



BRIEFING PAPER

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EU defence: the realisation of Permanent Structured Cooperation (PESCO)

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Summary

In 2013 EU Leaders agreed that greater effort was required in the field of European defence and an implementation plan for CSDP was subsequently agreed in November 2016. The Plan was described as raising “the level of ambition of the European Union’s security and defence policy”, and among its aims was the utilisation of the Permanent Structured Cooperation (PESCO) mechanism that was first set out in the 2009 Lisbon Treaty.

Under the PESCO concept a smaller group of eligible, willing, Member States would be able to adopt decisions regarding greater military cooperation, therefore moving forward in certain areas without the full approval of all EU Member States. Among the long-term aspirations for PESCO were capability harmonisation, the pooling of assets, cooperation in training and logistics, regular assessments of national defence expenditure and the development of flexibility, interoperability and deployability among forces.

At the European Council summit in June 2017 leaders agreed “on the need to launch an inclusive and ambitious Permanent Structured Cooperation” and a notification of interest to establish PESCO was subsequently presented in October 2017. Twenty three EU Member States initially signed the Joint Notification, which set out the principles of PESCO, proposals on PESCO governance and the overall ambition for the project. Annex II of the Joint Notification also set out 20 specific defence policy commitments that participating states will have to meet, including defence spending targets, the harmonisation of requirements and greater collaboration in capability development.

Ireland and Portugal subsequently notified the Council of their decision to join PESCO bringing the number of participating states to 25. A decision establishing PESCO was formally adopted by the Council of Ministers in December 2017. Denmark, Malta and UK remain outside of PESCO.

Only participating Member States will have decision making rights with regard to PESCO. Those State which remain outside of the mechanism will have no powers or voting rights over projects or the future strategic direction of the initiative.

PESCO Projects

Any capabilities and assets developed under PESCO will remain under the ownership and control of the participating EU Member States and will be made available to NATO and UN operations. It will not give the EU control over individual nations’ armed forces, including the UK.

A formal Decision approving an initial list of 17 PESCO projects, including participating countries, was reached in March 2018. Among that initial tranche was armoured infantry fighting vehicles, military mobility and a European Medical Command.

A second set of PESCO projects was formally adopted by the Council of Ministers in November 2018. Among the more ‘strategic’ projects on the list is a medium altitude, long endurance unmanned drone, an upgrade to the Tiger attack helicopter and a high-altitude intelligence, surveillance and reconnaissance (ISR) capability.

A number of these projects could potentially be part-funded through the newly established European Defence Fund and at a higher rate of EU financing (30%) than that available to other collaborative projects set up with EDF funding (20%). However, EDF funding for PESCO projects will not be automatic.

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The conditions under which third party states may be invited to participate in individual PESCO projects currently remain under consideration. A Decision had been expected, in principle, by the end of 2018. However, while the European Council in December 2018 welcomed the progress made in implementing PESCO, the Council's conclusions revealed nothing about the terms of third-party participation, which led many to speculate that differences in opinion remain between the PESCO participating states.

Indeed, a meeting of the Foreign Affairs Council in June 2019 only called for the adoption of arrangements on third party participation "as soon as possible".

A third tranche of PESCO projects is expected to be approved later in 2019, followed by a fourth tranche in 2021.

Views on PESCO

While the creation of PESCO has been widely welcomed, several commentators have reiterated the need for complementarity between NATO and EU efforts, while others have questioned whether the extent of participation in PESCO may eventually lead to it becoming unwieldy and ineffective.

Many commentators have also expressed scepticism over the ability of PESCO to deliver the EU's objective of strategic autonomy, unless the very largest capability projects, such as satellites or combat aircraft, are included in the initiative. Maintaining the momentum to move PESCO projects forward beyond their initial phases, are also regarded as somewhat of a challenge.

Position of the UK

The UK remains outside of PESCO and as such will have no decision-making rights or any veto over its future strategic direction.

