

# European Defence Architecture: Institutional Developments

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## Abstract

The articles analyses the process of institutionalization of European defence, emphasizing the civilian focus of the EU crisis management system, complemented by synergies between civilian and military instruments. This shapes current European security governance and will influence the future of defence architecture. At this level, matters of coherence and effectiveness claim institutional oversight, within the Union and regarding relations between the EU and NATO, where little architectural overlap occurs. The author acknowledges that new defence cooperation initiatives, despite the fact they have not so far altered the EU's institutional architecture, they will influence the relations within and between European institutions, with various decision making formats, for instance regarding PESCO projects. It discusses how PESCO may press for a more consistent behaviour by Member States, between political agreement for external action and participation and how European defence cooperation will have to coexist with transatlantic responsibilities of EU/NATO Member States. European defence cooperation has not added new competences to EU institutions, but the availability of new sources of funding may activate dormant provisions of the Lisbon Treaty and provide the incentive for Member States to engage more systematically in CFSP and CSDP.

## Resumo

### ***A Arquitetura de Defesa Europeia: Desenvolvimentos Institucionais***

*O artigo analisa o processo de institucionalização da defesa europeia enfatizando a componente civil do sistema de gestão de crises da União Europeia, complementado por sinergias geradas entre instrumentos civis e militares. Esta circunstância molda o atual sistema de governação europeu e influenciará o futuro da arquitetura de defesa europeia. A este nível, questões de coerência e eficácia requerem uma supervisão institucional, dentro da União e entre esta e a NATO, plano no qual se verifica uma limitada sobreposição institucional. O autor constata que as iniciativas recentes no domínio da defesa, pese embora não tenham até à data alterado a arquitetura institucional da UE, poderão no futuro influenciar as relações dentro e entre instituições europeias, nomeadamente através dos projetos no quadro da Cooperação Estruturada Permanente. Estes poderão gerar um comportamento mais consistente entre acordo político e participação efetiva, por parte dos Estados Membros, sem esquecer que a defesa europeia terá que coexistir com as responsabilidades dos Estados Europeus, que são também membros da NATO. A cooperação no domínio da defesa europeia não veio acrescentar novas competências às instituições europeias, mas a disponibilidade de novos recursos financeiros poderá vir a ativar disposições do Tratado de Lisboa e facultar o incentivo para um envolvimento mais sistemático no desenvolvimento da PESC e da PCSD.*

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† Doctor Simon Duke has passed away on the 5 September 2018. Despite the circumstances, he has enthusiastically accepted to contribute to this commemorative issue, for which the National Defence Institute expresses its deepest appreciation and extends the most sincere condolences to his family and friends.

### **Approaches to Security Architecture**

The idea of the European Union's (EU) security 'architecture' has been used in at least two different ways. It is, in the first instance, the collection of rules, norms and principles that shape the parameters of the EU's (and others) actions within the broad remit of security. The second, which is the focus of this contribution, refers more specifically to the procedures and institutions that shape decisions and actions within the EU and between the Union and its members.

It is important to note the relation between these two types of architecture at the outset since the former plays an instrumental role in shaping the latter. Take as an example the Russian annexation of Crimea and subsequent intervention in eastern Ukraine which violated one of the fundamental pillars of the European security architecture in the form of the 1975 Helsinki Final Act and the inviolability of borders. This, in turn, has shaped EU-Russia relations and has led to institutional adaptations such as the creation of the *East StratCom Task Force* in 2015 to address Russian disinformation campaigns accompanied Russia's relations with its neighbours. Another example would be the identification of various forms of cyber aggression or crime as a security challenge to the EU and its members, which led to the adoption of a policy and, more recently, the creation of an EU Agency for Network and Information Security (ENISA) in Estonia. This is still in its early stages and further institutionalisation within the EU and its members can be anticipated. The second main terminological issue to be considered is that, in *stricto sensu*, the EU is not involved in defence unless the particular case of civil protection against manmade and natural disasters is included. It is, instead, involved in a wide range of security roles, ranging from the more familiar crisis management (civilian and military) to a wide range of pre and post-conflict stabilisation roles such as security sector reform or disarmament, demobilisation and rehabilitation. The point here is not to engage in unnecessarily semantic debate, but merely to note that the type of security under discussion will trigger a different set of actors and this 'architecture'. This explains why the security architecture of the EU is often referred to as a system of networked governance (Faleg, 2017, pp. 65-76). The key notion behind networked governance is that actors (institutions) interact with each other in order to produce a public purpose (security in this case), often in a hierarchical manner (Fenwick et al., 2014, p. 4).

