



# Priorities for ESDP during the French Presidency of the EU

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France assumed the Presidency of the EU on 1 July 2008 for a period of six months. The French work programme for that period is wide ranging and ambitious with progress in European defence highlighted as one of the French government's key priorities.

This note examines some of the more controversial aspects of that ESDP agenda.

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# 1 Background

France's priorities for its Presidency of the EU in the latter half of 2008 are wide ranging and ambitious, with proposals on immigration, defence, climate change and the creation of a "Mediterranean Union" identified as key elements of that agenda. Establishing the new institutions and posts set out in the Lisbon Treaty had initially been highlighted as a further priority, although the subsequent 'no' vote in the Irish referendum on the Lisbon Treaty on 12 June 2008 has derailed those plans. Instead the French Presidency is now considered likely to be dominated by the debate on the future of the Lisbon Treaty itself. It is also unclear whether any of the Presidency's plans for ESDP are likely to be affected by this turn of events. Regardless of the future of the Lisbon Treaty French plans for furthering ESDP could be taken forward and agreed intergovernmentally.<sup>1</sup> However, the prospect of achieving unanimity among the EU Member States, particularly in relation to some of the more controversial aspects of the French ESDP agenda, remains open to question.

## 1.1 European Security and Defence Policy

Ten years on from the groundbreaking St Malo summit,<sup>2</sup> the intention of the French Government to give renewed impetus to the European defence project has been a key theme of the Sarkozy premiership thus far. Speaking at the Munich Security Conference in February 2008 the French Defence Minister, Hervé Morin, commented:

One of the publicly stated priorities of the French EU Presidency will be to strengthen Europeans' defence capabilities. France is determined to grasp all the opportunities and instruments offered us by the Lisbon Treaty, to concretely flesh out the ESDP and, with the other member states, start production of pooled crisis management capabilities.<sup>3</sup>

The French Government's plans for ESDP were reported to envisage, among other things, the establishment of a new EU operational planning headquarters in Brussels which would be entirely independent of NATO; the establishment, under Permanent Structured Co-operation,<sup>4</sup> of a 60,000 strong intervention force based on the capabilities of the EU's six principal member states: the UK, France, Germany, Spain, Italy and Poland and a number of key capability packages that could be taken forward by a small number of Member States; and the drafting of a European white paper on defence and security. Those proposals were reiterated in the French White Paper on Defence and National Security which was published on 17 June 2008. That paper identified as priorities:

Making the European Union a major player in crisis management and international security is one of the central tenets of our security policy. France wants Europe to be equipped with the corresponding military and civilian capability. The White Paper proposes several concrete goals for European defence in the coming years:

- Set up an **overall intervention capability of 60,000 soldiers**, deployable for one year in a distant theatre with the necessary air and naval forces;

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<sup>1</sup> The European Defence Agency and the EU civil-military planning cell, for example, were both established intergovernmentally.

<sup>2</sup> Further information on the outcome of the St Malo summit is available in Library Research Paper RP00/20, *European Defence: from Pörschach to Helsinki*, February 2000

<sup>3</sup> 44<sup>th</sup> Conference on Security Policy, Speech by M. Hervé Morin, Minister of Defence, 9 February 2008

<sup>4</sup> Clause 1 (50) of the Lisbon Treaty

- Achieve the capability to deploy for a significant duration **two or three peacekeeping or peace-enforcement operations** and **several civilian operations** of lesser scope in separate theatres;
- Increase the **European planning and operational capability** both military and civilian, in parallel to the development of interventions outside the European Union;
- Create impetus and restructure the **European defence industry**.

In addition, the White Paper emphasises four priority areas for the **protection of European citizens**: the reinforcement of cooperation in the fight against terrorism and organised crime; the development of European civil protection capabilities; the coordination of the defence against cyber-attack; and the securing of energy and strategic raw materials supply.

