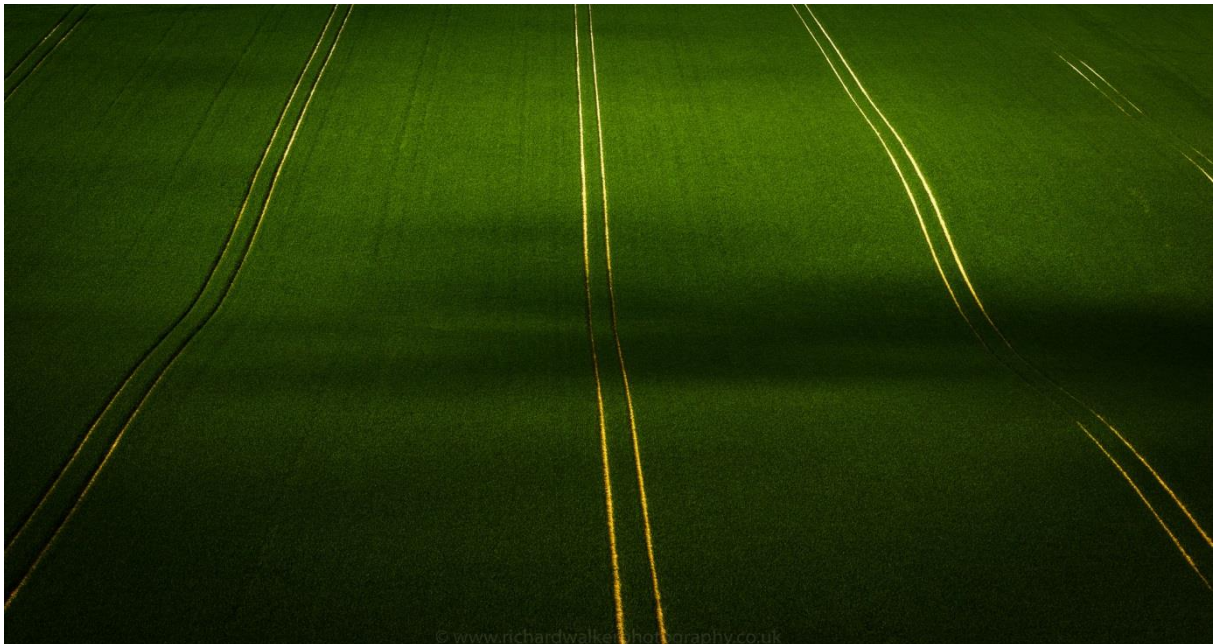


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# PESCO and the EI2: Similar aims, different paths

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*The past two years are said to have seen more progress in European defence cooperation than the past decade. This policy brief compares two of the new European defence cooperation initiatives: the Treaty-based permanent structured cooperation (PESCO) and the French-driven European Intervention Initiative (EI2). It shows that they pursue similar political aims, but via different paths. The analysis closes by spelling out three different interpretations of 'the closest possible link' between the two projects, providing substance to a Franco-German promise for the coming year.*

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# 1 One vision, two drivers

In terms of security and defence, the EU is suffering from a strategy and capability gap. This argument is not new, but has been reinforced in the past years due to a range of events. Europe's neighbourhood to the East and South has been characterised by instability and hot as well as frozen conflicts. The US first strategically pivoted away from Europe, and then politically questioned NATO. The UK, one of Europe's few defence heavyweights, is preparing to leave the EU, thus widening the bloc's strategy and capability gap.

The EU has reacted to these developments by upping its game in the field of defence. France and Germany have been **primary political drivers** behind the [joint vision](#) of forging a European Defence Union. The formulated compromises and extended them to other member states. They thus also stand at the centre of two recent European defence cooperation initiatives: Permanent Structured Cooperation (PESCO) and the European Intervention Initiative (EI2). However, a closer look shows that there is unequal ownership for the compromises standing at the core of each initiative. While Germany can be seen as the primary political driver behind PESCO, the EI2 has clearly been driven by the French. The next Franco-German compromise that is awaiting implementation is the promise to forge the closest possible link between the two initiatives.

This blog post compares PESCO and the EI2 along four key dimensions: political objectives, membership, functional focus, and modus operandi/governance. It closes by spelling out three alternative understandings of the closest possible link.