Post-Brexit the Government has stated that it wishes to retain some sort of defence and security relationship with the EU, and specifically in capabilities development. It has long made clear its preference to keep the option of third party participation in PESCO, on a project-by-project basis, on the table.

However, if it wishes to participate, even on a project-by-project basis, the UK will have to find the terms of third party participation acceptable, which may include a broader commitment to sharing EU values and strengthening the EU's Common Security and Defence Policy (CSDP). Brexiteers have expressed concern that the Government's approach fails to deliver on the promise of Brexit and that the UK would be permanently tied to EU defence structures and principles, over which it would have no say.

This paper is an update to previous versions published in December 2018 and May 2019.

1. Background

In 2013 EU Leaders agreed that greater effort was required in the field of European defence. To that end, they committed to “the further development of a credible and effective CSDP [Common Security and Defence Policy]”, with a focus on increasing the visibility, impact and effectiveness of CSDP, enhancing military capabilities and strengthening the European defence industry. At a more strategic level the EU High Representative was also tasked with assessing future challenges and opportunities for the EU.

In the last six years work has been undertaken within the European Commission, the Council of Ministers and at European Council-level, on a package of measures intended to implement the decisions taken at that 2013 European Council meeting.

First and foremost, in June 2016 the EU High Representative published a new [EU Global Strategy for Foreign and Security Policy](#), which offered an overarching strategic vision for the EU’s global role in the future and measures for achieving its aims.¹ Security and defence was identified in that document as one of [five priorities](#) going forward.

In November 2016 [proposals on an implementation plan](#) for CSDP were subsequently discussed in the Council of Ministers. That implementation plan was adopted by EU leaders at the European Council Summit in December 2016, as part of a broader package of defence and security measures which also focuses [on increased cooperation between the EU and NATO](#) and the implementation of the European Commission’s [European Defence Action Plan](#).²

The Implementation Plan has been described as raising “the level of ambition of the European Union’s security and defence policy”. To achieve that aim it has five specific work strands, one of which is the utilisation of the Permanent Structured Cooperation (PESCO) mechanism, which was first set out in the 2009 Lisbon Treaty.

1.1 Lisbon Treaty - the basis of PESCO

While the EU’s Common Security and Defence Policy (CSDP) remains an intergovernmental area of EU competence, [Article 42](#) of the Lisbon Treaty did however open up the potential for greater military cooperation, specifically in capabilities development and planning, through the mechanism of Permanent Structured Cooperation (PESCO). Under that concept, a smaller group of eligible, and willing, Member States would be able to adopt decisions regarding greater military cooperation, therefore moving forward in certain areas without the full approval of all EU Member States. Among the aspirations for PESCO were capability harmonisation, the pooling of assets, cooperation in training and logistics, regular assessments of national defence

¹ The first time the EU has published an updated security strategy since 2003 when the EU’s first ever *European Security Strategy* was published.

² Also published in November 2016

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expenditure and the development of flexibility, interoperability and deployability among forces.

Article 46 TEU set out the arrangements whereby Member States can engage in permanent structured cooperation in defence matters. The criteria and capability commitments for doing so are set out in the [Protocol on Permanent Structured Cooperation](#) (No. 10). Article 1(b) of that Protocol states that participating Member States should have the capacity to supply, either at national level or as a component of multinational force groups, combat units and supporting elements, including transport and logistics. These would be capable of deployment within 5 to 30 days, in particular in response to requests from the UN. They would be sustained for an initial period of 30 days and extended up to a period of 120 days.³

The Council of Ministers could decide by QMV, after consulting the EU High Representative, to establish permanent structured cooperation and determine the list of participants. Once established, only participating Member States would be able to take part in adopting decisions relating to the development of PESCO, including the future participation of other Member States. Decisions and recommendations would be taken by unanimity by those participating Member States, except with regard to the list of participating Member States, which would be decided by QMV. If a participating Member State no longer fulfils the criteria set out in the Protocol or is no longer able to meet its commitments, the Council of Ministers, acting by QMV, may suspend the Member State concerned.