Lastly, the White Paper advocates the drafting of a **European White Paper on defence and security**.<sup>5</sup>

Crucially French President Nicholas Sarkozy has linked the development of more effective EU military capabilities to the possibility of France returning to the integrated military command structure of NATO. Although the French Government has suggested that the two initiatives are complementary and should be pursued “in close conjunction”,<sup>6</sup> sceptics have pointed to the fact a decision on French re-integration into the NATO command structure will only be agreed at the end of 2008, once a determination of how far ESDP has progressed during the French Presidency has been made. The move has therefore been regarded as one indirectly aimed at securing political support for furthering the ESDP agenda among the US, the UK and other pro-Atlanticist EU Member States.<sup>7</sup> As an article on *BBC News Online* has pointed out:

There will be sceptics who might fear that France will continue to be a disruptive influence within NATO and will constantly try to downplay NATO in favour of strengthening EU defence institutions.<sup>8</sup>

Tomas Valasek of the Centre for European Reform has also noted that “Paris appears to assume that by offering to behave reasonably toward NATO, it will encourage its allies to sign up to the French vision for European defence”.<sup>9</sup> He goes on to state:

The French offer to return to full participation in NATO, while tremendously important for EU-NATO relations, is not the top priority for all of the French elites. People close to Sarkozy say that the President is genuinely keen on returning to NATO’s core, with no strings attached. But much of the French foreign policy establishment prioritises the EU, and, more specifically, the task of converting Europe’s national militaries of varying size and relevance into a stronger and more unified force, under the ESDP initiative. And much of this establishment, as well as many senior French politicians, remain viscerally

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<sup>5</sup> A copy of that white paper is available online at: [http://www.ambafrance-uk.org/New-French-White-Paper-on-defence.html#sommaire\\_3](http://www.ambafrance-uk.org/New-French-White-Paper-on-defence.html#sommaire_3)

<sup>6</sup> See: [http://www.premier-ministre.gouv.fr/en/information/special\\_reports\\_98/french\\_presidency\\_of\\_the\\_1322/toward\\_common\\_defence\\_policy\\_60159.html](http://www.premier-ministre.gouv.fr/en/information/special_reports_98/french_presidency_of_the_1322/toward_common_defence_policy_60159.html)

<sup>7</sup> Washington has increasingly softened its stance toward ESDP in the last few months. See “Bush eases stance on EU defence capacity”, *The Financial Times*, 3 April 2008

<sup>8</sup> “France edges closer to NATO”, *BBC News Online*, 11 October 2007

<sup>9</sup> “France, NATO and European defence”, *Centre for European Reform*

hostile to the idea of moving closer to NATO. So in order to sell the idea of fully returning to the Alliance, Sarkozy needs to extract a price: to strengthen the ESDP.<sup>10</sup>

## 2 French Presidency Work Programme for ESDP

The Work Programme of the French Presidency with respect to ESDP covers significant ground, with commitments to developing EU relations with NATO, the UN and the African Union; addressing the threats of proliferation and terrorism; supporting disarmament initiatives, particularly in relation to cluster munitions and the trafficking of small arms and light weapons; supporting the European Commission's current measures on EC Defence Procurement and the creation of an internal defence market;<sup>11</sup> and promoting the development of European military capabilities through initiatives such as joint European military training courses,<sup>12</sup> strengthening civilian crisis management capabilities and enabling EU defence ministers to take decisions within the context of the GAERC.<sup>13</sup>

More prominently however, are the key objectives of:

- Updating the European Security Strategy.
- Developing European military capabilities in terms of rapid deployment, sustainability, and pooling.
- Strengthening European capabilities for planning and conducting ESDP military and civilian operations.
- Revising the Athena mechanism which determines the method for financing ESDP operations.