## 2 Similar aims

In terms of overarching political aims PESCO and the EI2 sound quite similar. PESCO [aims](#) at reinforcing 'the EU's strategic autonomy to act alone when necessary and with partners whenever possible'. Meanwhile, the French Defence Ministry [underlines](#) that the EI2 seeks to reinforce Europe's **strategic autonomy**. Both initiatives largely define their contribution to strategic autonomy as strengthening the collective ability to respond to crises emerging from Europe's neighbourhood. The focus on crisis management is also related to the fact that both initiatives promise to be complementary to, rather than duplicative of NATO, the continent's primary provider of territorial defence.

The second aim that the initiatives largely share is that of fostering the emergence of a '**common strategic culture**'. This somewhat nebulous concept can be [defined](#) as the shared ideas, norms and patterns of behaviour of actors involved in security and defence policies. A particularly sensitive aspect, on which European states still tend to differ, is the question under which circumstances the use of force is considered appropriate. Another is the inclination towards particular forms of multilateral cooperation.

This leads us to the key difference between these aims, which lies in the words **EU vs. Europe**. For PESCO these aims are clearly inscribed within the EU context while the EI2 takes a broader European approach without prejudice to any particular form of multilateral cooperation (EU, UN, NATO, or coalitions of the willing). As a French diplomat put it in June 2018, "European" and "EU" are not synonymous. This is why the EI2 is not dealt with in Brussels, but rather in Paris'. The distinction thus has important implications for the paths towards the similar-

sounding aims. The following illustrates this based on three key features of the evolving initiatives.

## 3 Different paths

### Membership

According to the Treaty on European Union (TEU), PESCO is open to EU 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”. In the run-up to its activation in late 2017, France insisted on ‘higher criteria’ and ‘the most demanding missions’ while Germany viewed PESCO through an integration lens and advocated lower binding criteria to allow for an inclusive membership. The compromise was to set ambitious criteria, but to allow for their gradual fulfilment. PESCO thus became more **inclusive** than initially foreseen and 25 EU member states – all except for Malta, Denmark, and the United Kingdom – signed up to it. Conversely, PESCO is relatively exclusive regarding the participation of third states: They can exceptionally be invited to participate in selected projects, but only if all PESCO members agree that they meet relevant criteria and provide substantial added value.

The EI2 can be seen as a French response to an overly inclusive PESCO. It is no coincidence that President Macron launched this idea in his Sorbonne speech, at a time when the above-mentioned compromise was established. In terms of membership, the EI2 follows a reverse logic vis-à-vis PESCO: it is generally more **exclusive**, but open to non-EU European countries. In spring 2018, Macron invited nine European states – including Denmark and the UK – to join the initiative. Italy postponed the decision, but Finland joined instead. These ten countries can be seen as the French interpretation of the most willing and able European states. As the French Defence Ministry [underlines](#), they make up roughly four fifths of the EU’s combined defence expenditure. The [letter of intent](#) states that ‘the EI2 will be open to other European states, willing to share the strategic objectives of the Initiative, and showing proper commitment and adequate level of operational capabilities’. What this means concretely, remains to be seen.

### Functional focus

In terms of functional focus, there is an overlap in the field of operational readiness and support. Beyond that, PESCO’s focus is **broader**. Its binding commitments and projects also cover:

- defence investment and planning
- capability development
- harmonisation of military apparatuses
- training

This breadth is clearly reflected in the first [34 PESCO projects](#), ranging from a joint intelligence school to a military mobility initiative coordinated with NATO. Being part of the EU framework, PESCO is also linked to other defence initiatives, notably the European Defence Fund and the Coordinated Annual Review on Defence.

The focus of the EI2 is **narrower** and lies on enhanced interaction in four fields:

1. strategic foresight and intelligence sharing
2. scenario development and planning
3. support to operations and

#### 4. lessons learned and doctrine

At the time of writing, little was known regarding concrete projects or deliverables. The first meeting of EI2 defence ministers in November 2018 [reportedly](#) addressed common approaches to regional climatic changes and contributions to maritime security.

## Modus operandi and governance

As the name says, PESCO is **permanent, structured and binding**. It is based on the TEU, which also guides its establishment and functioning. This means that there are clear decision-making rules on aspects such as the adoption of binding commitments and projects, the admission of new members, the exclusion of members and the participation of third countries (see above).