³ This provision is a conclusion of the Franco-British initiative on rapid reaction capabilities that was first announced in November 2003. Library Research Paper RP06/32, [European Security and Defence Policy: Developments since 2003](#), June 2006 has further background information.

2. The realisation of PESCO

Despite its inclusion in the Lisbon Treaty, and many references to it over the years, PESCO had never been utilised by EU Member States.

However, the 2016 EU *Global Strategy* and subsequent *Security and Defence Implementation Plan* set out the intention to examine possible areas for CSDP cooperation using the PESCO mechanism. The intention is to help generate new collaborative efforts, cooperation and projects among participating Member States, thereby addressing any remaining capability shortfalls and enhancing the EU's ability to act.

At the European Council summit in June 2017 leaders agreed "on the need to launch an inclusive and ambitious Permanent Structured Cooperation". A common list of criteria and commitments was to be drawn up by Member States within three months, including a precise timetable and list of specific projects, in order for Member States to indicate their intention to participate.

In September 2017 EU Defence Ministers met to discuss PESCO, with a view to a legal decision on launching it by the end of the year. Governance and a detailed list of binding common commitments relating to participating countries national defence policies, including investment levels, capability development and operational readiness were specifically discussed. Proposals for over 30 projects that could be developed under the PESCO mechanism were reportedly received.

A notification of interest to establish PESCO was subsequently presented to the European Council in October 2017.

2.1 Joint Notification on PESCO

At a meeting of the Foreign Affairs Council (including Defence) on 13 November 2017, Ministers from 23 EU Member States signed a [Joint Notification on Permanent Structured Cooperation](#). The first formal step in establishing PESCO, that notification set out the principles of PESCO, the list of broader commitments that participating Member States have agreed to undertake and proposals on PESCO governance and the overall ambition for the project.

Any capabilities developed through PESCO will remain owned and operated by Member States.

They will not be 'EU' assets or form the basis of an 'EU Army'. They will remain under national control and be capable of being deployed in other frameworks such as the UN and NATO.

Box 1: Basics of Permanent Structured Cooperation (PESCO)

- The initial decision to participate in PESCO is voluntary and decision-making within the PESCO mechanism will only be taken by participating states. Those EU states which do not participate in PESCO will have no decision-making rights and no veto over its future strategic direction.
- PESCO will have a two-layered structure. The Council of Ministers will be responsible for the overall policy direction and assessment mechanism to determine if Member States are fulfilling their commitments. Each project will be managed by those Member States which contribute to it.

- The PESCO Secretariat will be provided through existing CSDP structures, primarily the EU External Action Service, including the EU Military Staff, and the European Defence Agency. Any administrative expenditure will be charged to the EU budget.
- Participating states commit to fulfil 20 broader commitments relating to their national defence policies, including agreed defence spending targets and harmonisation of plans and requirements.
- As a treaty-based mechanism any commitments undertaken by participating states will be legally binding. National implementation plans will be subject to regular assessment by the Council of Ministers.
- Any participating State will be able to propose projects to the PESCO Secretariat. With regard to capability development, the EDA will ensure that there is no duplication with existing initiatives in other institutions, such as NATO. The EU High Representative will make recommendations to the Council of Ministers on those projects which are consistent with the EU's Capability Development Priorities and the Coordinated Annual Review on Defence, which contribute to the EU's 'Level of Ambition' and are best suited to furthering Europe's 'strategic autonomy' in the longer term. The Council (participating PESCO states only) will then decide, by unanimity, on the list of PESCO capability projects.
- Third party states may be invited to participate in specific PESCO projects, where it is demonstrated that they bring "substantial added value". While the terms of participation are still to be agreed, the expectation is that the conditions for participation will differ between projects but on the whole states will be expected to share EU values, and "contribute to strengthening PESCO and the CSDP and meet more demanding commitments" that have been agreed as part of the PESCO framework. Despite these commitments, third-party states will not, however, have any decision-making rights.
- Capabilities developed through the PESCO mechanism will remain under national control. They will not be "EU" assets and will not form the basis of an "EU Army". States will be able to make those capabilities available through other frameworks such as NATO and the UN.

