

# Security and defence

## SUMMARY

Security and defence policy in the European Union is predominantly a competence of the Member States. At the same time, a common security and defence policy, which could progressively lead to a European defence union, is enshrined in the Lisbon Treaty. Since 2016, there has been significant progress in that direction, with several initiatives in the area of security and defence having been proposed and initiated under the 2014-2019 mandate of the Commission and the European Parliament.

The idea that the European Union should deliver in the area of security and defence has become more and more popular with EU citizens. The crises in the EU's eastern and southern neighbourhoods, such as the occupation of Crimea and conflicts in the Middle East, have created an environment of insecurity in which the EU is called upon to do more. Following the Council decision of 2013 and particularly since the launch of the EU global strategy in 2016, the EU has been working to respond to these needs predominantly by implementing in full the provisions of the Lisbon Treaty. In recent years, it has begun the implementation of ambitious initiatives in the area of security and defence, such as permanent structured cooperation (PESCO), the European defence action plan, including a new defence fund to finance research and development of EU military capabilities, closer and more efficient cooperation with the North Atlantic Treaty Organization (NATO), a plan to facilitate military mobility within and across the EU, and revision of the financing of its civilian and military missions and operations to make them more effective.

These new initiatives are illustrated in the relevant proposals for the new multiannual financial framework (2021-2027) and the accompanying off-budget instruments. Given EU leaders' support in the recent past for further initiatives in EU security and defence policy, important debates are likely to take place in future on the possible progressive framing of a European defence union.

*This is an update of an earlier briefing issued in advance of the 2019 European elections.*



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## State of play

The past decade has been characterised by volatility and disruption, leading to continual adaptation and transformation at local, regional and global levels alike. For some [analysts](#), global instability is 'the new normal', where disorder and tension have gradually replaced two decades of relative stability across the world. Since 2012, conflicts have been [on the rise](#), with the number of civil wars and attacks perpetrated by states and armed groups increasing for the first time in a decade. Violent extremism, terrorism and hybrid threats have grown to constitute only some of the new sources of major risks to security, peace and stability around the world.

In the face of this new unstable security environment, the EU has boosted its efforts to enhance and develop its security and defence policy, particularly following the launch of the EU global strategy (EUGS) in 2016. The EUGS echoes concerns about the state of the world, documenting existential security threats for the EU such as: the violation of the European security order in the east; the rise of terrorism and violence in North Africa and the Middle East – spilling over within Europe itself; lagging economic growth in parts of Africa; mounting security tensions in Asia; and disruption caused by climate change. Uncontained crises that evolve into a conflict usually have manifold consequences, with implications for local communities, neighbouring countries and the rest of the world. The impact of insecurity and conflict on citizens can assume multiple facets, from humanitarian crises to violent crime, economic decline, poverty and terrorism, to name but a few.

As a consequence of the challenging security environment, emerging or re-emerging global actors, such as Russia, China and India, have increasingly boosted their defence spending and upgraded their military capabilities. At the same time, and largely due to the effects of the economic and financial crisis, defence spending in the EU-28 fell significantly for almost a decade and only began to rise again for the [first time](#) – by 2.3 % – in 2014. The need for a stronger and more capable EU in security and defence matters has been a particularly prominent issue on the Juncker Commission's [agenda](#), not least in the context of boosting – and maximising the efficiency of – EU defence spending.

As early as December 2013, the European Council [mandated](#) a series of actions to deepen defence cooperation, in support of a 'credible and effective' common security and defence policy (CSDP) and in 'full complementarity with NATO'. The actions concentrated on increasing the effectiveness, visibility and impact of CSDP; enhancing the development of defence capabilities; and strengthening the EU's defence technological and industrial base (EDTIB). Under President Juncker, the [Commission](#) and the co-legislators have worked consistently towards reaching the level of ambition defined in the EU global strategy and towards achieving greater EU strategic autonomy.

Progress towards a European defence policy has thus become a critical part of a wider vision for a stronger and more effective EU [foreign policy](#) designed to [promote](#) prosperity, democracy, [peace and security](#) in the world. In this way, defence complements several other EU policies, including development policy, neighbourhood policy and trade policy.

