

## Background note

### Session II: Priorities and challenges concerning the CFSP/CSDP in the new institutional cycle. Developing a new security framework for the European Union

#### Introduction

The Treaty on European Union sets forth the provisions concerning the Union's common Foreign and security Policy (CFSP). The CFSP aims to maintain peace, strengthen international cooperation and security, and consolidate democracy, the rule of law, human rights, and the principles of international law (Article 21 TEU). The common security and defence policy (CSDP) is an integral part of the CFSP. The Treaty stipulates that the CFSP *'shall cover all areas of foreign policy and all questions relating to the Union's security, including the progressive framing of a common defence policy that might lead to a common defence'* (Article 24 TEU). The CSDP *'shall provide the Union with an operational capacity drawing on civilian and military assets'*, taking into account the specific nature of the security and defence policies of some Member States (Article 42 TEU).

#### Latest developments

In response to threats posed by the changing geopolitical and security environment, the European Union has launched six civilian and military CSDP missions and adopted the Strategic Compass for Security and Defence in 2022. The objective of this document was to make the Union stronger and more capable of acting by 2030, both on the continent and globally. In this context, the Strategic Compass envisages the strengthening of the European Peace Facility (EPF), the Neighbourhood, Development and International Cooperation Instrument (NDICI) and the European Defence Fund (EDF). A number of defence policies have been developed or updated in response to new threats and Russia's aggression against Ukraine, including the EU Cyber Defence Policy, the Action Plan on Military Mobility 2.0, the Maritime Security Strategy. Moreover, the first EU Space Strategy for Security and Defence, and the CSDP Civilian Compact were adopted. The EU has also increasingly tightened its cooperation with NATO, with the most recent report published by the Council of the EU in June 2024 showing progress in this area.

In recent years, the EU has taken a number of measures to reduce defence capability gaps and promote defence cooperation and procurement. The most important of them include launching the Permanent Structured Cooperation (PESCO), the Coordinated Annual Defence Review (CARD) implemented in 2017 and the establishment of the European Defence Fund (EDF). Notwithstanding the above, the war in Ukraine has revealed other vulnerabilities in the European defence industry. In response to these discoveries, state leaders pledged to

increase defence and military procurement spending. In addition, the EU adopted a Regulation establishing a short-term instrument for the reinforcement of the European defence industry through common procurement and a Regulation on supporting ammunition production. In order to strengthen the EU's technological and industrial competitiveness, the Commission published the European Defence Industrial Strategy and presented a proposal for a European Defence Industrial Programme.

In its 2023 report on the implementation of the CFSP, the European Parliament pointed out that the war in Ukraine and the growing instability in the Middle East, in the southern neighbourhood of the EU, in the Mediterranean and in the Sahel and sub-Saharan Africa posed a serious challenge to the Union's security. In order to build a defence union that is both coordinated with NATO and capable of operating independently, the Parliament proposed, among other things, increasing investment in defence and implementing the Strategic Compass as soon as possible, taking into account the lessons learned from the war.

According to the Council Conclusions on EU Security and Defence as of May 2024, the EU should strengthen defence preparedness and sovereignty in line with the following five priorities:

1. to provide unwavering support for Ukraine
2. to increase the EU's ability to act
3. to bolster the technological and industrial defence base
4. to build resilience against hybrid and cyber threats
5. to develop and strengthen partnerships.

In June 2024, the European Council set increasing defence preparedness and key capabilities as well as bolstering the industrial and technological defence base as a priority, in addition to achieving the EU's global ambitions.

## **Challenges**

Bolstering the security of the EU and its Member States requires increased defence spending. Nevertheless, reaching a consensus among states on the direction and scope of these measures remains a challenge to overcome. In spite of the fact that nearly €100 billion is earmarked for defence in the next seven-year EU budget, which is an impressive amount compared to €10 billion in the current perspective, the fundamental issue is that the next budget perspective will not be implemented until 2028. It seems that the budget of the EDIP, i.e. the European Defence Industrial Programme, with a total of €1.5 billion for 2025–2027, should be increased. What is more, the scale of existing EU initiatives in this area, including the ASAP and EDIRPA programmes, ranges between hundreds of millions or singular billions of euros.

Compared to national defence budgets, these are rather modest funds, which should be boosted by leap surges.

Reversing the negative consequences of rebuilding capabilities and increasing the capacity of the defence industry will be a considerable challenge for the EU. This proved difficult when Europe realised its weakness in the face of a radically changed security situation after the Russian invasion of Ukraine in February 2022. The strong increase in defence spending was not matched by an adequate industrial resources not only to quickly replenish the defence capabilities of the Member States, particularly in terms of the munitions needed in the event of a large-scale armed conflict, but also to provide an adequate amount of armaments and munitions to the embattled Ukraine struggling against Russia's war machine.

At the top of the EU urgent tasks is to provide financial and military assistance to Ukraine. The EU intends to provide Ukraine with €1.5 billion monthly from its common budget, along with a loan of up to €45 billion financed by the G7 countries, repaid from interest on frozen Russian assets. Furthermore, Ukraine will have to be supplied with ammunition and weapons, which will need to be financed. This will increase the pressure on the EU to support the state at war. The extent of the aid needed is being intensively analysed in Brussels and in the capitals of the EU and NATO Member States, but no one is able to estimate what the final total might be.

The ongoing war in Ukraine and the sanctions imposed on Russia are affecting the stability of the region. The EU must continue its policy of sanctions while seeking ways to de-escalate the conflict and ensure energy security. The vast majority of European states have successfully adapted to changes in their energy policies, largely diversifying the sources of their gas supply, turning to non-Russian suppliers, effectively overcoming the effects of Europe's long-standing energy dependence on Russia.

It is not out of the question that in the near future the European Union will have to adapt its foreign and security policy strategy to the changing circumstances. On the one hand, a shift in the transatlantic partnership and the relations between Europe and the United States of America could become a challenge for the entire Community. On the other hand, given the election calendars in the Member States, politicians elected as newly elected heads of states and governments will want to influence the shape of the new security architecture in the Union.

Mass immigration to EU Member States remains a major challenge, correlating with CFSP issues. A unified position on this issue, which is having political and social repercussions in many countries, is urgently needed. Closer cooperation between states and FRONTEX seems to be fully justified.

**Discussion points**

1. How to increase the EU defence budget in the current financial perspective and reconcile this with Member States commitments within NATO?
2. How can the European Union effectively support Ukraine and build a lasting peace?
3. How to improve the effectiveness of the Common Foreign and Security Policy in the context of geopolitical changes, including Euro-Atlantic policy?
4. How to better cooperate among EU Member States on defence procurement, protection of supply chains and investments in defence industry?