Broader defence policy commitments

Annex II of the Joint Notification set out the 20 specific commitments that participating states will have to meet. Among them are commitments to:

- Regularly increase defence budgets in order to meet agreed objectives.
- Increase defence capabilities expenditure to 20% of total defence spending.
- Increase expenditure allocated to defence research and technology to 2% of total defence spending.
- Increase joint and collaborative capability projects, supported through the EU Defence Fund if required.
- Harmonise capability requirements and consider, as a priority, a European collaborative approach in order to address capability shortfalls identified at the national level. As a general rule an

“exclusively national approach” should only be used once that assessment has been carried out.

Participating states are also committed to consider the joint use of existing capabilities in order to increase effectiveness and to make “substantial” contributions to the EU Battlegroups. States must also participate in at least one PESCO capability project.

The implementation of these broader commitments under PESCO will take place in two stages 2018-2020 and 2021-2025. After each phase there will be a strategic review of PESCO, which will also identify additional commitments moving forward.

Twenty three Member States initially signed the Joint Notification, except for Denmark, Malta, Ireland, Portugal and the UK. Ireland and Portugal subsequently notified the Council of their decision to join PESCO on 7 December 2017, bringing the number of participating states to 25.

2.2 Formal Decision establishing PESCO

On 11 December 2017 the Council of Ministers formally adopted a [Decision](#) establishing Permanent Structured Cooperation.⁴

That Decision lists participating EU Member States and largely reiterates the contents of the Joint Notification on common commitments, governance and administrative arrangements, including financing.

Box 2: Participating Member States (25)

Austria	France	The Netherlands
Belgium	Germany	Poland
Bulgaria	Greece	Portugal
Czech Republic	Hungary	Romania
Croatia	Italy	Slovakia
Cyprus	Ireland	Slovenia
Estonia	Latvia	Spain
Finland	Lithuania	Sweden
	Luxembourg	

Now that it has been formally established any other EU Member State that wishes to participate must notify the Council of Ministers and the EU High Representative. However, under the Lisbon Treaty, it is for the participating PESCO States to decide, by QMV, on the future participation of others.

Only participating Member States will have decision making rights with regard to PESCO. Those State which remain outside of the mechanism

Denmark, Malta
and the UK remain
outside of PESCO

⁴ Council of the European Union, *Council Decision establishing Permanent Structured Cooperation*, CSDP/PSDC 667

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will have no powers or voting rights over current projects or its future strategic direction.

3. PESCO projects

3.1 Initial tranche

As part of the formal Declaration establishing PESCO, participating Member States also adopted a [Declaration](#) which identified an initial list of [17 projects](#) to be undertaken within the remit of PESCO. Among them were:

There are currently 34 PESCO projects in total.

- European Medical Command
- Network of logistic hubs in Europe and support to operations
- Military mobility⁵
- Maritime (semi) autonomous systems for mine countermeasures
- Upgrade of maritime surveillance
- Strategic command and control system for CSDP missions and operations
- Armoured infantry fighting vehicle/amphibious assault vehicle/light armoured vehicle
- Indirect fire support.

A number of these projects could potentially be part-funded through the newly established European Defence Fund and at a higher rate of EU financing (30%) than that available to other collaborative projects set up with EDF funding (20%), what has been dubbed “the PESCO bonus”.⁶ European Defence Fund funding for PESCO projects will not, however, be automatic.⁷

A [formal Decision](#) approving that initial list of 17 PESCO projects, including participating countries, was reached in March 2018.

A [common set of governance rules](#) for those projects was subsequently adopted in June 2018, in order to ensure consistency across the board and provide a mechanism through which to report progress, and provide oversight by the Council of Ministers. The intention is for the Council to review PESCO projects by November each year.