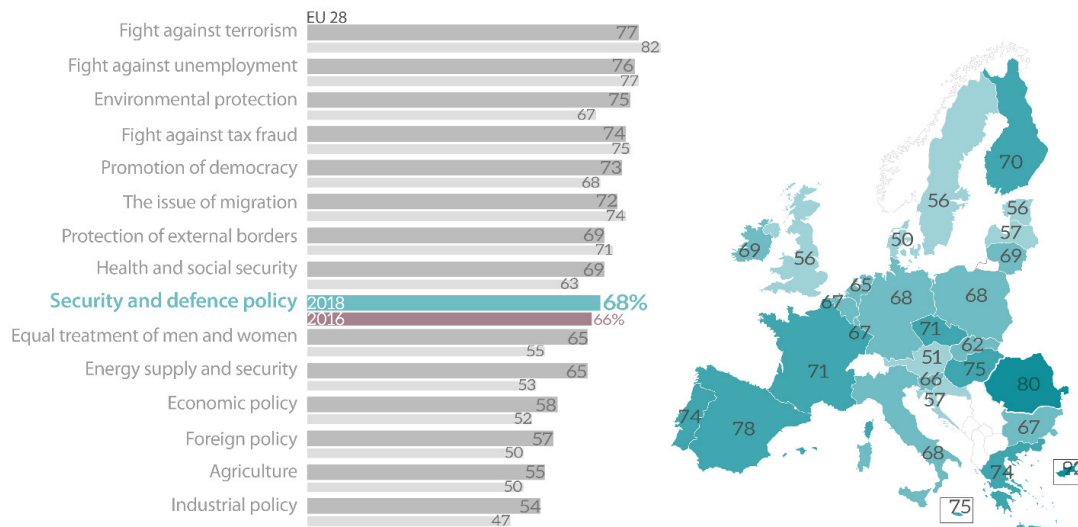
## Public expectations for EU involvement<sup>1</sup>

Comparative Eurobarometer surveys on citizens' perceptions and expectations conducted for the European Parliament in [2016](#) and [2018](#) showed that the share of EU citizens who would like the EU to intervene more in the field of security and defence policy grew from 66 % in 2016 to 68 % in 2018 (see Figure 1). Compared to other policy areas, the variation in opinions across the EU was relatively small, with support for more EU intervention exceeding (or equal to) 50 % in all Member States.

The strongest support for increased EU involvement in security and defence was recorded in Cyprus (92 %), Romania (80 %) and Spain (78 %), whereas the weakest support was registered in Denmark (50 %) and Austria (51 %). However, the dynamics of public support were very different in the latter countries. In Denmark, the increase in the share of citizens who wanted more EU intervention was one of the largest – a 10 percentage point increase, surpassed only by Germany with its 13

percentage point increase. At the other extreme, Austria showed one of the most significant drops in public support – a 10 percentage point decrease, surpassed only by Italy with its 11 percentage point decrease.

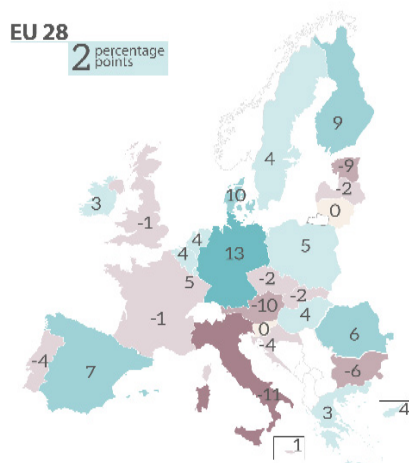
Figure 1 – Percentage of respondents who would like the EU to intervene more than at present



Data source: Eurobarometer [85.1 - 2016](#); [89.2 - 2018](#).

This two percentage point overall increase in support for more EU involvement in security was not, however, shared evenly across EU countries. The most significant increase was registered in Germany (increase of 13 percentage points), Denmark and Finland (increase of 10 and 9 percentage points respectively). The most significant decrease was noted in Italy and Austria, by 11 and 10 percentage points respectively (see Figure 2).

Figure 2 – Expectations for more EU action than at present: percentage point differences between 2016 and 2018



Data source: Eurobarometer [85.1 - 2016](#); [89.2 - 2018](#).

