

June 2015

## Common Security and Defence Policy (CSDP): EUCO policy developments since December 2013

*The June 2015 European Council will deal mainly with European Common Security and Defence Policy developments, i.e. progress made in implementing the roadmap established in December 2013. The Heads of State or Government will agree a new roadmap enabling Member States to deepen defence and security cooperation and to better address the emerging threats with which the EU is increasingly confronted. A revised policy implementation framework, which will include objectives and reporting deadlines, is also expected to be agreed.*

### 1. Background

In June 2015 the European Council is to assess progress made in the area of security and defence since its December 2013 meeting. At the time, the Heads of State or Government agreed on a roadmap for a European Common Security and Defence Policy (CSDP) and called upon the institutional actors involved, both at the national and the European level, to '*take determined and verifiable steps to implement the orientations*' defined in the European Council Conclusions. This Briefing aims to consider, ahead of the June 2015 European Council, the main developments that have taken place in the interim.

Since December 2013, the European Council held 11 meetings, out of which five were regular meetings, four were extraordinary meetings and two were informal meetings. The high number of meetings in 2014, eight in total, reflects the rapidly changing security context, with a multiplication of security challenges the EU faces within its neighbourhood, particularly in the Ukraine, Syria and Libya. The conflict in the Ukraine attracted the attention of the European Council throughout 2014, reaching nearly 11 per cent of total attention on all subjects in its Conclusions<sup>1</sup>. Furthermore, the first months of 2015 saw a deepening of the migration crisis in the Mediterranean, necessitating more cohesion in the EU's internal and external security policies. These rapidly changing realities make the process of CSDP review initiated by the European Council in December 2013 extremely relevant, as the EU is held to articulating a coherent, adapted and timely response to threats.

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<sup>1</sup> Per cent calculation based on the raw data reported by P. Alexandrova et. al. as part of the 'European Union Policy Agendas Project'.

## 2. European Council of December 2013

The December 2013 European Council has focused on security and defence, with a third of its Conclusions dedicated to this subject. The EU Heads of State or Government identified a number of growing security challenges (i.e. cyber threats, terrorism) and called for deepening defence cooperation in order to allow the Union to articulate a more coherent, visible and effective security response. It was emphasized that the evolving nature of threats (i.e. illegal migration, organised crime) makes the dividing line between internal and external security increasingly blurred, and that the EU has to develop a comprehensive approach to address these challenges.

The Heads of State or Government assessed the status of defence cooperation in Europe and have pointed to growing gaps in capabilities. The fragmentation of the defence market could have a direct impact on defence industry competitiveness, whereas shrinking research and technology programmes could deepen over time Europe's technological gap vis-à-vis its partners, particularly the US, if the current level of defence budgets were to be maintained. As argued in the 2013 ESPR study on the 'Cost of Non-Europe in Common Security and Defence Policy' and the 2015

CSDP roadmap <sup>2</sup>	
Key Commitments	Timeline
EU Cyber Defence Policy Framework	2014
EU Maritime Security Strategy	June 2014
Athena Mechanism (review)	Report 2014 Decision 2015
Capabilities development	-
European Technological Industrial Base	-
Pooled procurement projects	2014
Strategic review	-
European Commission report	2015
HR/VP report	2015

EPRS Briefing on 'European Defence Cooperation', shrinking defence budgets have been a reality in Europe for more than a decade, with only few Member States – the United Kingdom, Greece and Estonia – meeting the 2 per cent GDP defence spending agreed by NATO countries at the Prague Summit in 2002. In addition to attaining the level of defence spending committed as part of their NATO engagements, Europeans also have to spend more efficiently in order to ensure value for money. Nowadays, European countries spend more than half of their defence budgets on personnel costs, and in the context of downsizing defence budgets, this allows less resources for capability renewal, research and development. In July 2013 the European Commission Communication 'A New Deal for European Defence' has already signalled the importance of overcoming budgetary constraints, particularly through joint procurement programmes.

