

# Ensuring coherence among EU defence tools



With the publication of the EU Global Strategy in 2016, European defence cooperation entered a new era. Driven by a common determination to invest more and make defence cooperation the norm, the EU raised its level of ambition aimed at developing a more coherent European defence landscape with a more capable, deployable, interoperable and sustainable set of military capabilities and forces.

To implement that new ambition, Member States set up a series of new EU defence cooperation tools:

- » a revised Capability Development Plan (**CDP**)
- » the Coordinated Annual Review on Defence (**CARD**)
- » the Permanent Structured Cooperation (**PESCO**)
- » the European Defence Fund (**EDF**)

## Putting the pieces together

Bold decisions were needed to establish the new instruments but making them work in a coherent and efficient manner is even more of a challenge. Indeed, they must focus on jointly agreed priorities, be output-oriented (i.e. trigger collaborative projects producing new technologies and equipment) and also be coherent with NATO's defence planning processes.

Therefore, all pieces of the new EU defence puzzle must fit together, deliver on their specific tasks in the right sequence and interact as a whole, meaning:

- » the regularly updated CDP identifies the defence capability priorities Member States need to focus on;

- » CARD provides an overview of the existing capabilities in Europe and identifies opportunities for future cooperation;
- » PESCO offers options how to develop prioritised capabilities in a collaborative manner;
- » and the EDF provides EU funding to incentivise and support cross-border collaborations, with a special bonus for PESCO projects.

The European Defence Agency (EDA) plays a central role in the functioning of all four tools and ensures coherence among them, including with NATO.



### PIECE 1

## Setting the priorities (CDP)

The CDP is the only joint defence capability prioritisation tool at European level covering the whole capability spectrum, as required by the EU's new level of ambition. As the CDP's architect, EDA has produced regular updates since 2008, in close cooperation with Member States, the EU Military Committee (EUMC) and the EU Military Staff (EUMS). In 2018, a revised version with 11 new European Capability Development Priorities, including the High Impact Capability Goals (HICGs), was approved. All are specific, detailed and output-oriented, i.e. focused on delivering capabilities needed to address existing European gaps. They will not only inform governments' national defence planning for the years to come but also serve as key reference for CARD, PESCO and EDF to ensure they produce better capabilities available to Member States for national and multinational missions and operations. The

revised CDP is also coherent with NATO's Defence Planning Process (NDPP), avoiding unnecessary duplication and ensuring the single set of forces principle.

The CDP implementation is done through Strategic Context Cases (SCCs) prepared by EDA with the support of Member States, EU, NATO, other stakeholders and industry. For each of the 11 priorities, the SCCs give an overview of the capability landscape and the reference for generating collaborative capability development projects. They also include roadmaps for each capability priority with dedicated objectives and milestones. The SCCs are updated over time to make sure they always reflect the latest developments in the implementation of each priority.



## PIECE 2 Joint monitoring (CARD)

Established in May 2018, CARD introduced a joint monitoring mechanism with three objectives:

- » go to gather information on respective national defence spending plans;
- » to assess national contributions to the implementation of the CDP;
- » and to look at existing cooperation practices in capability development and operations.

The aim of the annual review is to foster a gradual synchronisation and mutual adaptation of Member States' national defence planning cycles and capability development practices, in the hope this will lead to more systematic defence cooperation in Europe and that Member States will join their efforts in developing and procuring defence assets.

As the CARD secretariat, EDA conducted a trial run in 2017 together with the EUMS and the EUMC, based on bilateral dialogues with Member States. Building on the trial's lessons learned, the first full cycle of CARD started in autumn 2019. It should allow to draw a comprehensive picture of the current capability landscape in Europe, of Member States' national defence plans and collaboration projects as well as on the work done to meet the agreed CDP priorities. It will help identify Member States' needs and plans and could lead, on a strictly voluntary basis, to collaborative projects.

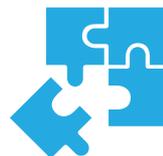
This is where CARD connects to PESCO, for which CARD can serve as a 'pathfinder': opportunities for cooperation identified through CARD can become PESCO projects.



## PIECE 3 Binding commitments and joint projects (PESCO)

EDA is part of the PESCO secretariat (together with the European External Action Service, including the EUMS) which serves as a platform where PESCO participating Member States nations can identify, assess and consolidate possible projects to make sure they respond to capability gaps and priorities identified in the CDP. EDA also facilitates and supports the PESCO project implementation, at the request of Member States, and ensures there is no duplication of efforts, including with NATO. Furthermore, it plays a leading role in the annual assessment of PESCO nations' contributions and respect of the binding commitments.

PESCO projects are eligible for co-funding from the EU's budget – through the European Defence Fund (EDF) which serves as an incentive for cooperation.



## PIECE 4 EU funding as incentive for collaboration (EDF)

The EDF was launched in 2017 through its precursor programmes (it should be fully operational in 2020) to financially incentivise and support cross-border defence cooperation among companies and between EU countries. To that end, it will co-fund collaborative projects in two domains: defence research and capability development. In June 2018, the Commission proposed to allocate €13 billion to the fund for 2021-2027.

Meanwhile, both strands are already operational albeit on a smaller scale: the Commission's Preparatory Action on Defence Research (PADR) is testing the grounds for EU-funded defence research with a budget of €90 million for 2017-2019; and the European defence industrial development programme (EDIDP) has started co-financing collaborative development projects with a budget of €500 million for 2019-2020.

EDA is supporting both strands. The research window of the Fund will benefit from EDA's expertise in establishing the work programme and the technical specifications for the calls as well as from the lessons learnt from the previ-

ous Pilot Project and the current Preparatory Action which were/are both successfully implemented by EDA. The Agency will also help ensure the up-take of the research results in actual capability programmes. As regards the EDIDP, the Agency provides expertise for the adoption of the overall work programme and the assessment of the specific projects to make sure they are in line with the CDP priorities. EDA is also setting up an EDIDP/EDF 'marketplace' to provide Member States with a flexible, structured and transparent framework for the EDIDP/EDF project preparation.

defence capability development in Europe. The success of those tools will depend on how coherently they are implemented and to what extent they will be embedded into and used by Member States' national defence planning.

EDA is the guardian of coherence among them: it coordinates the CDP revision, acts as the secretariat for CARD and PESCO (together with the EEAS, including EUMS) and plays key roles in the EDF.

## Guardian of coherence

CDP, CARD, PESCO and EDF are there to provide a coherent EU framework to promote and facilitate collaborative

Throughout its involvement in the different tools, the Agency's primary concern is and remains to ensure all collaborative efforts are focused on agreed EU capability priorities and produce tangible output (technologies, equipment) for the benefit of a stronger European defence.

## A coherent approach from priorities to impact