Back in 2016, over half of respondents evaluated EU action in security and defence as insufficient (51 %) and only 35 % considered it adequate. By 2018, however, the proportions had changed, with 41 % evaluating EU action as adequate and 43 % as insufficient, it remaining clear that more Europeans considered action in this area to be insufficient rather than adequate. There were very significant differences in the evaluation of EU action on security and defence policy as adequate among Member States (see Figure 3). The results ranged from as high as 57 % in Denmark and 52 % in Latvia, to as low as 19 % in Cyprus and 27 % in Greece and France. The increase in the share of Europeans who evaluated EU action as adequate was six percentage points. This positive trend was almost universal across the entire EU, with the exception of Germany, France, Cyprus, Luxembourg and the United Kingdom. The Member States with the most significantly improved evaluation were Bulgaria (19 percentage points), Romania and Poland (18 percentage points each). The Member States with the least improved evaluation of EU action as

adequate were Bulgaria (19 percentage points), Romania and Poland (18 percentage points each). The Member States with the least improved evaluation of EU action as

adequate were Cyprus (minus 5 percentage points), the UK and Germany (minus 3 percentage points each).

At EU level, the gap between citizens' expectations for EU involvement and their evaluation of current EU action on security and defence policy was still relatively large, although it shrank by four percentage points, mostly on account of the improved perception of EU involvement in security and defence policy.

## EU framework

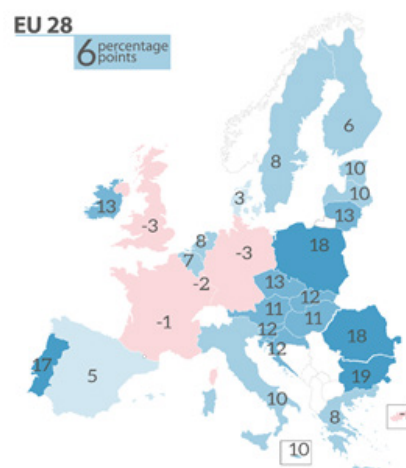
### Legal framework

[Security and defence cooperation](#) among EU Member States has always been among the most complicated issues on their common agenda. The foundations of the existing framework for defence cooperation were laid down in the [Maastricht Treaty](#) of 1993, with the introduction of the pillar structure, and subsequently in the [Amsterdam Treaty](#) of 1998, with the codification of new structures and tasks for common foreign and security policy (CFSP), including the creation of the post of EU high representative of the Union for foreign affairs and security policy/vice president of the Commission (HR/VP). [Article 17](#) of the Treaty on European Union (TEU) – at the time of the Amsterdam Treaty – stated that 'common foreign and security policy shall include all questions relating to the security of the Union, including the progressive framing of a common defence policy', and incorporated the [Petersberg tasks](#) into the treaty. The current legal framework for the CSDP is laid down in Title V TEU, as amended in the [Lisbon Treaty](#) in 2007, as well as in Protocols [10](#) and [11](#) and Declarations 13 and 14 on CFSP. The most important defence-related changes introduced in the Lisbon Treaty included the creation of a framework for permanent structured cooperation (Articles [42\(6\)](#) and [46](#) TEU and Protocol 10), the introduction of a mutual assistance clause (Article 42(7) TEU), and a solidarity clause (Article [222](#) of the Treaty on the Functioning of the European Union), enhanced cooperation (Article [20](#) TEU), and the expansion of the Petersberg tasks (Article [43](#) TEU). The Treaty also stipulates that the European Defence Agency (EDA) must contribute to a regular assessment of Member States' contributions. Despite almost continuous reform, defence cooperation remains exclusively within individual Member States' competence. Article 42(1) TEU sets out the context and overarching purpose of the CSDP.

[Decisions](#) relating to the CSDP are taken by the Council of the European Union by unanimity. However, there are some exceptions, for instance when the Council adopts certain decisions implementing an EU decision, or relating to the EDA and PESCO, where decisions are taken by qualified majority voting. The HR/VP is responsible for proposing and implementing CSDP decisions.

In spite of the rich legal framework governing the CSDP, several of the Lisbon Treaty's related provisions have been – or remain – [under-used or unused](#). Since as early as 2013, [calls](#) from the Council of the EU and the European Parliament to implement the full potential of the Lisbon Treaty in the area of security and defence have been increasing in frequency and substance. While the CSDP remains in the intergovernmental sphere, an increasing number of initiatives aiming at strengthening EU cooperation in security and defence, and progressively leading to a common defence policy and – potentially – an EU defence union, have come to fruition since the launch of the [EU global strategy](#) (EUGS) in June 2016. Since then, the EU can count among its achievements in the area of defence: activation of [PESCO](#); establishment of the [Military Planning and Conduct](#)

