



CONVERGENCE AND PRAGMATISM IN STRUCTURING THE EU DEFENCE PLANNING PROCESS. THE IMPORTANCE OF THE COORDINATED ANNUAL REVIEW ON DEFENCE (CARD)

*Dragoş ILINCA, PhD**

European defence cooperation has recently made significant progress in a wide range of instruments aimed in particular at streamlining the way in which defence capabilities are generated under the auspices of the Common Security and Defence Policy (CSDP). In this context, there is also an interest in optimising the defence planning process by strengthening the integrated nature and ensuring interconnectivity between the different CSDP-related initiatives, such as the Permanent Structured Cooperation, the European Defence Fund or the Capability Development Plan. Thus, the launch of the Coordinated Annual Review on Defence (CARD) is an endeavour to help harmonise these initiatives by identifying concrete opportunities for cooperation between Member States and making recommendations to guide cooperation between Member States. The potential of CARD has been preliminary tested within two operating cycles, with promising results and practical effects in generating optimal formulas for the use of Member States' resources. From this perspective, the study aims to deepen the way CARD contributes to the creation of an integrated framework for the functioning of European defence cooperation. The article also proposes a comprehensive perspective by analysing how CARD contributes to guiding the interaction between Member States on the capability dimension and, last but not least, to strengthening EU-NATO complementarity. The main premise of this approach is precisely to value the potential of CARD to ensure the sustainability of cooperation under the aegis of CSDP. At the same time, the overriding interest of Member States in ensuring the transposition of the recommendations and cooperation priorities identified by CARD at the level of national defence planning processes is considered.

Keywords: CSDP; PESCO; EDF; CARD; MPCC; EUGS; EDA.

*** Dragoş ILINCA, PhD, is research coordinator within the Institute for Political Studies and Military History of Ministry of National Defence, Bucharest, Romania. E-mail: dilinca@yahoo.com**



Introduction

As with other initiatives developed by the EU in recent years, the EU's role of the Global Security Strategy for Foreign and Security Policy (EUGS) has been the main driver of momentum in European defence cooperation. This includes the interaction formulas developed under the aegis of the Permanent Structured Cooperation (PESCO), the European Defence Fund (EDF) or the EU Military Planning and Conduct Capability (MPCC). All of this stems from the priorities set by the EUGS. Underpinning the ambitious agenda, the development of the defence dimension has been one of the priorities, addressed both in terms of capitalising on progress made and in promoting distinct lines of action aimed at deepening the integration process. Against this background, the issue of defence capabilities and, subsequently, of the capability shortfalls encumbering the EU's defence dimension at an early stage (December 1999) was addressed as a matter of priority and from a pronounced multidisciplinary perspective. This approach was reflected both in the capability generation process and in the context of cooperation between Member States. The starting point of setting the level of ambition was to move towards an integrated approach in generating capabilities with a view to seizing the opportunities for cooperation between Member States. Under EUGS provisions, the focus was on strengthening coherence in "defence capability development and planning" at EU level. The advanced implementation formula for this objective was mainly aimed at creating a mechanism for the regular assessment of national policy issues. The need for such an instrument was all the more pronounced in the context of the highly active dynamics of European defence cooperation, which led to the emergence of the extensive set of initiatives mentioned. The need to ensure interaction between the levels managed by them has led to the decision to launch a defence analysis process that will be part of the Coordinated Annual Defence Review Process (CARD).

1. General Context

The objective of launching a defence review process was deepened in immediate aftermath of the EUGS, with the adoption at the level of the European Council of the proposals of the High Representative for Foreign Affairs and Security Policy on the implementation of the EUGS objectives (Implementation Plan, 2016). Through it, the project of structuring a mechanism aimed at "Coordinated Defence Analysis" has begun to take concrete shape. Building on the emphasis placed on strengthening coherence, a number of aspects related to the interaction between Member States in capability generation were considered:

- Exchange of information on national plans and possibilities for structuring joint efforts.



- Identify possible shortcomings in the management of capability gaps and assess possible ownership of coordination responsibilities.
- Strengthening budgetary predictability for collaborative projects and seize opportunities for cooperation.

In their implementation, it is anticipated that the degree of synchronization and mutual adaptation of national planning systems and procedures associated with capability development will increase. From this perspective, the development of CARD envisaged a dual purpose of interacting between Member States and bringing national planning processes closer to the priorities agreed at EU level.