If we apply this to the EU's Common Security and Defence Policy (CSDP) there is a broad fit since decision-making is characterised by networked governance. There are, however, elements of the institutional architecture that are more formal and hierarchical that do not fit the model so well, as in the formal decision-making structures (like the Foreign Affairs Council, the Political and Security Committee or the role of the European Parliament when it comes to budgetary scrutiny). But, networked governance tends to come more to the fore at the implementation level

following the main political decisions. This is where the *ad hoc* architecture, whose composition may be crisis specific, will come into play (like the Crisis Platform, EU Situation Room and the Crisis Management Board). It is therefore also helpful to think in terms of parts of the architecture with formal roles and those whose roles are still important, but less formal in the sense that they are responsible for coordination of the networks involved. It is also worth noting that the *dramatis personae* may well change at different stages of the crisis cycle.

Much of the EU's security architecture is specific to the Union itself and therefore requires effort to understand. Jozef Batora (2013, pp. 598-613) usefully reminds of the interstitial nature of the European External Action Service (EEAS), within which much of the crisis management architecture is to be found. Batora observed that the EEAS has emerged in interstices between organizational fields which, in the case of the EEAS, has produced something that has some of the attributes of a foreign ministry as well as those of a defence ministry. Although national foreign ministries, like the Netherlands, are beginning to become more interstitial, by combining foreign policy and development, none have the architectural form of the EEAS. This serves as a simple reminder that the demands made of the EU often leads to unique architectural forms that are pragmatic but also designed to avoid replicating (or clashing with) national architecture.

The architectural metaphor is also found at the European level of security, often reflected in relations between the EU and NATO. Stéphanie Hofmann (2011, pp. 101-120) was one of the earlier scholars to start considering the impact of institutional overlap, both between organizations but also within them. The idea that institutional overlap can shape strategies and influence the development of institutions is more convincing in the CSDP context, most notably in the emergence of bodies like the Crisis Management and Planning Directorate (CMPD), when experience showed that crisis management operations often have closely linked civilian and military dimensions and that the overall desire for coherence and effectiveness demanded some form of institutional oversight. But, the limitations of institutional overlap have also been displayed in the case of EU-NATO relations, notwithstanding the common membership of 22 states. Beyond the formal exchanges at military and civilian levels between the EU and NATO, there are surprisingly few examples of institutions or bodies that can be directly attributable to architectural overlap. This is largely due to the dissimilarities rather than similarities between the organizations and the fact that the EU's security remit covers far more aspects of the crisis cycle than NATO.

The architecture of CSDP has evolved over almost one and a half decades, to the point where it is reasonably mature. It is also worth acknowledging that over this period the development of aspects of the architecture have been inhibited by national objections. An obvious example was the 2003 call by Belgium, France,

Germany and Luxembourg to establish an EU military command headquarters at Tervuren, near Brussels. A number of 'Atlanticist' countries, notably the United Kingdom, saw this as not only duplicating NATO assets but endangering the role of NATO as the cornerstone of European security. The U.S., still furious at French and Germany refusal to join the allied coalition in Iraq, dismissed the 'chocolate summit', in a derogatory reference to the four countries. The idea did not die and was revived in the aftermath of the June 2016 British 'Brexit' referendum. It was quietly agreed in Bratislava at a summit, minus the United Kingdom, to create a Military Planning and Conduct Capability (MPCC) (this time with quiet U.S. support).

The establishment of the MPCC was seen as a "very important operational decision to strengthen European defence" by the High Representative, Federica Mogherini (Council of the EU, 2017a). The MPCC has however only assumed command of non-executive missions (such as the training missions in the Central African Republic, Mali and Somalia) and works under the political control and strategic guidance of the Political and Security Committee (PSC). The MPCC was formally established in June 2017 and it complements its civilian counterpart, the Civilian Planning and Conduct Capability (CPCC) through a Joint Support Coordination Cell of civilian and military experts to share expertise and support civilian-military cooperation.

The MPCC is, so far, the only new body to emerge out of the EU Global Strategy and the resultant Implementing Plan on Security and Defence (IPSD) which was presented by the High Representative to the Council in November 2016 as part of the EU's 'new level of ambition' in security and defence. Other aspects of the plan are likely to result in the need for adaptation to existing parts of the EU's defence architecture. For instance, the trial run of the Coordinated Annual Review on Defence (CARD), which reports in November 2018, will enable greater transparency of defence plans between the EU's members. This, in turn, will have an impact on the Capability Development Plan, and the work of the European Defence Agency.