Figure 3 – Perception of EU action as adequate at present: percentage point difference between 2016 and 2018



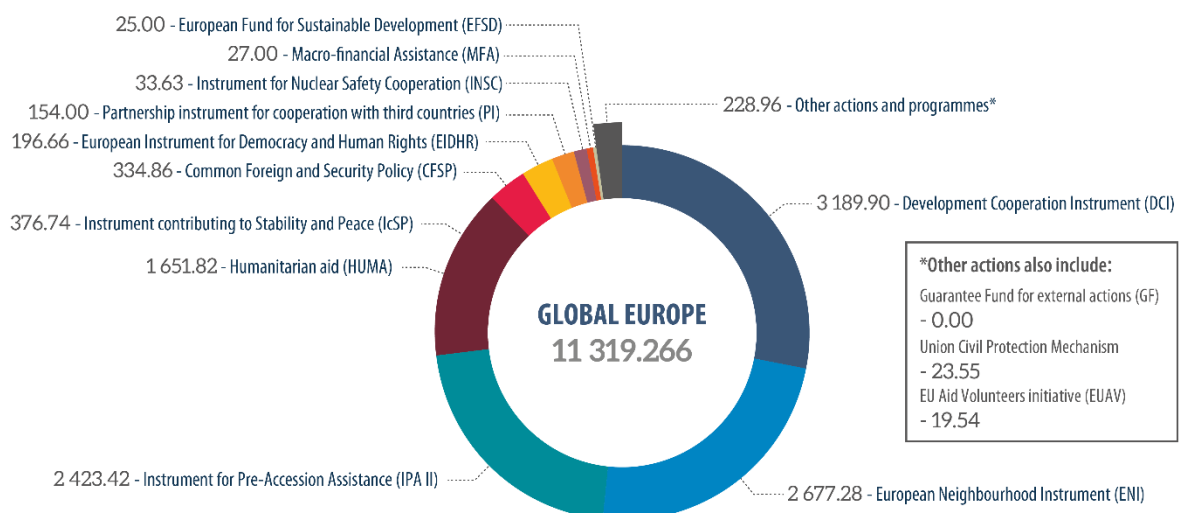
Data source: Eurobarometer [85.1 - 2016](#); [89.2 - 2018](#).

[Capability](#) (MPCC); a [coordinated annual review on defence](#) (CARD); [preparatory action for defence research](#); the [European defence industrial development programme](#) (EDIDP); the new [compact for civilian CSDP](#) and ongoing plans for [military mobility](#); and the inclusion of a dedicated [European Defence Fund](#) in the next [multiannual financial framework](#) (MFF). The EU also strengthened its cooperation with NATO through two joint declarations in [2016](#) and [2018](#), and an extensive list of cooperation areas.

## Financial framework

Administrative and operational expenditure on the common foreign and security policy area is financed by the EU budget, with the exception of operational expenditure with military or defence implications, which cannot be funded from the EU budget. Under the 2014-2020 MFF, CFSP expenditure, as a specific item in the budget, comes under [Heading 4: Global Europe](#), which covers all expenditure on external action, except the European Development Fund (see Figure 4). Spending under CFSP covers only some EU foreign policy measures, namely CSDP civilian missions, EU special representatives, and measures supporting non-proliferation and disarmament. The CFSP crisis management approach includes involvement in all phases of the crisis cycle: from preventive strategies and crisis response to post-crisis rehabilitation and reconstruction, as well as comprehensive and coordinated use of all foreign policy instruments. So far, expenditure with military or defence implications has been covered by the [Athena](#) financing mechanism. [Established in 2004](#), it is not part of the EU budget, but its funds are based on allocations from the Member States based on their gross national income (except for Denmark, owing to its CSDP opt-out). Third countries and other international organisations are also allowed to participate under specific conditions. The [main types of expenditure](#) under the Athena mechanism include lodging, travel, administration, public communication, locally hired staff, force headquarters deployment, medical services, and infrastructure, including information technology (IT) systems and information gathering. Following a special approval procedure, Athena may also finance additional equipment and services. Currently, there are [six active EU military operations](#) and all of them benefit from Athena financing.

Figure 4 – Global Europe budget heading, 2018 (in million euros)



Data source: [Economic and Budgetary Outlook for the European Union 2019](#), EPRS, January 2019.

