

BRIEF

A NEW CAPABILITIES AGENDA

EU DEFENCE AFTER UKRAINE
SERIES NO. 2

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Low levels of European defence spending have for many years been a recurrent theme in both transatlantic relations and in assessments of the prospects for a credible European defence. Although many European states had begun to increase defence spending, largely in response to Russia's 2014 illegal annexation of Crimea and intervention in eastern Ukraine, Russia's full-scale invasion of Ukraine in 2022 triggered a new awareness of Europe's insufficient defence capabilities. Germany's *Zeitenwende*, including its plan for a special 100-billion-euro fund to modernise the Bundeswehr, was an especially dramatic response.¹ An additional recent development has been the greater involvement of the European Commission in defence – a policy area traditionally considered to be the Member States' *pré-carré*.² In fact, the Commission and High Representative's longer-term plan to encourage the rapid enhancement of Europe's defence capabilities is, at the level of the European institutions, the main defence-related outcome of Russia's war in Ukraine. Their proposed set of new defence industry instruments is likely to have implications for the balance of power between the Member States and the EU institutions in the field of European defence.

Under-investment in defence is a widespread problem in Europe. Robust armed forces that were built for territorial defence – such as those of Sweden and Germany – became shadows of their former selves as defence expenditure was reduced after the end of the Cold War. Even countries with strong military traditions, such as France, saw rapid decreases in heavy equipment such as main battle tanks and fighter aircraft. France's reasonably small-scale operation *Barkhane* in Mali would not have been possible

without American and British support, especially in intelligence and heavy-lift helicopters, while military experts judge that France has ammunition for only 15 days of fighting in the case of a full-scale war.³ Such serious shortfalls in military capability make any notion of

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European strategic autonomy difficult, as was evident during the evacuation of Kabul, where the Europeans were able to achieve very little on their own.⁴ Furthermore, reduced defence spending after the end of the Cold War and during the global financial crisis (2008-11) led to cuts not only in frontline capability but also in investment for the future through dramatic decreases in defence research and development spending.

RUSSIA'S WAR IN UKRAINE

After Russia's illegal annexation of Crimea and intervention in eastern Ukraine in 2014, many EU Member States, encouraged also by the Defence Investment Pledge agreed at NATO's 2014 Summit in Wales, took steps to increase defence spending and reconstitute defence capability.⁵ Russia's 2022 full-scale war in Ukraine, however, showed that these efforts were lacking in several regards. Although European states committed to support Ukraine to the greatest extent possible, including by supplying military equipment, this was difficult for many due to their own feeble stockpiles. For example, France donated 18 Caesar howitzers to Ukraine – a valuable, but hardly game-changing donation – from a total French army inventory of only 76 units. French Armée de Terre (land army) Chief of Staff Pierre

Schill noted to Parliament that other arms deliveries to Ukraine would harm France's own capabilities, advising that, "a good balance would be to not give up too much of our equipment."⁶

This problem is apparently widespread and has deeper impact as the war continues – according to reports, there were no new pledges from Europe in July to deliver arms to Ukraine.⁷ Overall, the EU Member States have lagged behind the US in terms of committed and delivered arms. Between 24 January and 3 August 2022, the US pledged to deliver 8.63 billion euros of weapons and military equipment to Ukraine while the figures for the top EU donors, Poland, Germany, and Czechia were respectively 1.8, 0.66, and 0.34 billion euros.⁸ Moreover, Ukraine has complained of Germany's reluctance to deliver promised weapon systems such as the Gepard anti-aircraft gun. France, seventh on the list of EU donors, has provided weapons and equipment valued at just 0.23 billion euros. Such figures are reasonably large in terms of defence budgets, but insignificant when compared, for example, to the EU's 807-billion-euro NextGenerationEU Covid recovery fund.⁹

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The difficulties faced by European states in their desire to support Ukraine has led to questions about their own ability to face up to similar aggression.¹⁰ These questions have also reached the public arena when, for example, Bundeswehr Chief of Staff Alfons Mais warned on LinkedIn on 24 February that the German army would be unable to face a war.¹¹ This new awareness was no doubt important in persuading the Scholz government to take the problem seriously, while rapidly growing public support was also important in Finland and Sweden's decisions to apply for NATO membership.¹²