On these issues, the developments in European cooperation registered up to that point had resulted in the development of a set of benchmarks and priorities with a European profile to which the Member States have subscribed to direct financial resources. The targets were adopted in November 2007 at the Steering Committee meeting (Defence Data, 2007, p. 1) in the format of defence ministers including: 20% endowment expenditure of total defence expenditure; 35% of European collaborative programmes out of the total endowment expenditure; 2% R&T expenditure of total defence spending; 20% of European collaborative programmes out of total R&T expenditure. Assessments of their achievement, recorded through the Global Strategy almost a decade after their adoption, indicated an unsatisfactory level. Hence the emphasis placed on the need to adopt measures to optimise (EU Global Strategy, 2016, pp. 45-46) how these are translated into national procedures.

From the perspective of the capability development process, two mechanisms have been created during the evolution of EU cooperation. The first of these, known as the Capability Development Mechanism (CDM), was initiated in 2003 on the operational dimension in connection with the Global Objective¹ adopted by the EU in December 1999. In 2004, the second objective was adopted focusing on the development of rapid reaction capacities in the form of the EU BattleGroups. The objective of the CDM was to manage the requirements which formed the basis for the establishment of these entities and, by extension², the tasks which they had to carry out. Thus, the CDM can be regarded as an operational planning formula, the practical results of which were found by drawing up of inventory documents (Requirements Catalogue, Force Catalogue, Progress Catalogue) of the contributions with forces and capacities made available to the EU by the Member States for those objectives.

The creation of the European Defence Agency in 2004 brought about a number of changes in capability planning by strengthening the strategic nature. In 2008, a new instrument was launched, known as the Capability Development Plan (CDP), to

¹ Known as Headline Goal 2003 adopted by the Helsinki European Council (December 1999) aimed at creating, by 2003, of a Rapid Reaction Force (50-60.000 strength).

² Joint disarmament actions, humanitarian and evacuation missions, advisory and assistance missions, conflict prevention and peacekeeping, crisis management combat forces missions, including peace-building missions and stabilisation operations.



address capability issue in an integrated manner and framed in a long-term perspective of security developments that could affect the evolution of European defence. Thus, the purpose of the CDP was to provide benchmarks/priorities for all levels of activity developed under the aegis of the Common Security and Defence Policy.

2. Methodological Benchmarks and Concrete Objectives

Under these auspices, the EU Council adopted in May 2017 the decision to implement the guidelines of the Comprehensive Security Strategy with a view to launching a Coordinated Annual Review on Defence (CARD). Building on these elements, the key rationale for using the CARD was to identify the areas of cooperation that Member States can initiate through targeted collaborative projects in support of PCD and those identified through the CDM. CARD implementation involves a multi-tiered analytical effort structured on several levels where the coordination role is provided by EDA and EUMS. The related analysis process is designed in a multidisciplinary matrix that includes the assessment of national plans and priorities in capability development, which is carried out through the EDA, in dialogue with the Member States. From a multidisciplinary perspective, this component can be assimilated to the defence analysis process developed at NATO level in the context of the Defence Planning Process (NDPP).

The (bilateral) dialogue with Member States is doubled by a comprehensive analysis of strategic trends impacting on European defence cooperation, also carried out in connection with the operational aspects resulting from the implementation of the various EU commitments. The two analytical components are harmonized within a specific product of the CARD process – CARD Aggregated Analysis, which thus provides the basis for making concrete proposals and/or recommendations to Member States. They are merged into another product called the CARD Report, and is basically a tool to provide a comprehensive picture of global developments in defence cooperation. To meet this challenge, it is structured in three components: defence planning; defence spending and defence cooperation. The exhaustiveness of the final product is reinforced by a set of concrete recommendations on areas of common interest to Member States and which have significant potential for tangible progress.

The timeframe envisaged for carrying out such a cycle of these activities covers two years, each report being approved by Defence Ministers meeting in the EDA Steering Committee format. Although a relatively new instrument, two CARD cycles have been carried out so far (2019-2020 and 2021-2022), which allows for the development of a fairly comprehensive perspective of the European defence cooperation landscape. The provisional balance sheet of these two cycles can be viewed from at least two perspectives. Firstly, the conceptual drivers promoted through this instrument aimed at focusing on overcoming European fragmentation



in the field of defence, in particular by harmonising national approaches and stimulating a cooperative approach in concrete areas. Underpinning the EU objectives through the Global Security Strategy, were recommendations on strengthening the operational potential of the CSDP, based on increasing the availability of forces and commitments advanced by Member States. In addition to the aspects of operational planning procedures at national level, the CARD process identified a number of elements that require particular attention.