The Global Europe heading also includes a number of additional instruments with relevance for security and defence policy, such as the **Instrument contributing to Stability and Peace (IcSP)**, endowed with a budget of €1 billion for the 2014-2020 period and focusing on crisis management and peace building. The IcSP was amended in 2017, to allow for new funding opportunities for military capacity-building in third countries, with an extra €100 million allocated for that purpose. The amendments allow the Union to help to build the capacity of military actors in partner countries



through training and mentoring, provision of non-lethal equipment and infrastructure improvements. EU funding may not be used to finance recurrent military expenditure, arms and ammunition procurement, or training that is solely designed to contribute to the fighting capacity of the armed forces.

## Deliveries of the 2014-2019 parliamentary term

The past four years have seen remarkable progress in EU security and defence initiatives, and in terms of the move towards implementing the Lisbon Treaty provisions in order 'to make better use' of them, as stressed by the Heads of State or Government in their [Bratislava Declaration and Roadmap](#) and supported by the [European Parliament](#). The following has been achieved on the basis of the global strategy and of several recommendations by the Council and the European Parliament.

- The [European Commission](#) proposed the [European defence action plan](#) on 30 November 2016, to contribute to the ability of the European defence industrial base to meet Europe's current and future security needs and to enhance the Union's strategic autonomy, strengthening its ability to act with partners. In the plan, the Commission proposed the European Defence Fund.
- The [European Defence Fund](#) (EDF) was launched in June 2017. It will coordinate, supplement and amplify national investments in defence research, in the development of prototypes and in the acquisition of defence equipment and technology. It is expected to contribute significantly to the strategic autonomy and competitiveness of Europe's defence industry, including small- and medium-sized enterprises (SMEs) and larger ones ([mid-caps](#)). **Research** (grants for collaborative research in innovative defence technologies and products) would be fully and directly funded from the EU budget, especially in electronics, metamaterials, encrypted software and robotics. The funding includes €90 million until the end of 2019, plus €500 million per year after 2020. **Development and acquisition** will receive co-financing from the EU budget and practical support from the Commission for joint development and acquisition of defence equipment and technology by Member States. The funding includes €500 million in total for 2019 and 2020, under a dedicated defence and industrial development programme ([EDIDP](#)), and €1 billion per year after 2020. In June 2018, the Commission put forward a [proposal](#) for the establishment of the European Defence Fund within the 2021-2027 MFF.
- In June 2017, the Council established the Military Planning and Conduct Capability ([MPCC](#)) within the EU military staff. The MPCC will assume command of EU non-executive military missions, serving as their command and control structure. The MPCC aims to improve the EU's crisis management structures, as the lack of such a structure undermines its capacity to plan and run its own operations independently.
- [PESCO](#) was launched in December 2017, with 25 EU Member States participating. It operates on the basis of ([currently 34](#)) concrete projects and [binding](#) commitments, several of which are geared towards strengthening the EU's defence sector. PESCO members commit to increasing national defence budgets in real terms, increasing defence investment expenditure towards 20 % of total defence spending, and investing more in defence research and technology – aiming towards 2 % of total defence spending. In addition, they pledge to develop and provide 'strategically relevant' defence capabilities and to contribute to projects that boost the European defence industry;
- [CARD](#), a voluntary Member State-driven process of monitoring the defence plans of EU Member States to help coordinate spending and identify possible collaborative projects. CARD was launched in 2017 with a trial run. It is managed in conjunction with NATO defence planning activities;
- Since 2017 the EU has been working to improve [military mobility](#), ensuring the smooth, efficient and effective movement of military personnel and assets across and

beyond the EU. Improved military mobility would enhance the EU's preparedness and response to crises and would enable EU Member States to act faster, in line with their defence needs and responsibilities. Through the [Connecting Europe Facility](#) under the new MFF, an allocation of €6.5 billion should support civilian-military dual use transport infrastructure.