3.2 Second tranche

In May 2018 a call for new project proposals was issued by the PESCO Secretariat. Following a 6-month period of assessment, the second set of PESCO projects was formally adopted by the Council of Ministers in November 2018.

⁵ In November 2017 the European Commission and EU High Representative issued a [Joint Communication](#) outlining proposals to improve military mobility within the EU, including addressing regulatory barriers to the movement of military equipment and personnel across borders. The proposals have been likened to the creation of a “military schengen”. An [Action Plan on Military Mobility](#) was presented in March 2018.

⁶ “EC welcomes first operational step towards a European Defence Union”, *EU News*, 12 December 2017. Further discussion of the European Defence Fund is available in Library Briefing Paper CBP8216, [European Defence: where is it heading?](#)

⁷ European Commission, [The European Defence Fund Factsheet](#), June 2018

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Among the more 'strategic' projects on the list is a medium altitude, long endurance unmanned drone, an upgrade to the Tiger attack helicopter and a high altitude ISR capability. Other projects include:

- Helicopter Hot and High training
- A Joint EU intelligence school
- Integrated unmanned ground systems
- Beyond Line of Sight missile systems
- Electronic warfare.
- EU radio navigation
- Military space surveillance and awareness.

The full list of PESCO projects, including participating nations, is available [online](#).

A third tranche of PESCO projects is expected to be approved later in 2019. A fourth tranche of proposals is currently earmarked for 2021,⁸ once the first full cycle of the Coordinated Annual Review of Defence (CARD) is complete in 2020 and its outcomes incorporated into the PESCO process.⁹ Beyond that, the possibility of moving to a biennial project cycle has been mooted.¹⁰

3.3 Third party participation

The conditions under which third party states may be invited to participate in individual PESCO projects currently remain under consideration. A Decision had been expected, in principle, by the end of 2018.¹¹ However, while the European Council in December 2018 welcomed the progress made in implementing PESCO, the Council's conclusions revealed nothing about the terms of third-party participation, which led many to speculate that differences in opinion remain between the PESCO participating states.

Indeed, a meeting of the Foreign Affairs Council in June 2019 only called for the adoption of arrangements on third party participation "as soon as possible".¹²

Indications thus far, however, would suggest that it will be for the members of individual PESCO projects to consider inviting a third State to participate, on a case-by-case basis if they meet the general conditions of participation, and where it is proven that they will bring substantial added value to a specific project.

⁸ Council of the European Union press release, "Defence cooperation: Council assesses progress made in the framework of PESCO after first year of implementation", 14 May 2019

⁹ More detail on the Coordinated Annual Review of Defence (CARD) is available in Library Briefing Paper, CBP8216, [EU Defence: where is it heading?](#)

¹⁰ Council of Ministers, [Council Recommendation 2019/C 166/01](#), 14 May 2019

¹¹ Council of the European Union, Council Conclusions on Security and Defence, 10246/18, 25 June 2018

¹² Council of the EU press release, *Security and defence: Council adopts conclusions*, 475/19, 17 June 2019

The expectation is that the conditions for participation will differ between projects but, on the whole, third-party states will be expected to share EU values, and “contribute to strengthening PESCO and the CSDP and meet more demanding commitments” that have been agreed as part of the PESCO framework.¹³

What is not yet clear is the extent of that linkage between broader commitments, support for CSDP and third-party participation. Third party states will not be fully fledged members of the PESCO and therefore it would be politically difficult to require them to “sign up” to the broader commitments on defence spending and harmonisation in the same way as a full PESCO member.

The Council (meeting in PESCO format) will then decide whether a third State meets the general conditions of participation before an Administrative Agreement is entered into.

At all times the procedures and decision-making autonomy of the EU will be respected. As such, there will be no blanket acceptance of third parties into PESCO projects. Equally, while initial commitment to a project would be voluntary, once involved a third party, such as the UK, would have to meet the conditions of participation in a project while at the same time having no decision-making rights over the scope or direction of the project as it moves forward.