They concern the field of so-called ‘enablers’, with a focus on: strategic air transport; projection of the maritime force, air defence systems. It should be noted that those elements represented a constant presence³ in the set of shortcomings identified in the EU defence planning process. Addressing them in the CARD context is one of the strands of action with significant potential to address shortcomings through cooperation between Member States. From this perspective, it can be argued that the launch of this instrument represents a new stage in structuring the defence planning process at EU level. Thus, CARD can be regarded as a successor of the CDM by taking over the operational aspects related to capabilities, but without excluding cohabitation with this mechanism, in the absence of a decision by the Member States to terminate de jure the operation of the Capability Development Mechanism and translate the functionalities to CARD.

The issue of fragmentation was also addressed from the perspective of developing a common vision regarding a potential common profile of national planning systems focused, in principle, on the following coordinates: the importance of European defence initiatives; the relevance of multinational cooperation projects; the importance of eliminating addictions; procedural-functional synergy (synchronization) between administrative establishment (CARD Report, 2020). In quantitative terms, the CARD cycles have revealed the importance of this instrument by identifying more than 100 opportunities for cooperation between Member States both on the capability dimension and on the R&D segment. On these coordinates, a set of six areas of interest has been structured: the modernization and acquisition of the Main Battle Tank; modernization of the universal soldier system, centred on the idea of strengthening the protection of force and operational efficiency; developing a Maritime Patrol Class (EPC2S) capability; combating autonomous air systems (Counter-UAS); the development of a European approach to space defence; strengthening military mobility. Moreover, it was envisaged to address these lines of action also through the use of innovative technologies such as: artificial intelligence, cyber, sensor technologies, emerging materials, optimal energy propulsion systems, autonomous systems and robotics (CARD Report, 2020).

³ In this context, the European Capability Action Plan (ECAP) initiative was launched, which addressed the shortcomings identified in all the offers put forward by the Member States for the fulfilment of the HLG 2003. For details on this stage and the role of ECAP in Yannis A. Stivachtis. *The State of European Integration*, Virginia Polytechnic Institute and State University USA, Routledge, London-New York, pp. 31-32.



3. CARD in a Multidisciplinary Equation

Clearly, CARD is not a standalone tool. It was not designed within these parameters and could not possibly function in such a scenario. It should be noted that the emergence of CARD corresponds to a moment of maximum effervescence regarding the development of European defence cooperation, which included the emergence of the main initiatives – PESCO, EDF, CDP, MPCC – representing the core of CSDP. The way of promoting a higher level of ambition also aimed at integrating these initiatives into a functional matrix that would ensure a complete cycle of the capability generation process and, subsequently, their industrial finality. The rationale of the conceptual-practical sequencing has been a constant aspiration in the process of developing the security and defence component of the EU. CARD's role of the in relation to those initiatives was primarily to ensure greater visibility of national priorities and objectives as well as existing formulas for cooperation between them. At the same time, CARD should also be regarded as a link between the CDP and the mentioned initiatives. In the light of the time-lags in the launch of the latter, CARD comes to ensure the connection between the guidelines provided by the CDP, as a regular exercise initiated almost a decade earlier, and the initiatives generated on the foundation and guidelines of the Global Security Strategy.

At the same time, CARD can also be viewed in terms of the concrete support it can provide, through its ability to provide an integrated picture at European level, to Member States in identifying solutions to meet their priorities and objectives. It is thus possible to speak of CARD's potential as a tool to promote the change of mentality in the pragmatic approach to the process of developing capabilities. Thus, the objectives undertaken by the Member States in the framework of the European defence cooperation can further benefit from CARD's contribution by identifying more precisely the areas with the potential for major and rapid exploitation of joint investments. The latter are largely in line with PESCO, an initiative activated at EU level in November 2017, based on the provisions of the Treaty of the European Union (Articles 42(6) and 46). From this perspective, it can be seen as a forum for interaction between Member States on concrete cooperation projects with applicability both in the field of capabilities and in terms of opportunities to strengthen and optimise the EU's operational component in the field of crisis management. Along these lines, the functioning of PESCO envisages the fulfilment by the participating Member States of a set of commitments covering a wide range of European cooperation, including financial/budgetary aspects, operations, capabilities, research & technologies. They also include the quantitative-qualitative objectives undertaken by the Member States in the context of the EDA (defence spending targets).

Basically, CARD has been directly connected to the process of formulating the commitments, thus providing the possibility of integrating the approaches of the two



initiatives. At the same time, the functional association of CARD with the PESCO objectives has an intrinsic value from the perspective of revalidating the importance of this instrument within a specific framework such as that of structured cooperation formulas. From this perspective, CARD is designed as one of the key benchmarks, alongside the CDP, for guiding the work and priorities that PESCO focuses on. Equally, the PESCO-CARD connection is an additional way to reaffirm Member States' commitment and readiness to participate in this mechanism. There is thus a real interdependence between the two initiatives, which Member States' participation must consider even in the light of the voluntary nature of the initiative.