- In June 2018, the HR/VP presented a proposal for a €10.5 billion off-budget [European Peace Facility](#) (EPF), to finance all CFSP external action with military and defence implications. The aim behind the creation of the EPF is to enhance the EU's ability to safeguard European security interests and prevent conflict, build peace and strengthen security around the world.
- The EU currently has 16 CSDP [civilian missions and military operations](#) on three continents, with a wide range of mandates and deploying over 5 000 civilian and military personnel. For example, the naval operation [EUNavfor MED](#) (Sophia), established in 2015, aims to disrupt the business model of human smugglers and traffickers in the southern central Mediterranean Sea. It has been estimated that the operation has [saved close to 45 000 lives](#). In November 2017, the EU set up a mission to support security sector reform in Iraq ([EUAM Iraq](#)). Among other functions, the mission provides strategic advice on the development of national counter-terrorism and organised crime strategies.
- As part of efforts to bolster European security and defence, the EU signed two joint declarations on cooperation with NATO in [2016](#) and [2018](#). There are currently [74 proposals](#) for cooperation in areas such as hybrid threats; operational cooperation; interoperability; irregular migration, cybersecurity; the defence industry; joint exercises; support for partners' capacity-building efforts; counter-terrorism; women; peace and security; and military mobility.
- In 2018, the EU began a strategic review of the civilian dimension of CSDP to take the form of a [civilian CSDP compact](#) (CCC). The aim of the review is to adapt the CSDP to current geopolitical challenges and to contribute to the EU's ability to target security crises. Some of the [objectives](#) under the CCC include faster deployment, swifter operational decision-making, continuous capabilities development, and intensified cooperation with other actors and relevant international organisations.

## Potential for the future

The debate on the future of EU security and defence policy is profoundly complex, with several potential scenarios for the future, as outlined in the Commission's 2017 [reflection paper](#) on the future of European defence. The most ambitious of the three scenarios outlined in the paper envisages the progressive framing of a common Union defence policy, leading to common defence based on Article 42 of the EU Treaty. The contributions of Heads of State or Government intervening in the '[Future of Europe](#)' debates have also indicated a widespread consensus that the instability and unpredictability characterising the global security environment requires a common response from the EU and its Member States. As a result, they have mostly supported the ongoing efforts to strengthen EU security and defence as a means to ensure the security and prosperity of EU citizens. Some of the most ardent supporters of a genuine European defence union have even gone so far as to speak of an [EU army](#), complementary to NATO, as a possible long-term development, although what that would actually entail remains open to debate.

In the coming years, the European Defence Fund will step up its activities and is expected to reach its full projected capacity in coordinating, supplementing and amplifying national investments in defence research, in the development of prototypes and in the acquisition of defence equipment and technology. The budgetary investment in the fund will undoubtedly be a step in the direction of a true European defence union. According to an agreement between Member States, 35 % of their equipment spending will be used for collaborative projects. Financial regulations will encourage further cooperation between Member States. National armed forces will benefit from the

EDF as will private research companies and institutes. Cooperation will be further stepped up under PESCO, not only through common policies, but also by pooling resources and contributing to more efficiency in spending on peace and security. PESCO will enhance collaboration in the areas of investment, capability development and operational readiness – areas that have been underfunded in some EU countries in the past.

As far as CSDP missions are concerned, the agreement of Member States to increase contributions to civilian CSDP missions and to strengthen EU capacity to deploy civilian crisis-management missions under the new CCC, could potentially significantly boost the EU's crisis management capabilities.

Beyond the initiatives already set in motion, there is significant scope for further EU action in the area of security and defence based on the Lisbon Treaty provisions. At the end of 2017, the European Parliament [called](#) on the HR/VP to launch an EU security and defence white paper based on the EUGS. Going even further, it also [proposed](#) to evaluate the possibility of creating a directorate-general (DG) for defence within the Commission. During the last legislature, Parliament supported effective use of the existing CSDP tools, coordinating national actions and pooling resources more closely. It highlighted the importance of resolving the longstanding operational problems related to the deployment of EU battlegroups, operational since 2007, yet never deployed. In terms of parliamentary oversight, It also [called](#) for its subcommittee on Security and Defence (SEDE) to be upgraded to a full committee, thus increasing the potential number of own-initiative reports in the defence and security area, and allowing the committee to recommend report topics and rapporteurs directly to the Conference of Presidents, and to adopt reports and submit them directly to plenary.

Finally, the potential broadening of the scope of qualified majority voting (QMV) in certain areas of CFSP, including sanctions regimes and decisions on civilian CSDP missions, proposed by Commission President Juncker in his [2018 State of the Union address](#), could have substantial implications for the future of EU security and defence policy.

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## ENDNOTE

<sup>1</sup> This section was drafted by Alina Dobрева, with graphics by Nadejda Kresnichka-Nikolchova.

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