<u>Commission debates future of European</u> <u>defence</u>

A stronger Europe when it comes to security and defence matters has been <u>a</u> <u>priority for the Juncker Commission</u> since it took office. President Juncker announced the creation of a European Defence Fund in his <u>2016 State of the</u> <u>Union address</u>, saying: "Europe can no longer afford to piggy-back on the military might of others. (...) For European defence to be strong, the European defence industry needs to innovate." With a worsening security situation in Europe's neighbourhood and a <u>strong economic case</u> for greater cooperation on defence spending amongst EU countries, the Commission believes now is the time to make strides towards a Security and Defence Union.

High Representative Vice-President Federica **Mogherini** said: "Security and defence are priorities for the European Union because they are priorities for all our citizens. Since last year, we are stepping up our European defence to be more and more effective as a security provider within and beyond our borders, investing more resources, building cooperation among member states and taking forward a closer cooperation with NATO. The world is changing rapidly around us and we have to tackle new challenges every day: as the European Union, we have taken the responsibility to address these challenges."

Vice-President for Jobs, Growth, Investment and Competitiveness Jyrki Katainen added: "Strengthening European security and defence requires using the available defence budgets more efficiently. Investment in defence capabilities remains in the hands of the Member States, and the EU budget cannot replace Member States' on defence. However, there is an overwhelming economic and industrial case for greater cooperation, for example in defence research and procurement. As pressure on national budgets remains high, we need more efficient defence spending and a better use of defence capabilities."

Today's orientation debate will help guide the Commission's work in the weeks to come. Ahead of the Prague high-level European conference on defence and security, on 7 June, the Commission will launch the European Defence Fund announced in the November 2016 <u>European Defence Action Plan</u>. In parallel, it will present a longer-term reflection paper setting out possible scenarios for the future in the area of European defence. This forms part of the discussion on the future of the EU at 27 launched with the Commission's <u>White</u> <u>Paper on the Future of Europe</u> on 1 March 2017.

There is a strong case for greater cooperation on security and defence in the EU. The threats that the EU faces do not respect national borders. Their scale is increasing. They are best tackled by working together.

A strong European defence requires a strong European defence industry. As Member States begin to increase their defence budgets, the EU can help them to spend these funds more efficiently. The lack of cooperation between Member States in the field of defence and security is estimated to cost annually between €25 billion and €100 billion. 80% of procurement and more than 90% of Research and Technology are run on a national basis Up to 30% of annual defence expenditures could be saved through pooling of procurement (see <u>Factsheet</u> on the case for greater EU cooperation on security and defence).

Background

In his <u>political guidelines</u> in June 2014, European Commission President Juncker stated "I believe that we need to work on a stronger Europe when it comes to security and defence matters. Yes, Europe is chiefly a 'soft power'. But even the strongest soft powers cannot make do in the long run without at least some integrated defence capacities."

President Juncker announced the creation of a European Defence Fund in his 2016 State of the Union address, and at the Bratislava Summit in September 2016, the leaders of 27 Member States concluded: "We need the EU not only to guarantee peace and democracy but also the security of our people." In a challenging geopolitical environment, they agreed on the need to strengthen EU cooperation on external security and defence. Concretely, the December 2016 European Council should "decide on a concrete implementation plan on security and defence and on how to make better use of the options in the Treaties, especially as regards capabilities."

On 30 November 2016, the Commission presented the <u>European Defence Action</u> <u>Plan</u>, which outlined how a European Defence Fund and other actions can support Member States' more efficient spending in joint defence capabilities, strengthen European citizens' security and foster a competitive and innovative industrial base. The initiative was welcomed by EU leaders during the European Council meetings in December 2016 and March 2017 and the Commission was given a mandate to present proposals before summer 2017.

The European Defence Action Plan is part of the broader Defence package agreed to by the EU27 in Bratislava. It is complementary to the other two work strands, namely the <u>Global Strategy's Implementation Plan on Security</u> and <u>Defence</u>, which sets out a new level of ambition for the Union and identifies actions to fulfil it, as well as with the implementation of the <u>EU-NATO Joint Declaration</u> signed by the President of the European Council, the President of the Commission and the Secretary-General of NATO. A common set of 42 proposals are being implemented within the 7 areas identified in the Warsaw Declaration. This includes hybrid threats, which is also linked to the April 2016 Joint Framework to counter hybrid threats, which in turn builds on the European Agenda on Security adopted by the Commission in April 2015. Progress on these two strands is proceeding at a fast pace. Only last week, EU defence ministers adopted a set of conclusions which will take the work forward in the run up to the European Council in June.

The<u>Rome Declaration, adopted by EU leaders on 25 March 2017</u>, pledged to work towards an EU27 that helps create a more competitive and integrated defence industry, and which strengthens its common security and defence in cooperation and complementarity with NATO.

The <u>White Paper on the Future of Europe</u> presented on 1 March 2017 set out the main challenges and opportunities for Europe in the coming decade. The White Paper marked the beginning of a process for the EU27 to decide on the future of their Union. To encourage this debate, the European Commission, together with the European Parliament and interested Member States, will host a series of 'Future of Europe Debates' across Europe's cities and regions. The White Paper is complemented by a series of reflection papers on:

For more information

Factsheet: Defending Europe: The case for greater EU cooperation on security and defence