The United States has expressed its concerns over the potential restriction on US involvement in pan-European PESCO projects, suggesting that in retaliation it may impose reciprocal restrictions on EU companies operating in the US. In response to those concerns the EU High Representative stated at a press conference on 14 May 2019:

Let me be very clear already, and we share this with Member States, that the European Union is and remains open to US companies and equipment. The PESCO projects are an additional element that comes on top of everything we have already in place when it comes to cooperation, including on defence, industrial and research projects [...]

the PESCO projects are not substituting nor changing the procurement rules and are not substituting any other projects that are already ongoing. They are an additional instrument that is aimed at incentivising, increasing cooperation among the EU Member States that are participating in that particular PESCO project.

It is a circle that is intended to go deeper and that, by definition, is more restricted than even the membership of the European Union at 28. It is not defined to be an instrument for partnership, we have other instruments for partnership. It does not substitute other partnerships, including in the defence industry and research that we have already in place and that are essential for us.¹⁴

¹³ Council of the EU press release, *Security and defence: Council adopts conclusions*, 475/19, 17 June 2019

¹⁴ [Remarks by EU High Representative at the press conference following the Foreign Affairs Council \(Defence\)](#), 14 May 2019

4. Implementation of broader commitments

In March 2018 participating PESCO states [adopted a recommendation](#) setting out strategic guidance for the implementation of PESCO in the longer term, including fulfilment of the broader commitments, such as spending targets, originally agreed in the 2017 Joint Notification.

That was followed by a [further recommendation](#) in October 2018 setting out detailed guidance on the timeframe for participating countries to review and update their National Implementation Plans and the level of detail required on each of the commitments, including the submission of detailed financial data, up to the end of the first implementation phase in 2020. Based on this detailed guidance, participating states submitted revised National Implementation Plans in January 2019.

The Council of Ministers subsequently published an [ongoing assessment](#) of the progress made by participating Member States in implementing their broader PESCO commitments, in May 2019.

As outlined above, there is every expectation that this list of broader defence policy commitments will be revised, and additional commitments added, as the project moves into phase 2 in 2021. A second set of precise objectives for meeting these commitments will be adopted for the period 2021-2025.

5. The future of PESCO?

In the longer term, it has been acknowledged that PESCO is:

Both a permanent framework for closer cooperation and a structured process to gradually deepen defence cooperation within the Union framework. It will be a driver for integration in the field of defence [...]

PESCO will help reinforce the EU's strategic autonomy to act alone when necessary and with partners whenever possible.¹⁵

The Joint Notification of November 2017 also states:

PESCO is a crucial step towards strengthening the common defence policy. It could be an element of a possible development towards a common defence should the Council by unanimous vote decide so (as provided for in article 42.2 TEU). A long term vision of PESCO could be to arrive at a coherent full spectrum force package - in complementarity with NATO, which will continue to be the cornerstone of collective defence for its members.¹⁶

NATO Secretary General, Jens Stoltenberg, welcomed the launch of PESCO expressing his belief "that this can strengthen European defence". However, he has also stressed the need for complementarity between NATO and EU efforts.¹⁷

Several commentators have questioned whether the extent of participation in PESCO may eventually lead to it becoming unwieldy and ineffective. Indeed, when PESCO was first discussed within the context of the Lisbon Treaty, the intention was only for "small groups" of "eligible" like-minded states to pursue defence cooperation.¹⁸

Nick Whitney of the European Council on Foreign Relations, and former Chief Executive of the EDA, has argued that PESCO has been made far too inclusive, with certain states, such as Poland, only joining in order to "slow it down".¹⁹ As such, he concludes that "there is no value-added in any of this".²⁰

Many commentators have also expressed scepticism over the ability of PESCO to deliver the EU's objective of strategic autonomy, unless the very largest capability projects, such as satellites or combat aircraft, are included in the initiative and it is supported by robust and coordinated planning through the CARD process. Maintaining the momentum to

¹⁵ European Union, [Permanent Structured Cooperation – PESCO Fact Sheet](#), October 2017

¹⁶ [Notification on Permanent Structured Cooperation](#), November 2017

¹⁷ NATO press release, 14 November 2017

¹⁸ Eligibility was to be based on the ability of states to meet the capability requirements set out in the Protocol on Permanent Structured Cooperation.