A NEW EU CAPABILITY AGENDA

In both the Versailles Declaration released by EU heads of state and government in March 2022 and the Strategic Compass (the EU's most recent security and defence strategy document, also released in March 2022), EU Member States stressed the need to build up their armed forces

and the priority they attached to improving their military capabilities.¹³ They also turned to the European Commission and European Defence Agency (EDA) to request an analysis of "*the defence investment gaps and ... proposals for any further initiative necessary to strengthen the European defence industrial and technological base.*"¹⁴ The resulting proposal was released on 18 May as a joint Commission and High Representative communication on "Defence Investment Gaps Analysis and Way Forward." Its overall goal is to coordinate the acquisition efforts of the Member States in order that their defence investments should be "*together ... better ... [and] European.*"¹⁵ Amongst the measures it proposes are:

- The establishment of a Defence Joint Procurement Task Force to help coordinate and deconflict the Member States' immediate-term defence procurements.
- A new instrument – the European Defence Industry Reinforcement through Common Procurement Act (EDIRPA) – which aims to incentivise collaborative procurements, in particular those related to the immediate restoration of combat effectiveness. The EDIRPA concept, and other measures proposed in the joint communication, aim to reduce the fragmentation of the European defence industry and encourage spending on EU products. To qualify for support, Member States will need to meet specific criteria aimed at these ends, such as creating consortia of at least three procuring states. The instrument is to operate over two years (2022-24) and to have a budget of up to 500 million euros.
- For the longer term, a European Defence Investment Programme regulation will be proposed in late 2022. It aims to institutionalise common procurements through European Defence Capability Consortia which will jointly procure defence equipment for the use of the participating states. Those consortia will benefit from a VAT exemption.
- An EU Joint (i.e., Members States, High Representative, and Commission) Defence Strategic Programming and Procurement process, aimed at coordinating strategic planning and procurement at the EU level, in coherence with the NATO defence planning

process. In the Joint Communication, the Commission and High Representative also propose to work on (how is not specified) *“several medium- to long-term capabilities to improve Europe’s defence capabilities in the face of persistent threats.”*¹⁶ Many of these, reflecting the EU ambition to build full spectrum forces, are high-end warfighting capabilities such as integrated air defence, fighter aircraft, armour, artillery, maritime power projection vessels, and space assets.

- Efforts to assist the modernisation and capacity build-up of Europe’s defence industry.

This new programme will sustain and complement other recent policy innovations, notably the Commission-led European Defence Fund (EDF), approved in April 2021 and now providing 1.2 billion euros of financing to its first 61 selected projects.¹⁷

THE COMMISSION IN DEFENCE

The earliest conceptions of the CSDP saw no place for the European Commission in what was considered an entirely intergovernmental process. The Commission has pushed against this and built a role in EU defence through its efforts both to extend single market principles to the defence sector, and to advocate a whole-of-Union (including the Commission) approach to security issues, leading to joint initiatives in, for example, cyber, hybrid, and maritime security. These efforts were accelerated by Jean-Claude Juncker’s deliberately ‘political’ Commission, which saw the launch of the EDF and a Commission initiative in support of military mobility, and have been further advanced by the ambitions of Ursula von der Leyen’s ‘geopolitical’ Commission.¹⁸

The EDF was game-changing in that it provided, for the first time, EU funding for defence. Further, this funding was administered by the Commission. The Joint Communication builds on this model, putting the Commission in another central role in allocating defence funding. It also builds on principles and arguments applied in the Covid-19 vaccine procurement, justifying pooled arms procurement on the basis that larger

states would otherwise get supplies sooner than smaller ones and, because of higher defence inflation, would limit smaller states’ room for manoeuvre.¹⁹ (For the vaccine procurement, the Commission also argued that separate orders would be inefficient and that Germany, say, would get vaccines before Estonia – the cause of European unity has been used in both cases to convince the Member States to delegate competencies to the supranational level).

Nonetheless, the Commission’s involvement in defence issues through the EDF (and greater prospective involvement through the measures in the Joint Communication) remains controversial. Questions have been raised about the proper balance between the roles of the supranational Commission and intergovernmental initiatives such as the Permanent Structured Cooperation process and the European Defence Agency, the Commission’s perhaps too cosy relationship with Europe’s defence industry, and the lack of democratic oversight and governance of the Commission’s activities in defence (and of the EU defence agenda more broadly).²⁰

Russia’s full-scale war in Ukraine was a wake-up call for many Member States. Their recognition of the need to redress Europe’s defence problems is positive, both for Europe itself and for the continuing health of the transatlantic relationship.

