others, the country applying for a project must share the values on which the EU is founded, must not contravene the security and defence interests of the EU and its Member States, and must have an agreement to exchange classified information with the EU.

These conditions have been considered adequate by MEP Bonfrisco<sup>29</sup> and MEP Mandl<sup>30</sup>, who express satisfaction in seeing shared values and mutual trust as part of the requirements. Considering the current political landscape, it appears evident that the reference made to the Treaty on the European Union article which lists values such as respect for human dignity, freedom, democracy, equality, the rule of law and respect for human rights<sup>31</sup> has been intentionally designed to exclude certain States from PESCO. As underlined by MEP Mandl, the EU values condition rules out the participation of

<sup>&</sup>lt;sup>31</sup> EU, *Article 2*, Treaty on European Union (Consolidated Version), Treaty of Maastricht , 7 February 1992, Official Journal of the European Communities C 325/5; 24 December 2002.



NATO, Speech by NATO Secretary General Jens Stoltenberg at the European People's Party, 8 March 2019, (NATO - Opinion: Speech by NATO Secretary General Jens Stoltenberg at the European People's Party, 08-Mar.-2019).
 Consulted on January 4, 2021.

<sup>&</sup>lt;sup>26</sup> Correspondence with MEP Anna Bonfrisco, 28 December 2020.

<sup>&</sup>lt;sup>27</sup> Council of the European Union, 'Council Decision establishing the general conditions under which third States could exceptionally be invited to participate in individual PESCO projects', Council Decision 15529/18, 27 October 2020.

<sup>&</sup>lt;sup>28</sup> Council of the European Union, *Article 3*, 'Council Decision establishing the general conditions under which third States could exceptionally be invited to participate in individual PESCO projects', Council Decision 15529/18, 27 October 2020.

<sup>&</sup>lt;sup>29</sup> Correspondence with MEP Anna Bonfrisco, 28 December 2020.

<sup>&</sup>lt;sup>30</sup> Correspondence with MEP Lukas Mandl, 17 December 2020.

Turkey, whose current government does not share the EU's values, buys Russian missile systems and has conflicts with several EU Member States.<sup>32</sup> Another EU official also includes the Russian Federation in the black list of non suitable partners.<sup>33</sup>

Anyway, the Council ultimately decides by unanimity if a third non-EU country could participate in a PESCO project. Which means that every Member State may raise concerns and the decision will be taken on a case-by-case basis.

#### 2.3. European Defence Fund and EU strategic autonomy

The EDF was launched in 2017 with the objective to promote cooperation and cost savings among Member States, and to produce state-of-the-art defence technology and equipment.<sup>34</sup> The EDF reflects the EU budgetary planning cycles, so it has been addressed at the end of 2020 within the Council regulation on the EU's multiannual financial framework for 2021-2027.<sup>35</sup> The precarious global economic situation due to the outbreak of Covid-19 has significantly affected the discussions on the EU budget creating fractions and disagreement among Member States. In the end, the investments allocated to security and defence have been reduced by 40% compared to the 2018 Commision proposal,<sup>36</sup> amounting to €8 billion.<sup>37</sup>

These figures are particularly discouraging considering that the CARD Report and PESCO Strategic Review<sup>38</sup> have highlighted the precarious conditions of EU security and defence. Allowing external actors to be involved in PESCO projects may represent a form of money saving. On one hand, the PESCO projects may include technologically advanced countries like the US, and Israel, as pointed out by an EU official.<sup>39</sup> MEP Bonfrisco also included Japan, South Korea and India as possible partners.<sup>40</sup> On the other hand, the EU may benefit from collaborating with third countries ready to provide boots on the ground, like Serbia, Ukraine and Georgia.

The Coronavirus pandemic has represented a big shock in many ways, but, probably, the EU has not suffered yet the peak of its economic crisis. Establishing in advance a solid mechanism of collaboration in defence and security may mitigate the long term financial consequences.

#### 3. Recommendations

In order to ensure a constructive collaboration between PESCO pMS and third countries, the EU should first better define its ambition and the way to reach it. If EU decision makers commonly agree with the High Representative of the EU for Foreign Affairs and Security Policy Borrell that the EU



<sup>&</sup>lt;sup>32</sup> Correspondence with MEP Lukas Mandl, 17 December 2020.

<sup>&</sup>lt;sup>33</sup> Correspondence with EU official, 18 December 2020.

<sup>&</sup>lt;sup>34</sup> EEAS, Defending Europe, The European Defence Fund, 2017,

<sup>(</sup>https://eeas.europa.eu/sites/eeas/files/defence\_fund\_factsheet\_0\_0.pdf). Consulted on January 4, 2021.

<sup>&</sup>lt;sup>35</sup> Council of the EU, 'Multiannual financial framework for 2021-2027 adopted', 17 December 2020, (https://www.consilium.europa.eu/en/press/press-releases/2020/12/17/multiannual-financial-framework-for-2021-2027-adopted'). Consulted on January 4, 2021.

<sup>&</sup>lt;sup>36</sup> European Commission, 'EU Budget for the Future', 13 June 2018, (<a href="https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-eu-defence-fund">https://ec.europa.eu/commission/sites/beta-political/files/budget-may2018-eu-defence-fund</a> en 0.pdf). Consulted on January 4, 2021.

