

European Scrutiny Committee

House of Commons London SW1A 0AA

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From: Sir William Cash CH MP

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The Earl of Minto
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PESCO and UK/EU defence cooperation

Dear Timothy

Thank you for giving evidence to our inquiry '[PESCO and UK-EU Defence Cooperation](#)' on 28 February this year. Over the course of our inquiry, we received seven submissions of written evidence and took oral evidence from nine witnesses. We are grateful to all of those who contributed to our inquiry. We have set out below our main areas of inquiry, including preliminary conclusions and tentative recommendations. We hope that our successor Committee will further consider these issues in the next Parliament.

Background

When the UK was an EU Member State, it was cautious of further EU defence integration and favoured Member States retaining control of their country's defence interests.

Since the UK's EU exit, the UK and EU's defensive priorities have largely aligned, however, there has been little structured cooperation between the two.

Russia's illegal full-scale invasion of Ukraine has prompted the UK to pursue closer ties with the EU on defence matters, including joining the PESCO 'military mobility project' (the main focus of our inquiry).

PESCO, third-country participation and the military mobility project

Acceptance onto and participation in PESCO capability projects

Third-state participation in PESCO projects requires an administrative arrangement but there was disagreement amongst our witnesses as to whether such arrangements are legally binding.

There is presently no formal process for parliamentary scrutiny of PESCO administrative arrangements (which the UK may enter into), which is a concern with regards to transparency and accountability.

The Government should allow full scrutiny of administrative arrangements, in order for Parliament to fully understand the implications of joining projects, like that on military mobility.

The rights and obligations of third country participants

There are no financial implications for joining the PESCO military mobility project, for third-states or EU Member States. States can leave the project without consequence, as long as this is negotiated as part of their own administrative arrangement.

We believe further clarity is required on the role that the UK will play in decision-making processes in the military mobility project, as well as how much influence the UK will have on the overall direction of the project.

The military mobility project

The EU's PESCO military mobility project aims to enable the unhindered movement of military personnel and assets within the borders of the EU and involves all EU Member States, except Ireland.

The Government were unable to tell us what exactly the military mobility project entailed. However, they later provided written clarification in a letter to us.

The Government are unlikely, at present, to join further PESCO projects due to restrictions on development capabilities imposed by the EU on third countries.

The Government should reconsider joining the military mobility project as we are not convinced that they fully understand what it entails. Furthermore, there is presently no formal process for scrutinising the outcomes of the UK's

participation in the project. If the UK does join, we would suggest that the Government monitor the outcomes of the project closely and report these to the House. We do not agree that PESCO is the right priority to adopt and we heard supporting evidence on this.

However, if the UK decides to join further PESCO projects, the House should be immediately informed of the relevant decision. The Government should inform our successor Committee if they intend to join another project, and administrative arrangements should be deposited in Parliament for proper scrutiny and made available on GOV.UK.

Wider UK/EU defence cooperation

NATO

The Government rightly considers NATO the cornerstone of European defence.

The EU has unique capabilities to help reinforce and complement NATO activity and is widely not considered a threat to NATO's supremacy. The PESCO military mobility project is a good example of this complementarity, according to the majority of our witnesses.

The Government should ensure that if it seeks to join any other PESCO projects, participation in no way calls into question NATO's primacy nor risks diverting funds away from the alliance. Similarly, it should ensure that participation does not engage or cover public procurement.

The European Defence Fund

The European Defence Fund (EDF) promotes cooperation among companies and research actors of all sizes and geographic origin in the EU, in research and the development of state-of-the-art and interoperable defence technology and equipment. At the moment, recipients of EDF funding must be established in the EU or in an 'associated country' (i.e. an EFTA country that is a member of the European Economic Area (EEA), such as Norway).

The Government has no intention of participating in the European Defence Fund, even if there were certain protections put in place around intellectual property rights.

We would advise the Government not to join the European Defence Fund, to avoid oversight of covered commitments by the European Court of Justice. If

the Government wishes to join in the future, the House should be informed immediately.

With every best wish for the future

CHAIR