To address the above-mentioned challenges, the European Council set a clear mandate for action with objectives and reporting deadlines for the main actors involved, namely the High Representative of the Union for Foreign Affairs and Security Policy and Vice President of the European Commission (HR/VP), the Council and the European Commission. Three main axes for action were identified with the aim to: 1) 'increase the visibility, effectiveness and impact of the CSDP'; 2) 'enhance the development of capabilities'; and 3) 'strengthen Europe's defence industry'.

Under Axis 1, the European Council considered the crisis management component of the CSDP, while underlining the need to *'improve the EU rapid response capabilities, including through more flexible and deployable EU Battlegroups as Member States so decide'*. The importance of strengthening cooperation with NATO and the UN as well as support to third countries the EU could provide with aid, training and equipment were equally emphasized. The European Council identified a number of

<sup>2</sup> The table shows an overview of the core commitments undertaken in the European Council Conclusions of December 2013 as well as the implementation deadline, when clearly specified.

raising security challenges and called for a strategic review to be undertaken. It explicitly called for the adoption of an EU Cyber Defence Policy Framework by 2014 and of an EU Maritime Security Strategy by June 2014. The strategic review process is currently in motion and shall most probably lead to the review of the European Security Strategy in the coming months.

Under Axis 2, the European Council underlined that *'cooperation in the area of military capabilities development is crucial to maintaining key capabilities, remedying shortfalls and avoiding redundancies'*. The European Council encouraged Member States to cooperate on defence capabilities projects through the European Defence Agency (EDA). Three cooperation projects were identified: 1) air-to-air refuelling, 2) Remotely Piloted Aircraft Systems, and 3) satellite communications. Yet, Member States were encouraged to establish more collaborative projects on capabilities development. Cyber defence was signalled as an area where cooperation could increase and tailor-made trainings could be organised by the EDA within the scope of the EU Cyber Security Strategy.

Under Axis 3, the European Council has emphasized the strategic importance of the European defence industry in ensuring that Europeans remain competitive on the global market, further develop their technological knowhow, and ensure security of supply. Emphasis was placed on supporting dual-use (civilian-military) research as well as on facilitating the access of Small and Medium Enterprises (SMEs) across Europe to the defence supply chain. The European Council ultimately called for *'a well-functioning defence market based on openness, equal treatment and opportunities for all European suppliers'*. These guidelines reflect the need to create a more flexible framework for public spending and avoid duplication. Nevertheless, Member States' sovereignty concerns will most probably continue to impact policy developments under this axis.

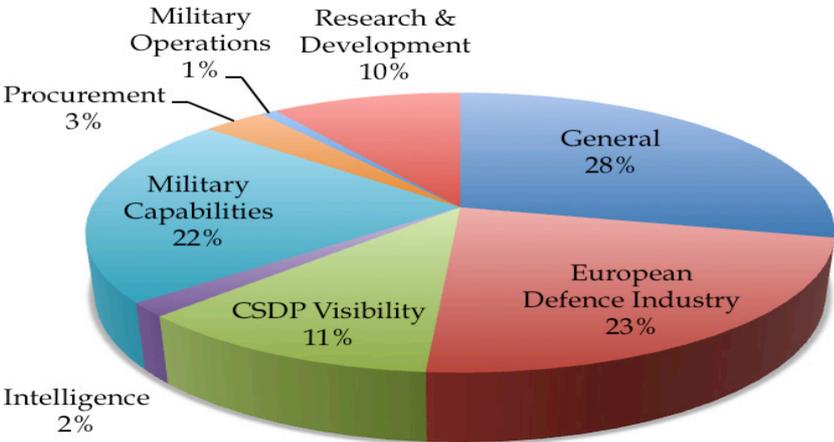


Figure 1: Share of Defence Related Topics in European Council Conclusions (December 2013)<sup>3</sup>

Figure 1 constitutes a graphic representation of the topics covered in the European Council Conclusions in December 2013. It shows that out of the three above-mentioned axes, the most