¹⁹ Poland, like the UK, has been a longstanding advocate of developing European military capabilities within the framework of NATO. The Czech Republic, Finland, Hungary, Slovakia and Sweden are also reported to be deeply sceptical of PESCO's ambitions ("2017: the year of European defence?", *Jane's Defence Weekly*, 5 April 2017)

²⁰ ["Pesco, the impotent gorilla"](#), European Council on Foreign Relations, 17 November 2017

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move PESCO projects forward beyond their initial phases, are also regarded as somewhat of a challenge.²¹

²¹ "As PESCO projects grow, the real challenge emerges: co-ordinated defence planning", *Jane's Defence Weekly*, 23 May 2019

6. Position of the UK

PESCO is intended as a mechanism through which to deepen defence cooperation amongst capable and willing EU Member States, specifically in capabilities development. As noted above, any capabilities and assets developed under PESCO will remain under the ownership and control of the participating EU Member States and will be made available to NATO and UN operations. It will not give the EU control over individual nations' armed forces, including the UK.

The UK is not a participating Member State in PESCO.

As a voluntary mechanism the UK does not have to participate in PESCO. Indeed, it did not sign the Joint Notification on 13 November 2017. The Government has stated:

The aim of Permanent Structured Cooperation (PESCO) is to strengthen EU Member States' cooperation in military matters. PESCO is voluntary and works on an opt-in basis.

The UK Government has not committed to PESCO but supports its ambition to develop military capabilities that address shortfalls in EU and NATO contexts. We welcome PESCO as a tool to support the development of capabilities that Europe needs for its security, provided it remains complementary to NATO and encourages EU-NATO cooperation; and that projects carried out under PESCO remain Member State-owned and the capabilities delivered are available not only to the EU but can also be used in support of NATO and UN operations.²²

Outside of the PESCO mechanism, however, the UK will have no decision-making rights or any veto over its future strategic direction, which has been openly acknowledged as greater EU integration in the field of defence.

Post-Brexit the Government has stated that it wishes to retain some sort of defence and security relationship with the EU, and specifically in capabilities development. It has long made clear its preference to keep the option of third party participation in PESCO, on a project-by-project basis, on the table:

We are making our view known that an option should remain within Permanent Structured Cooperation in those areas of defence and security for third countries to join at an appropriate time for whatever projects are perceived to be of mutual importance to both – be it NATO and, say, this new organisation in whatever shape of form it takes. This would allow the UK to continue to cooperate with European partners after we leave the EU.²³

The UK has already expressed an interest in a Dutch-led project on military mobility, which complements efforts currently underway on this issue within NATO.²⁴

In its [response](#) to the Defence Select Committee's [June 2018 report](#) on the future security partnership with the EU, the Government stated that:

²² PQ115687, EU Defence Policy, 4 December 2017

²³ HL Deb 16 November 2017, Vol 785

²⁴ HC Deb 3 May 2018, c5MC (Ministerial Corrections)

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The UK will only decide to participate in PESCO projects where there is clear value for the UK including our defence industry. We will take decisions autonomously on whether or not to participate.²⁵

As outlined above, the terms of third party participation are currently being determined and are expected to include a broader commitment to sharing EU values and strengthening CSDP. If it wishes to participate, even on a project-by-project basis, the UK will have to find those terms acceptable.

However, many Brexiteers have expressed concern that the Government's approach fails to deliver on the promise of Brexit and that the UK will be permanently tied to EU defence structures and principles, over which it will have no say.

²⁵ HC 1570, Session 2017-19, p.5

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