<sup>&</sup>lt;sup>37</sup> Council of the EU, 'Infographic - Multiannual financial framework 2021-2027 and Next Generation EU', 18 December 2020, (<a href="https://www.consilium.europa.eu/en/infographics/mff2021-2027-ngeu-final/">https://www.consilium.europa.eu/en/infographics/mff2021-2027-ngeu-final/</a>). Consulted on January 4 2021

<sup>&</sup>lt;sup>38</sup> See E. Sabatino, 'L'autonomia strategica della UE è ancora lontana', *Affari Internazionali*, 26 Novembre 2020, (<a href="https://www.affarinternazionali.it/2020/11/lautonomia-strategica-dellue-e-ancora-lontana/">https://www.affarinternazionali.it/2020/11/lautonomia-strategica-dellue-e-ancora-lontana/</a>); and, EDA, '2020 CARD Report', (<a href="https://www.eda.europa.eu/docs/default-source/reports/card-2020-executive-summary-report.pdf">https://www.eda.europa.eu/docs/default-source/reports/card-2020-executive-summary-report.pdf</a>).

<sup>&</sup>lt;sup>39</sup> Correspondence with EU official, 18 December 2020.

<sup>&</sup>lt;sup>40</sup> Correspondence with MEP Anna Bonfrisco, 28 December 2020.

should aim to be strategically autonomous, then concrete measures and initiatives have to be presented.

Once the EU will get a clear picture of the way ahead, it is imperative to fulfill the capability gaps highlighted by the PESCO Strategic Review and the CARD Report. In fact, the review has highlighted that only 55% of the 47 ongoing PESCO projects will produce concrete outputs and tangible deliverables by 2025. Similar discouraging conclusions may be found in the CARD Report, which describes the European defence landscape as fragmented and lacking in coherence notably as regards defence capabilities and their development.<sup>41</sup> Achieving the consequential necessary improvements without a clear strategy could be counterproductive.

A possible incentive in shaping the EU common strategic culture could be the publication of the Strategic Compass, which aims to help define the right objectives and concrete goals for EU security and defence policies. Anyway the document will be realised in 2022 and the entire EU defence framework needs time to consolidate itself. As highlighted by the CARD Report, EU initiatives are too recent to deliver a significant and positive effect on guiding the trends on defence, on defragmentation and on increased operational commitment. The presence of external actors, and the related additional measures to ensure effective coordination, may be a burden that EU defence initiatives are not ready to carry.

Secondly, the conditions that a third country has to meet in order to be considered as a possible PESCO project member, including their fulfilment's review mechanism, need further consideration.

Among the participation conditions, the reference to EU values and rule of law is the more problematic considering the ongoing controversies on this issue also within the EU.<sup>44</sup> It is not clear yet the weight of the EU value condition in the participation decision process, since PESCO pMS have not yet expressed any preferences regarding future partners. As previously highlighted, it seems like this requirement aims to exclude Turkey and Russia. However, considering the current political environment, every non-EU State seems unlikely to be invited, except the UK. This is mainly due to the fact that the UK was a Member of the EU and it is fundamental for both parties to maintain a strong and enduring defence partnership. As acknowledged by MEP Mandl, the UK has contributed a lot to European security, and it will be important to continue this mutually beneficial relationship after Brexit.<sup>45</sup>

Notwithstanding that, the Council decision should not be perceived as an ad hoc decision in order to allow business as usual with the UK after Brexit. It is clear that the participation of non-EU countries is mainly a political decision that PESCO pMS should take in the interest of EU defence and security. EU strategic autonomy should be prioritized, if there are no major violations of human rights and rule of law.

As regards the review mechanism of the third States requirements' continued fulfilment, States that are already participating in PESCO projects should be targeted first. In fact, PESCO Strategic Review

<sup>45</sup> Correspondence with MEP Lukas Mandl, 17 December 2020.



<sup>&</sup>lt;sup>41</sup> EDA, '2020 CARD Report', (<a href="https://www.eda.europa.eu/docs/default-source/reports/card-2020-executive-summary-report.pdf">https://www.eda.europa.eu/docs/default-source/reports/card-2020-executive-summary-report.pdf</a>). Consulted on January 4, 2021.

<sup>&</sup>lt;sup>42</sup> European External Action Service (EEAS), 'Towards a Strategic Compass', November 2020, (<a href="https://eeas.europa.eu/sites/eeas/files/towards">https://eeas.europa.eu/sites/eeas/files/towards</a> a strategic compass 20 november.pdf). Consulted on December 22, 2020.

<sup>&</sup>lt;sup>43</sup> EDA, '2020 CARD Report', (<a href="https://www.eda.europa.eu/docs/default-source/reports/card-2020-executive-summary-report.pdf">https://www.eda.europa.eu/docs/default-source/reports/card-2020-executive-summary-report.pdf</a>). Consulted on January 4, 2021.