<sup>3</sup> Graphic representations in this Briefing are generated based on raw data reported by P. Alexandrova et. al. as part of the 'European Union Policy Agendas Project'.

attention was devoted to Axis 3, with both European Defence Industry (23 per cent) and Research and Technological Development (10 per cent) falling within its scope. A competitive, dynamic and research oriented European Defence Industry is deemed key in allowing Member States to maintain technological development and avoid shortfalls. Military capabilities development (23 per cent) and procurement (3 per cent), both belonging to Axis 2, scored second in terms of attention. This ranking is highly revealing of the European Council's intention to devote increased attention to items which are essential in overcoming the current budgetary constraints faced by the Member States. It is less of a surprise that items linked to Axis 1 - CSDP visibility - received only 11 per cent of attention, as substantial work was already carried out during the past decade in relation to this, with most attention dedicated to civilian and military crisis management.

### **3. Key developments since the European Council of December 2013**

Security and defence items have been discussed regularly in the Council by Ministers of Foreign Affairs and/or by Ministers of Defence under the informal meetings framework. In June 2014, the Council adopted the EU Maritime Security Strategy, followed in December 2014 by an Action Plan. In parallel, the EDA multiplied its activities linked to maritime security, particularly in the areas of training, surveillance and capabilities development.

At its 18 November 2014 meeting, the Council conducted an assessment of progress made in implementing European Council guidelines in security and defence. Two core documents were adopted: 1) the EU Cyber Defence Policy Framework, which allows Member States to continue to develop cyber defence capabilities, whereas an implementation report is expected by June 2015; 2) the Policy Framework for Systematic and Long-Term Defence Cooperation, which offers Member States the possibility to jointly develop and operate military capabilities. The Council agreed on the Progress Catalogue (2014) which assesses military capability needs. It took stock of the implementation of the Commission Communication on 'The EU's Comprehensive approach to external conflicts and crises' and called for an Action Plan, adopted in April 2015. One of the main priorities of the Action Plan is to ensure coherence between Member States and EU action in various countries and regions. Progress in this matter will be assessed in 2016.

The 18 May 2015 Council meeting was mainly dedicated to the preparation of the June 2015 European Council. The Council considered progress made in the CSDP along the three axes outlined in the December 2013 European Council Conclusions. The Council Conclusions on the CSDP point to a number of future actions to be undertaken and, *inter alia*, to the development of an 'EU-wide strategic framework for Security Sector Reform' by 2016, thus strengthening the EU's Comprehensive approach to external crises.

#### **3.1 Institutional developments**

A Commissioners' Group on External Action was created in the fall of 2014 with the aim of allowing for more coordination within the European Commission on policies having an external dimension, such as humanitarian aid, development, energy security, international trade or migration. The group meets monthly under the chairmanship of the HR/VP in various configurations, depending on the topic discussed. The report presented by the HR/VP ahead of the June 2015 European Council foresees the possibility of organising joint meetings of the Group of Commissioners with Foreign

Affairs Ministers. It is deemed that such meetings may enhance the coherence of EU foreign and security policy.

### **3.2 Relations with other organisations**

Cooperation with NATO focussed mainly, but not exclusively, on capability development. As outlined in the July 2014 report by the High Representative Catherine Ashton on 'Implementing the December 2013 European Council Conclusions on security and defence', three leading projects - 'air-to-air refuelling', 'Remotely Piloted Aircraft Systems' and 'satellite communications' - were coordinated with NATO.

Relations with the United Nations have been continuously strengthened within the past 18 months. Cooperation in conflict zones, particularly in the African context, has multiplied (i.e. Mali, the Central African Republic). The 'Plan of Action to enhance EU CSDP support to UN peacekeeping' adopted in 2012 is currently under review to allow for better coordination between the two organisations, with a view to facilitate information sharing, joint assessments of conflict situations and an enhanced EU contribution to the UN peacekeeping effort. A new EU/UN cooperation agreement is currently in the process of being negotiated.