The binding nature of PESCO commitments is to be enforced through a structured annual assessment mechanism involving a range of **EU-level actors** and including the following steps:

- Every year, as of 10 January, participating member states submit National Implementation Plans outlining how they plan to reach the binding commitments.
- In spring, based on the assessment by the Brussels-based PESCO Secretariat provided jointly by the European External Action Service and the European Defence Agency, the High Representative presents an annual report evaluating progress based on the National Implementation Plans.
- Based thereon, the Council in ‘PESCO format’ reviews whether the participating states continue to fulfil their more binding commitments.

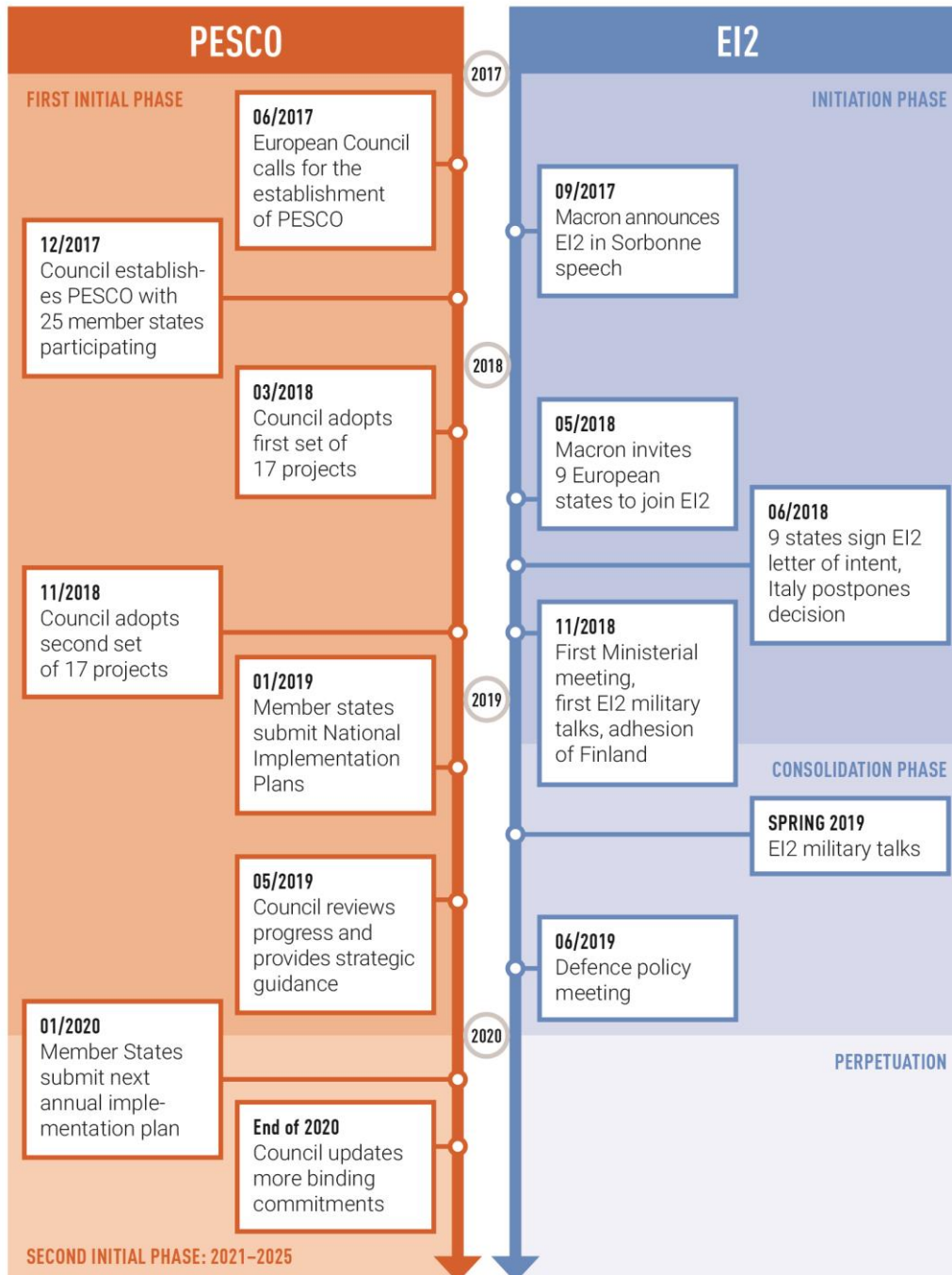
After a first initial phase (2018-20), the Council will update and, if necessary, enhance the binding commitments with a view to the second initial phase (2020-25).