### **Brave New Europe – and PESCO**

Permanent Structured Cooperation (PESCO) is core to the strategic future of the Union, as outlined in the *Global Strategy*: "... investment in security and defence is a matter of urgency. Full spectrum defence capabilities are necessary to respond to external crises, build our partners' capacities, and to guarantee Europe's safety" (EU Global Strategy 2016, pp. 10-11). The strategy also stated that, "an appropriate level of ambition and strategic autonomy is important for Europe's ability to promote peace and security within and beyond its borders" (EU Global Strategy 2016, p. 9). Although it was acknowledged that NATO remains the 'primary frame-

work' for the defence of most EU members, subsequent doubts about U.S. security guarantees to its European allies, as well as substantial policy differences, have given substance to the idea of strategic autonomy. It has also put PESCO at the centre of the Union's efforts to address its well-known collective defence shortcomings and thus credibility on the international stage.

PESCO is covered in more detail in another contribution (Nunes, 2018, pp. 48-75). From an institutional standpoint it does not change the institutional architecture as such, but it will nevertheless influence relations within and between institutions involved. Twenty-five EU members have entered into PESCO under which legal commitments have been made to "join forces on a regular basis, to do things together, spend together, invest together, buy together, act together" (Mogherini, 2017). This has resulted in 17 initial projects. The management of the overall process and the projects has necessitated a number of institutional adaptations.

The Council-level (at 25) meet in a 'PESCO format' and is responsible for the overall policy direction and decision-making pertaining to PESCO, while the projects are managed by the contributing Member States. PESCO issues will be addressed at the joint Foreign Affairs Council/Defence meeting, usually held twice per annum. Voting rights are however confined to those participating in PESCO (that is, all except Denmark, Malta and the United Kingdom). The 'PESCO format' (i.e. all EU members are present but voting rights accorded only to PESCO participants) is carried through the Council preparatory bodies (the PSC, the Politico-Military Working Group, the EU Military Committee). Importantly, however, the scope of cooperation for any given project is agreed upon by the Member States themselves, but with a common set of governance rules. Provision is also made for the suspension of a member state who no longer fulfils the criteria by qualified majority vote (this also applies to the decision to admit a new member state into PESCO, but otherwise unanimity applies).

The Council and the Member States participating in the projects are supported by a PESCO Secretariat, consisting of representatives from the European Defence Agency (EDA) and the EEAS (the Crisis Management and Planning Directorate and the Military Staff). Based upon the assumption that the collective capabilities of the EU members constitute a single set of forces, it is unclear whether the existing PESCO projects will result in a lead-nation approach or whether the capabilities will in effect be co-owned. Even if the former, PESCO holds the potential for common command, logistics, maintenance and training facilities. These could also be offered by PESCO contributors as a common facility. The aim is not to create the mythological 'European army' but to create "a coherent full spectrum force package, which could accelerate the provision of forces" (Council, 2018).

The EDA has a core oversight and implementation role to play in PESCO. Comparisons have usefully been drawn between the design of CSDP and that of the

Eurozone and, more recently, with that of the emerging European Defence Union and that of Economic and Monetary Union. In this context the EDA plays a comparative role to the European Central Bank. The EDA assists the High Representative in the assessment of PESCO commitments, with the Agency responsible for the capability development aspects. If the EDA is the preferred joint capability facilitator, the Organisation Conjointe de Coopération en Matière d'Armement (OCCAR) is seen as the preferred collaborative programme managing organisation (Council 2017b, Annex II, p. 18). The EDA, OCCAR and the European Air Transport Command (EATC), signed a Letter of Intent on 25 January 2018, building on a July 2012 administrative agreement, to cooperate more closely and avoid duplication of effort (EDA-OCCAR, 2012). The precise modalities of how EDA-OCCAR cooperation will work will become apparent, but the expertise of the latter in the coordination and management of complex programmes at the advanced stage could complement the Agency. It remains to be seen how, in this and other cases, 'Brexit' will complicate relations with the UK as a founder member of OCCAR but outside the EDA and thus access to EDF funding from March 2019 onwards, unless an agreement can be made.

PESCO is closely related to CARD, mentioned above, and to the European Defence Fund (EDF), established in June 2017. The fund is designed to promote cooperation and cost savings among EU Member States through co-financing with the EU budget of the joint development of defence equipment and technology. The research and development strands of the budget, alongside the Member States' contributions, could represent an investment in defence research and capability development of €5.5 billion after 2020 (European Commission, 2017a). The extreme costs of developing major defence platforms on a purely national basis, even for the largest EU members, has underlined the economic rationale behind joint development and ownership of the type pioneered by the seven-nation European Air Transport Command (EATC) at Eindhoven. Any such future multinational platforms will call for similar EATC type decision-making, advisory and budget structures alongside common training. This will also call for close coordination with the key EU bodies.

### **The Winter Package and the Broader Implications for Defence Architecture**

The initiatives discussed above formed part of a 'Winter package' of initiatives presented to the Council in late 2016. It is too soon to state with any certainty what the precise impact on the EU's defence architecture will be, but four potential implications are discernible.