EU-Africa relations have been reinforced through enhanced support to the work of the African Union as well as through capacity building programs for individual countries. The April 2015 European Commission communication on 'Capacity building in support of security and development – Enabling partners to prevent and manage crisis' addresses holistically the question of training and equipping third countries. Mali and Somalia have been identified as pilot cases to evaluate the robustness of the EU capacity building approach. An agreement on an implementation plan shall be reached in the coming months.

### **3.3 Crisis management**

Crisis management procedures are reviewed on regular basis, as there is a continuous need to integrate lessons learned. Progress is still needed as regards the fluidity and the rapidity of the force generation process in respect of both civilian and military CSDP initiatives. The report of the High Representative Frederica Mogherini ahead of the June 2015 European Council underlines that '*developing a wider approach in which CSDP missions and operations and Community instruments are embedded within an overall political strategy will remain a priority*'. Some minor progress was made in the area of CSDP military operations funding with the review in March 2015 of the Athena Mechanism. One development brought about by the review is the possibility to have certain early costs occurring prior to deployment pre-funded through the Athena mechanism. Slight progress was made in respect of rapid response capabilities with the new 'Rapid Response Concept' adopted in 2015. EU Battlegroups, the main rapid response capability, have so far not been tested in an operational context, due to the lack of political consensus. Yet, since 2007, EU Battlegroups are fully operational, with four Battlegroups on standby per year, two in the first half and two in the second half of the year. Analysts are questioning the high costs of keeping such forces on standby.

### 3.4 Capabilities

Capabilities – civilian and military - remain national. Their development is mainly made within the framework of national strategies for capability development, which barely take into consideration EU crisis management needs. Further coordination between the relevant EU actors (the European External Action Service (EEAS) – in the case of civilian capabilities, EDA – in the case of military capabilities) and Member States could allow reducing capability shortfalls. It could also contribute to shortening the delays faced currently in the force generation processes linked to CSDP missions and operations.

As regards civilian capabilities, work was carried out in connection to the Civilian Capability Development Plan along two lines: 1) overcoming civilian capability gaps; 2) enhancing cooperation between civilian and military CSDP initiatives. For the military capabilities, the main challenge for Member States has been to agree on more capability related cooperative projects. As argued in the 2013 EPRS study on the 'Cost of Non-Europe in Common Security and Defence Policy', collaborative projects in respect of capabilities development would ensure better value for money in times of budgetary constraints.

### 3.5 Research

At its December 2013 meeting, the European Council considered security and defence related research to represent a priority and an opportunity to overcome technological shortfalls in the medium and long term. The European Commission is currently preparing, in close collaboration with the EDA and other relevant public and private actors (i.e. SMEs), a 'Preparatory Action in CSDP-related research' for 2017. The aim is to allow a dedicated CSDP research program to be funded under the EU budget, in full respect of EU law provisions governing security and defence. To this end, a Group of Personalities chaired by Commissioner Elżbieta Bieńkowska is to give 'strategic advice' on the scope and objectives of the Preparatory Action by March 2016.

Dual-use research presents an opportunity to strengthen links between civilian and military conducted research, with academia and industrial partners increasingly developing joint research programs. Furthermore, dual-use research contributes towards reducing costs and enhancing competitiveness. Work has been done in respect of 'key enabling technologies' (KETs) (i.e. nanotechnology, electronics) under the guidance of the 2013 High Level Group on KET's. The European Commission has announced in the report on the 'Implementation of the European Commission's Communication on Defence' issued ahead of the June 2015 European Council that a list of KETs of interest to defence research is going to be established in the coming months.

### 3.6 Defence industry and defence market

The implementation of Directive (2009/81/EC) on Defence and Security Procurement remains a challenge as Member States continue to conduct relevant procurement outside this framework. The European Commission will issue a report in 2016 on transposition measures undertaken at national level. The report will consider current procurement patterns and will explore further options to ensure compliance with EU law.