<sup>&</sup>lt;sup>44</sup> The discussion on the conditionality attached to the EU recovery package is one example. See M. Karnitschnig, 'Angela Merkel's rule-of-law legacy: A divided Europe', politico.eu, 18 December 2020, (<a href="https://www.politico.eu/article/angela-merkels-rule-of-law-legacy-divided-europe/">https://www.politico.eu/article/angela-merkels-rule-of-law-legacy-divided-europe/</a>). Consulted on December 22, 2020.

has evaluated that the PESCO 25 pMS do not entirely fulfill the binding commitments which they made to one another. <sup>46</sup> These commitments are legally binding in nature and they include cooperation, harmonization, and interoperability. <sup>47</sup> The fact that not even PESCO pMS are able to fulfill their legal obligations is not an incentive for future non-EU partners to abide by the rules.

In order to ensure PESCO pMS compliance, the review mechanism presented in detail by the Council in Article 6 of the Council Decision on third States participation in individual PESCO projects should include also States already participating in those projects.<sup>48</sup> The mechanism also establishes adequate consequences if a State no longer meets the general conditions. The Council, in consultation with PESCO pMS and PESCO Secretariat, may decide on the continuation of the third State's participation. Applying the same logic also to PESCO pMS may assess their continued individual contribution to PESCO projects and ensure a stricter compliance with PESCO binding commitments. If it is verified that PESCO pMS abide by "the rules of the game", third States will be encouraged to do the same by extension.<sup>49</sup> Of course, they will be even more incentivized if there is a concrete possibility of a severe backlash established by the Council.

Thirdly, it should be avoided the risk that a single EU Member State may veto a candidate on the basis of its national interests. As previously mentioned, the participation of a third State has to be approved by the PESCO project pMS by unanimity. This should not constitute an insurmountable barrier once it has been declared that the candidate State fulfills the requirements established by the Council. Moving from the rule of unanimity to a qualified majority voting would avoid the danger of a veto and speed up the decision making process. A pMS may express its own doubts or opposition towards a third country. However, it should also be considered that if the third State has been positively evaluated by the other PESCO projects pMS, there are not well-founded arguments to block its participation.

Lastly, it should be considered that there have been some doubts on the benefits of a possible PESCO cooperation from a third State perspective. In particular, the US has been vocal in expressing concerns on third party participation in PESCO, particularly regarding defence procurement and the effects on the bilateral relationships between the US and Member States. So, even though some argued that a PESCO partnership with the US could potentially remove a source of friction in transatlantic ties, the should be further explored if there is the same understanding on the other side of the Atlantic. In general terms, the invitation of a third State to participate in PESCO projects should clearly state the financial, operational and technological advantages that being part of the EU structured cooperation entail. At the end strategic autonomy is yes the capacity to act autonomously when and where necessary, but also with partners wherever possible.

<sup>&</sup>lt;sup>51</sup> A. Brzozowski, 'Question marks over third country participation in EU military projects', euractiv.com, 8 November 2019, (<a href="https://www.euractiv.com/section/global-europe/news/question-marks-over-third-country-participation-in-eu-military-projects/">https://www.euractiv.com/section/global-europe/news/question-marks-over-third-country-participation-in-eu-military-projects/</a>). Consulted on January 4, 2021.



<sup>&</sup>lt;sup>46</sup> E. Sabatino, 'L'autonomia strategica della UE è ancora lontana', *Affari Internazionali*, 26 Novembre 2020, (<a href="https://www.affarinternazionali.it/2020/11/lautonomia-strategica-dellue-e-ancora-lontana/">https://www.affarinternazionali.it/2020/11/lautonomia-strategica-dellue-e-ancora-lontana/</a>). Consulted on December 22, 2020

<sup>&</sup>lt;sup>47</sup> PESCO, 'Binding Commitments', (<a href="https://pesco.europa.eu/binding-commitments/">https://pesco.europa.eu/binding-commitments/</a>). Consulted on December 22, 2020

<sup>&</sup>lt;sup>48</sup> Council of the European Union, 'Council Decision establishing the general conditions under which third States could exceptionally be invited to participate in individual PESCO projects', *Article 6*, Council Decision 15529/18, 27 October 2020.

<sup>&</sup>lt;sup>49</sup> A third State participation has to be consistent with the more binding PESCO commitments, as decided by the Council of the European Union, 'Council Decision establishing the general conditions under which third States could exceptionally be invited to participate in individual PESCO projects', Council Decision 15529/18, 27 October 2020.

<sup>50</sup> D. Fiott, 'The Poison Pill: EU Defence on US Terms?', EUISS Brief 7, June 2019.

#### **VOCAL EUROPE**

RUE DE LA SCIENCE 14B, 1040 BRUSSELS TEL: +32 02 588 00 14 VOCALEUROPE.EU

- TWITTER.COM/THEVOCALEUROPE
- **f** FACEBOOK.COM/VOCALEUROPE
- YOUTUBE.COM/VOCALEUROPE
- (instagram.com/vocaleurope

#### **Disclaimer and Copyright**

This document is prepared for, and addressed to Vocal Europe and its audience. The content of the document is the sole responsibility of its author(s) and any opinions expressed herein should not be taken to represent an official position of Vocal Europe. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged.