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The war has also prompted the Commission to propose measures that would see itself more involved in EU defence (in the ‘business space’ rather than the ‘battle space’) and measures that would move the EU towards the common acquisition of heavy military capabilities that are used in roles more traditionally associated with NATO, and for which NATO’s defence planning process has been a leading driver. These new instruments may be very helpful to the process of building European military capabilities for use wherever they are needed – an outcome long promised by CSDP advocates – and the Commission certainly has skills and experience to bring to their more streamlined acquisition. But the EU defence community must also persuade Europe’s publics, currently facing a major cost of living and energy crisis, that the investment and financial sacrifice is necessary. For this,

good governance, transparency, and democratic scrutiny will be essential, as will an appropriate balance between the EU's supranational and intergovernmental institutions, and a healthy relationship with NATO.

ENDNOTES

- ¹ The Federal Government (Germany), "[Policy statement by Olaf Scholz, Chancellor of the Federal Republic of Germany and Member of the German Bundestag](#)," 27 February 2022.
- ² A French expression meaning a reserved area, or domain not to be touched by those who are not entitled. In France, defence and foreign policy are often said to be the *pré-carré* of the President.
- ³ François Vignal, "[Munitions, drones, Rafale : en cas de guerre la France pourrait manquer de moyens "au bout de 15 jours" alerte Christian Cambon](#)" [Ammunition, drones, Rafale fighters: if war happened, France could lack means within 15 days warns Christian Cambon]," Public Sénat, 3 March 2022.
- ⁴ Samuel Petrequin, "[EU pushes for more autonomy amid Afghanistan fallout](#)," Associated Press, 2 September 2021.
- ⁵ Allies committed to move, within a decade, towards spending 2% of GDP on defence and 20% of their defence budgets on major equipment. NATO, "[Wales Summit Declaration. Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Wales](#)," Press Release (2014) 120, 5 September 2014, para 14.
- ⁶ Pierre Schill, "[Audition devant la Commission de la défense nationale et des forces armées](#)" [Hearing before the National Defense and Armed Forces Committee]," Assemblée Nationale, 20 July 2022.
- ⁷ Ilya Gridneff, "[Europe's powers gave Ukraine no new military pledges in July, data shows](#)," Politico, 14 August 2022.
- ⁸ Arianna Antezza, André Frank, Pascal Frank, Lukas Franz, Ivan Kharitonov, Bharath Kumar, Ekaterina Rebinskaya and Christoph Trebesch, "[The Ukraine Support Tracker: Which countries help Ukraine and how?](#)" Kiel Working Paper, No. 2218, August 2022 [dataset].
- ⁹ EU, European Commission, "[Recovery plan for Europe](#)."
- ¹⁰ Martin Hurt, "[Large-Scale War and NATO](#)," ICDS Brief, Russia's War in Ukraine Series No. 4, June 2022.
- ¹¹ Thomas Wieder, "[Guerre en Ukraine : l'Allemagne s'inquiète de l'état de faiblesse de son armée](#)" [War in Ukraine : Germany worries about its army weakness]," Le Monde, 26 February 2022.
- ¹² Tuomas Forsberg, "[Finland and Sweden's Move to NATO](#)," PRIO, 9 May 2022.
- ¹³ French Presidency of the Council of the European Union, "[The Versailles declaration, 10 and 11 March 2022](#)," 11 March 2022, paras 8-11; EU, Council of the EU, "[A Strategic Compass for a stronger EU security and defence in the next decade](#)," 21 March 2022, 30-38.
- ¹⁴ EU, Council of the EU "[European Council conclusions, 24-25 March 2022](#)," 25 March 2022
- ¹⁵ The High Representative, Josep Borrell, is also the Head of the EDA. EU, European Commission and High Representative of the Union for Foreign Affairs and Security Policy, "[Joint Communication to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee Of The Regions on the Defence Investment Gaps Analysis and Way Forward](#)," JOIN(2022) 24, 18 May 2022, 2.
- ¹⁶ Ibid., 7.
- ¹⁷ Vivienne Machi, "[European Defense Fund unveils first round of awardees](#)," Defense News, 26 July 2022.
- ¹⁸ Lili Bayer, "[Meet von der Leyen's 'geopolitical Commission'](#)," Politico, 4 December 2019.
- ¹⁹ EU, European Commission, "[Proposal for a regulation of the European Parliament and of the Council on establishing the European defence industry reinforcement through common Procurement Act](#)," COM(2022) 349 final, 19 July 2022.
- ²⁰ For example: Raluca Csernatoni, "[The EU's Defense Ambitions: Understanding the Emergence of a European Defense Technological and Industrial Complex](#)," Carnegie Europe, 6 December 2021.

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