

European Commission welcomes first operational steps towards a European Defence Union

President **Juncker** said: *“In June I said it was time to wake up the Sleeping Beauty of the Lisbon Treaty: permanent structured cooperation. Six months later, it is happening. I welcome the steps taken today by Member States to lay the foundations of a European Defence Union. Europe cannot and should not outsource our security and defence. The European Defence Fund that the European Commission proposed will complement these efforts and act as a further incentive for defence cooperation – including potential funding for some of the projects presented today.”*

Permanent Structured Cooperation (PESCO) is an instrument in the EU Treaty to enable willing Member States to pursue greater cooperation in defence and security. On 13 November, 23 Member States (Austria, Belgium, Bulgaria, Czech Republic, Croatia, Cyprus, Estonia, Finland, France, Germany, Greece, Hungary, Italy, Latvia, Lithuania, Luxembourg, the Netherlands, Poland, Romania, Slovenia, Slovakia, Spain and Sweden) [took a first step towards launching Permanent Structured Cooperation on defence](#) by signing a joint notification and handing it over to High Representative Federica **Mogherini**. Since then, Ireland and Portugal have also joined, bringing the total number of participating countries to 25. Today, less than a month after the joint notification, the Council adopted a decision formally establishing PESCO. The 25 participating Member States also agreed a Declaration announcing the preparation of [first collaborative projects](#) in areas including the setting up of an EU medical command, military mobility, maritime surveillance, and cyber security.

While PESCO is purely intergovernmental, the [European Defence Fund proposed by the European Commission](#) in June will create incentives for Member States to cooperate on joint development and the acquisition of defence equipment and technology through co-financing from the EU budget and practical support from the Commission. This could include some of the projects presented by Member States today in the framework of PESCO. Additionally, the Fund fully finances grants for collaborative research projects, with first grant agreements expected to be signed before the end of 2017. Member States are expected to reach agreement on the European Defence Fund at a Council meeting tomorrow.

Background

President **Juncker** has been calling for a stronger Europe on security and defence since his election campaign, saying in April 2014: *“I believe that we need to take more seriously the provisions of the existing Treaty that allow those European countries who want to do this to progressively build up a*

common European defence. I know this is not for everybody. But those countries that would like to go ahead should be encouraged to do so. Pooling defence capacities in Europe makes perfect economic sense.” This same ambition was set out in his three-point plan for foreign policy, which was incorporated in the [Political Guidelines](#) – the Juncker Commission’s political contract with the European Parliament and the European Council.

Permanent Structured Cooperation (PESCO) is a Treaty-based framework and process to deepen defence cooperation amongst EU Member States who are capable and willing to do so. It enables Member States to jointly develop defence capabilities, invest in shared projects and enhance the operational readiness and contribution of their armed forces. These initial projects are expected to be formally adopted by the Council in early 2018.

The European Defence Fund, [announced by President Juncker in September 2016](#) and [launched in June 2017](#), will further boost collaborative projects in the area of defence research, prototype development and joint acquisition of capabilities. As part of the European Defence Fund, the Commission presented a legislative proposal for a dedicated defence and industrial development programme. Only collaborative projects will be eligible, and a proportion of the overall budget will be earmarked for projects involving cross-border participation of SMEs.

The Fund seeks to ensure the greatest possible support to the capability pillar of PESCO. In practical terms, the Fund will allow for higher co-financing rates for defence capability projects developed within the structured cooperation, and thereby facilitating and incentivising Member State participation in this framework. However, participation in this structured cooperation will not be a pre-requisite for obtaining support under the programme.

Building on the Commission’s [White Paper on the Future of Europe](#), the [reflection paper](#) launching a public debate on how the EU at 27 might develop by 2025 in the area of defence, and his [speech at the Defence and Security Conference in Prague](#), in his [State of the Union address on 13 September 2017](#) President Juncker made the case for creating a fully-fledged European Defence Union by 2025.

More information

[Permanent Structured Cooperation – Factsheet](#)

[Press release: European Defence Fund](#)

[Press release: Commission opens public debate on future of defence](#)

[Factsheet on the case for greater EU cooperation on security and defence](#)

[Factsheet on the European Defence Fund](#)

[The European Defence Fund – Frequently Asked Questions](#)

[Questions and Answers – The Future of European defence](#)

[Press release: Council establishes Permanent Structured Cooperation \(PESCO\)](#)

* Updated last on 11/12/2017 at 14:05h