The European Council has set the objective of allowing access for SMEs from all Member States to supply chains across Europe. Work is currently carried out by the European Commission in order to

implement this target. A group of experts, formed of representatives of the Member States and representatives of SMEs, was established in 2015 to offer advice in this matter. In parallel, the European Commission is preparing an 'SME guide to the (defence products) Transfers Directive' aimed at familiarising SMEs with the business opportunities offered through EU law, for the fall of 2015. The European Commission will equally conduct an evaluation of Directive (2009/43/EC) on simplifying terms and conditions of defence related products within the Community in 2016.

#### 4. European Parliament views

The European Parliament has been monitoring the CSDP review process from its early stages. On 20 December 2013, the European Parliament resolution on preparations for the European Council meeting (19-20 December) was issued. In this resolution, the European Parliament urged the Heads of State or Government to *'seize the opportunity afforded by the December 2013 Council by taking a clear stance in favour of a stronger European defence system'*.

The European Parliament also considered the evolving international context and issued, throughout 2014, resolutions on the situation in the Central African Republic, Iran, Iraq and Syria. The intensity of the crisis in the Ukraine has attracted the parliament's attention and four resolutions were issued in February 2014, April 2014, July 2014 and February 2015. In early 2015, the European Parliament looked at the situation in the Mediterranean and called for enhanced coherence between external and internal policy tools in addressing the migration crisis.

More recently, during the May 2015 Plenary session, the European Parliament adopted three defence and security related resolutions in view of the June 2015 European Council, covering the three axes of action identified in the 2013 European Council Conclusions. The European Parliament resolution on the Implementation of the Common Security and Defence Policy considered *'regrettable, especially with regard to the increasing external instabilities, the fact that the injection of political stimulus in 2013 did not lead to enhanced cooperation and the substantial and rapid implementation of practical measures, commensurate with the declared levels of ambition'*. The European Parliament resolution on financing the Common Security and Defence Policy *'reiterated the importance attached by Parliament to exercising oversight of the way the different CSDP missions and operations are budgeted'* and underlined the commitment of all actors involved to smoothly implement the provisions of the 2013 Inter-institutional Agreement on budgetary discipline, on cooperation on budgetary matters and on sound financial management (IIA). The European Parliament resolution on the Impact of developments in European defence markets on the security and defence capabilities in Europe considered the fragmentation of the European defence market as a risk which, over time, might undermine European security. It urged Member States to support more cooperative programs in security and defence.

## 5. The way ahead

The June 2015 European Council will assess progress made in the CSDP on the basis of the 18 May 2015 Foreign Affairs Council Conclusions and the two reports by the HR/VP and the European Commission, respectively. The HR/VP report offers an overview of the main developments and achievements in the CSDP, along the three main axes of action identified in December 2013; whereas the European Commission report focuses on steps undertaken to shape the European defence market, on promoting research, and on supporting technological development as a contribution towards strengthening the European defence industry.

Work was carried out under the three axes identified in December 2013 by the European Council. Progress achieved varies, depending of the complexity and sensitivity of the issue addressed. For instance, the EU Maritime Security Strategy and the EU Cyber Defence Policy Framework were both adopted in 2014, within the timeframe set by the European Council. The Athena Mechanism went through a review process, which has led to minor progress in the funding of CSDP military operations. Further action is needed, particularly in respect of developing capabilities, supporting research, strengthening the defence industry and allowing for a more flexible defence market. Work along these lines may prove essential in order to overcome the limited EU countries budgetary means available and to ensure spending is more effective. The European Council will also have to consider the various threats the EU is currently faced with and how to address them collectively. The strategic review process is of utmost importance in this context. In these circumstances, the June 2015 European Council is likely to establish new timelines and a date for CSDP progress assessment, most probably during 2016.

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Manuscript completed on 8 June 2015. Brussels © European Union, 2015.

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