While this process is indeed structured there are legitimate concerns regarding its effective impact. These concerns are based on the vague phrasing of some of the binding commitments as well as the absence of credible sanctioning mechanisms in case of non-compliance.

In contrast to PESCO, the EI2 has carefully been framed as **flexible, pragmatic and non-binding**. It is a purely **intergovernmental** forum that relies on a ‘minimum and flexible comitology’ that is coordinated by a ‘light’ Paris-based Secretariat constituted by French personnel and a network of liaison officers from participating states. Three types of meetings between EI2 participants are foreseen:

- Biannual military talks between the armed forces
- An annual defence policy meeting between defence political directors
- An annual ministerial meeting

The timeline below illustrates the parallel, but distinct paths of PESCO and the EI2 since 2017.



Graphic: Charlotte Bräuer

## 4 What 'closest possible link'?

The differences between PESCO and the E12 mean that there is room for complementarity *as well as* competition and duplication. Mindful of the potential for beauty contests, President Macron and Chancellor Merkel promised in [Meseberg](#) in June 2018 that the E12 'will be linked as closely as possible with PESCO'. The E12 letter of intent reiterated this promise. Yet, it is still unclear what this means. We could distinguish three different interpretations.

**‘PESCO first’:** Reflecting Germany’s (initial) preference, a first interpretation could imply integrating the EI2 as a project within PESCO. This would avoid duplication as eight out of ten EI2 participants are also PESCO members. There could be synergies with related PESCO projects such as the EUFOR Crisis Response Operation Core that could mirror the EI2’s strategic focus in terms of operational readiness. The EI2 letter of intent also states that it should serve PESCO objectives and projects ‘to the maximum extent possible’. Nevertheless, ‘PESCO first’ currently seems unrealistic. The French government clearly rejects an integration, ‘if only to allow the unrestricted participation of militarily able and politically willing countries such as Denmark ... or as the United Kingdom, or maybe other countries in the future’. In light of Brexit and restrictions to third country participation, the UK would be [opposed](#) to a merger. Moreover, PESCO’s governance would erase the flexible character that the French envisaged.

**EI2 as an avant-garde:** A second interpretation would be to view the EI2 an intergovernmental avant-garde shaping strategic thinking for the whole of Europe, the EU and PESCO. This would match the French interpretation of a close link as the following [statement](#) on the Defence Ministry’s website illustrates: ‘the EI2 Military European Strategic Talks will allow elaborating and jointly submitting a shared strategic vision to EU or NATO, for the sake of the whole community’. The fact that the most powerful European states in military terms participate in the initiative does speak for the avant-garde logic. Yet a pronounced implementation of this vision would probably not be welcomed by non-EI2 PESCO members such as Poland or Italy that either do not want to join or, more importantly, have not been invited. After all, they continue to have their voice and veto power in the European Council, the Foreign Affairs Council, and Council ‘in PESCO format’ and have little interest in a two-speed Defence Union suspected of standing for a ‘France first’ approach.

**‘Parallel and coordinated’:** The third and probably most likely interpretation of the link would be some form of parallel and coordinated cooperation. We have seen similar [cooperation models](#) emerge between the EU and NATO. This would imply that the paths remain parallel, but that there is close and partly informal exchange at the political, strategic and staff levels. This could lead to the adoption of complementary projects and to the above-mentioned avant-garde function through the backdoor. The fact, that [overseas co-basing](#), one of the French-led PESCO projects, has been described as an EI2 contribution to PESCO, points in this direction. However, as for EU-NATO cooperation, there would still be transaction costs (e.g. liaison officers, imperfect information exchange) stemming from a necessary degree of duplication and beauty contests cannot be fully excluded.

## Outlook

It is too early to make definite judgements about PESCO or the EI2, but two things are already clear: either of them is too big to fail, but both risk falling behind expectations. There is concern about PESCO’s ability to deliver on filling the EU’s strategy and capability gaps and about the EI2 becoming a politically inflated talking shop. The key tests for both initiatives will be output and collective action. The next crisis in Europe’s neighbourhood will come and it will not ask which forum is best suited to it. It is thus an imperative to link them as closely and pragmatically as possible. Paris and Berlin are best placed to forge this link and get others on board.

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