First, CSDP has been beset by the problem of EU members who vote in favour of a CSDP mission or operation, and thus give their political assent, but then decline to actually participate. This is merely a reflection of the fact that the EU remains heavily reliant upon its members for its ability to act in civilian and military crisis

management. It is also worth noting that the intended deployment of military force requires a unanimous decision, thus making it all the more difficult for a country that has no intention of participating to decline to support the political decision. The logic of PESCO challenges this practice since the co-development of platforms and systems will tend to imply that decisions on capabilities will be made in groups, although legally it leaves national sovereignty untouched.

Second, PESCO may well imply that military operations, in particular, will be launched in the EU framework and not outside it. The tendency to launch operations outside the EU and NATO (as in 2011 in Libya) has been a growing tendency, encouraged in part by the U.S. preference to work with coalitions of the willing. CARD and PESCO will make this more difficult, but not impossible, due to the common assessment of challenges and strategic interests facilitated by the former and the binding nature of the latter. The links between CARD and PESCO are, however, mainly implicit rather than explicit. Nor was the connection between the EDF and PESCO explicit until the Commission established a link in June 2017 whereby all prototypes produced in the context of PESCO-related projects which are eligible for EDF funding, will have a 10% increase in contributions from the European budget (from 20% to 30%) (Mauro and Santopinto, 2017, p. 30).

Third, the impact of the winter package on relations with NATO is not entirely clear. On paper, anything that makes the common membership of the EU and NATO more capable and efficient is good for both organisations. But, it remains to be seen exactly what kind of 'strategic autonomy' the EU has in mind, especially as political differences between Washington, Brussels and the national capitals multiply. There is the risk of drift and in order to mitigate this links will have to be made at multiple levels: between the EU-NATO and the capitals as they draw up their National Implementation Plans for PESCO; between the EU and NATO's Defence Planning Process (NDDP); and at the strategic level on how the 2% NATO commitments apply to the common membership of the organisations. The High Representative has insisted that "the 2% debate on defence spending is a NATO debate and it is for the Member States or allies in NATO to define their way" (Mogherini, 2018). She is correct technically, but the 2014 NATO Wales summit also included the commitment to spend 20% of their annual defence spending on "major new equipment, including related research and development" (NATO, 2014). That is far from just a NATO matter since it has a direct bearing on PESCO. Coordination is evidently called for.

Fourth, if 'architecture' can be stretched to embrace the relevant external financial instruments, it is evident that the next Multiannual Financial Framework (MFF) will radically reduce the current external financial instruments (EFIs). The conclusion of the mid-term reviews for the current MFF indicate a number of shortcomings with the current EFIs, including difficulties in 'joined-up approaches',

gaps in coverage (notably with the Union's ability to promote and mainstream 'values' agendas) and a lack of instruments that can react in a timely manner to new developments (European Commission, 2017b). Discussions on the reform of the MFF are underway but it is already evident that streamlining and simplification of the EFIs is gaining momentum, with the possible implication that more funding for security-related rapid response mechanisms could fall under a non-programmable rapid response envelope. Presumably, other longer-term and broader aspects of security will fall under some type of thematic instrument which follows the EU Global Strategy priorities ('resilience' will be of particular importance) or geographically oriented partner instruments.

More specifically, the European Council announced in June 2017 that the Athena mechanism, which covers some common costs of CSDP operations, will be expanded to include the common costs of the deployment and redeployment of the EU Battlegroups. At the moment the mechanism covers around 10-15% of the common costs, while the suggested revisions could increase them to around 20%. Although worthwhile, this will not alter the general picture where CSDP operations remain dependent upon Member States munificence. It is also worth noting that there are few incentives for third parties to participate since their access to PESCO, the EDF or the revised Athena mechanism is not currently foreseen but cannot be discounted in the longer-term.

### **Conclusions**

Defence architecture is, admittedly, not always the most stimulating aspect of the EU's rapidly developing security and defence. It is, nevertheless, essential for the grounding and workings of the 'Winter package' discussed above. The emphasis will be upon adaptations to existing structures rather than the creation of new institutions or bodies. Indeed, it could be argued that the main thrust of the 'Winter package' was to imbue life into features of the Lisbon Treaty that had lain moribund for almost a decade.

In spite of the EU's new 'level of ambition' it is significant that no new powers have been attributed to any EU institution or agency, most notably the EDA, since CFSP and CSDP retain their unambiguous intergovernmental character. If we look for game changers in terms of the willingness of Member States to actually physically contribute to CSDP operations, it is most likely to lie in ability of the EDF to leverage national defence funding for the development of joint research and development and eventually common platforms. The amounts on offer may be relatively modest, especially in a defence market that is largely driven by exports, but they cannot be dismissed as trivial either. Institutions rarely solve problems, but they can certainly foster change.



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