In particular, the reporting of the commitments undertaken under PESCO to the priorities of CARD can be found in terms of the financial and budgetary aspects on the coordinates of their increase and, subsequently, of the share of expenditures for covering the deficits and developing the collaborative approach (COUNCIL DECISION (CFSP) 2017/2315 , 2017). At the same time, in the implementation of PESCO, ensuring the juxtaposition between the projects and CARD recommendations is one of the main criteria for evaluating proposals put forward by Member States. Thus, the CARD recommendations are regarded as distinctly valuable guiding elements for practical cooperation under the aegis of PESCO. Also, the harmonization of the two initiatives is also approached from a functional perspective, by increasing synergy at the level of the stages of the two initiatives. This approach is viewed as a way of strengthening the practical interaction (COUNCIL RECOMMENDATIONS of 15 June 2020), being able to contribute to increasing the relevance of CARD-PESCO interaction and, subsequently, the level of ambition for projects developed by Member States. The results of this approach have begun to become visible both in terms of increasing the role of the CARD recommendations as guidance elements for PESCO's work, and in terms of the use at national level of the recommendations and progress identified through CARD, including in the light of Member States' interest in including collaborative proposals in national planning processes (COUNCIL RECOMMENDATIONS of 14 November 2022). These trends are thus acquiring additional development potential, which will allow the extensive exploitation of the CARD recommendations through PESCO.

At the same time, the PESCO-CARD interaction will also be valued at the level of the European Defence Fund, an initiative launched in 2021, whose main objective is to provide funding from the EU budget for projects developed by Member States in the field of defence capabilities, namely research and technologies. Within this framework, projects developed under the aegis of PESCO benefit from special funding rates, designed to stimulate this formula of cooperation for which the CARD recommendations are priority guiding elements (Regulation (EU)2021/967). The structured approach and the focus on the use of defence initiatives to fulfil the CARD recommendations was the subject of the Strategic Compass, adopted by the Council



of the EU in March 2022. The strategic context created through this document attaches particular importance to CARD by reaffirming Member States' support for the six areas of interest mentioned (A Strategic Compass for EU, 2022).

4. Relevance of CARD in the Context of EU-NATO Cooperation

CARD should also be seen in terms of EU's interaction with external actors, namely in relation to NATO. In practice, the analytical process offered by this instrument is one of the substance elements of EU-NATO cooperation in the field of capabilities. The parameters of this partnership formula are to be found in the initial stages of the process of defining the cooperation relations between the two organisations, which have included the 'Berlin+' Agreements and the EU's assumption of the main operational responsibilities in the Western Balkans. This period also corresponds to the establishment of principles of cooperation between the EU and NATO aimed at: partnership in the field of crisis management; equality; consultation and dialogue; respect for the Member States' interests; respect for the principles of the UN Charter; coherence, transparency and synergy in capability development (EU-NATO Declaration on ESDP, 2002).

The focus on complementarity also reflects developments in the process of implementing the objectives set by the EU Member States on the development of this organisation's profile in the field of security and defence. Much more specifically, the adoption at the Helsinki European Council (December 1999) of the HLG 2003 brought to attention the need to coordinate national commitments with forces and capabilities, given that the existence of the common membership of most states in the two organisations. Along these lines, priority was given to the following aspects: the need to ensure the compatibility of EU commitments with the objectives of forces accepted by the member states of the two organisations in the context of the NATO planning process; mutually reinforcing the EU's capability objectives and those deriving from capability initiatives developed in a NATO context; avoiding procedural duplications and strengthening the exchange of information between the two organisations (Maartje Rutten, 2001, p. 160).

All these principles will govern the interaction between NATO and the EU in the context of the launch of European capability initiatives. The adoption of the Treaty of Lisbon and the EUGS's opening up of a more ambitious perspective in terms of European defence cooperation have generated significant progress in cooperation between the two organisations. Thus, the EU-NATO Declarations adopted in 2016 and 2018 on deepening cooperation placed particular emphasis on interaction in the field of capabilities, on the coordinates of complementarity, coherence and interoperability (Joint Declaration, 2016). Based on these guidelines, at the level of practical interaction, the issue of capabilities has been addressed from



the perspective of coherence of NDDP results (including on contribution made by partner countries) and CARD.

The interaction between the two organisations included the systemic approach of the capability development process within the two organizations, especially with regard to the implementation of the CARD recommendations and the conclusions of the NDPP evaluation process (NATO Defence Capability Survey). On this level, a regular dialogue mechanism has been structured to ensure complementarity and avoid duplication of multinational cooperation programmes (e.g. airborne supply, maritime patrol and situational perception, combating improvised devices, aerial piloting systems, medical support, ammunition and helicopters). (Fourth Progress Report , 2017). Similarly, the cooperation procedure at expert level between the two organisations has been developed, including through the participation of NATO staff in bilateral meetings between the EDA and the Member States, carried out in the context of CARD implementation. All these elements add coherence to defence planning, both functionally and conceptually, at the level of the two organisations. Clearly, the expected outcome is to strengthen the interchangeability between NDDP and CARD results, reflected in the symmetry of the types of capabilities developed and the interoperability between them.

Conclusions

The emergence of CARD is undoubtedly placed in the specific context of the recent period in which European defence cooperation has made significant progress. Thus, CARD complements the set of previously developed initiatives by ensuring the role of integrating their results and, subsequently, providing a comprehensive picture of the cooperation opportunities that Member States can access in support of their own objectives. At the same time, it should be stressed that CARD's role in structuring European defence cooperation is still in its infancy, and the relatively short time since its launch is not such as to provide a comprehensive perspective on the effects that this new instrument may generate.

The rationale for creating this facility that CARD provides is validated both from the perspective of streamlining the processes developed under the aegis of the Common Security and Defence Policy and from that of the Member States' interests in order to adequately reflect in the European context their own priorities in capability development. From this perspective, CARD is a tool that has the potential to strengthen the comprehensiveness of cooperation in capability projects, in particular by capitalizing on individual dialogue with Member States. Equally, the role of facilitator is valued by ensuring connectivity between national priorities and can lead to their efficiency through multinational solutions. It is therefore possible that the CARD profile may evolve towards a European defence analysis process. Clearly,



this perspective cannot materialize in the absence of Member States' support and the way in which their perceptions and opinions are accurately translated into the level of the recommendations made following the CARD cycles. The stocktaking of the activities carried out so far under the aegis of CARD shows both the interest of the Member States in seizing the opportunities offered by this initiative and the concrete results provided by the practical recommendations for deepening cooperation.

In addition to the aspects related to the role of CARD in the internal dynamics of CSDP processes and initiatives, the importance of this instrument is also validated from the perspective of the EU's external interaction on the defence dimension. This aspect is validated all the more pronounced in the context of EU-NATO interaction, with CARD's role being profiled as one of the most important for ensuring coherence of the planning processes of the two organisations. However, this objective must be seen not only from a functional perspective, in terms of planning cycles, procedures, etc., but also from a broader perspective of how the recommendations and objectives derived from the functioning of the NDPP and CARD are sufficiently well harmonised to ensure sustainability of implementation at national level.

BIBLIOGRAPHY:

A Global Strategy for the European Union's Foreign and Security Policy, 2016.

A Strategic Compass for European Union, March 21, 2022.

CARD Report 2020.

CARD Report 2022 – Executive Summary.

COUNCIL DECISION (CFSP) 2017/2315 of 11 December 2017 establishing Permanent Structured Cooperation (PESCO) and determining the list of participating Member States in Official Journal of the European Union, L 331&14.12.2017.

COUNCIL RECOMMENDATIONS of 15 June 2020 assessing the progress made by the participating member States to fulfil commitments undertaken in the framework of Permanent Structured Cooperation (PESCO) – 2020/C204/1, in Official Journal of the European Union, C 204.

COUNCIL RECOMMENDATIONS of 14 November 2022 assessing the progress made by participating member states to fulfil commitments undertaken in the framework of the Permanent Structured Cooperation (PESCO) – 2022/C433/02 in Official Journal of European Union C433, 15 11.2022.

Defence Data 2007, European Defence Agency, 2007.

EU-NATO Declaration on ESDP, December 16, 2002 Fourth Progress Report on the Implementation of the Common Set of Proposals endorsed by NATO and EU Council on December 6, 2016 and December 5, 2017.



Joint Declaration by the President of the European Council, the President of the European Commission and the Secretary General of the North Atlantic Treaty Organisation, Warsaw, 2016.

Regulation (EU)2021/967 of the European Parliament and of the Council of April 29, 2021 establishing the European Defence Fund in Official Journal of European Union, L170/12.05.2021.

Maartje Rutten. From St.Malo to Nice. European defence: core documents, EU Institute for Security Studies, Paris, 2001.