In the run-up to the French Presidency many analysts had assumed that agreement on the revision of the EU Code of Conduct, which has been stalled since mid-2005, and the subsequent question of the EU-China arms embargo, would be a priority for the French Government, which has been a long term advocate of lifting the embargo. However, the French Work programme makes no reference to the Draft Common Position on the EU Code of Conduct or the question of the Chinese arms embargo. Given that the support of the US and UK, which have both opposed the lifting of the EU-China arms embargo, is vital to the success of France's ESDP proposals, it has been noted that, for the time being at least, the China issue may have to take a back seat.

### 2.1 Revision of the European Security Strategy

The EU set out its first foreign policy strategy in 2003. Entitled *A Secure Europe in a Better World*, the strategy sought to set out the EU's foreign policy priorities in the post 11 September environment. It was also regarded by many as a timely attempt to project a

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<sup>10</sup> "France, NATO and European defence", *Centre for European Reform*, May 2008

<sup>11</sup> These measures are examined in greater detail in Library Standard Note SN/IA/4640, [EC Defence Procurement](#).

<sup>12</sup> Along the lines of the 'Erasmus' exchange scheme.

<sup>13</sup> General Affairs/External Relations Council of the Council of Ministers.

unified stance on foreign policy following the divisive nature of the EU debate over Iraq, and narrow the divisions between the EU and the US on strategic priorities.

A detailed examination of the ESS is available in Library Research Paper RP06/32, [European Security and Defence Policy: Developments since 2003](#), June 2006.

Over the last five years calls have mounted for the ESS to be re-examined and revised in light of international developments, including the resurgence of Russia, and the rise to prominence of non-traditional threats to security such as climate change, access to energy and resources and cyberwarfare.<sup>14</sup> The opportunity to revise the ESS in order to reconcile the objectives of CFSP/ESDP with that of the EU's homeland security agenda has also been noted.<sup>15</sup>

The need to review the ESS was expressed at the European Council Summit in December 2007 which concluded:

The European Security Strategy adopted in 2003 has proved very useful. It provides the Union with the relevant framework for its external policy. In the light of all developments which have taken place since, in particular the experiences drawn from ESDP missions, the European Council invites the SG/HR, in full association with the Commission and in close cooperation with the Member States, to examine the implementation of the Strategy with a view to proposing elements on how to improve the implementation and, as appropriate, elements to complement it, for adoption by the European Council in December 2008.<sup>16</sup>

The French Presidency Work Programme also states:

Updating the European Security Strategy... should make it possible to revive joint analysis of threats, on the basis of which defence resources and measures to step up security can be defined [...] Working together with our main partners, we will put forward new elements intended to add to (new challenges) and enhance (nature of military capabilities, EU-NATO cooperation) the strategy. The aim is to produce a document to be adopted by the European Council of December 2008.<sup>17</sup>

## 2.2 Military Capabilities

The development of military capabilities has been a longstanding feature of the ESDP debate. Over the last ten years several initiatives have been established in order to promote progress in this area including the European Capabilities Action Plan, the Helsinki Headline Goal and its subsequent revision in 2004, the Civilian Headline Goal 2008, EU Battlegroups and various mechanisms for increasing EU-NATO co-operation in this area.<sup>18</sup> At the heart of the EU's military capability has been the commitment, set down at the Helsinki European Council Summit in 1999, for the creation, by 2003, of a European rapid reaction force of

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<sup>14</sup> See for example "The pressures for a new Euro-Atlantic Security Strategy", *Europe's World*, Summer 2008; "Revising the European Security Strategy", *European Security Review*, October 2007 and "Europe's Defence and its New Security Strategy", *Centre for European Reform*, December 2007/January 2008

<sup>15</sup> See "EU strives to reconcile ESDP with homeland security needs", *Jane's Defence Weekly*, 31 October 2007

<sup>16</sup> Council of the European Union, Presidency Conclusions, 16616/1/07 REV 1, 14 February 2008

<sup>17</sup> *French Presidency of the Council of the European Union: Work Programme*

<sup>18</sup> Further information on past capabilities development is available in Library Research Paper [RP06/32, European Security and Defence policy: Developments since 2003](#), June 2006

60,000 troops capable of deployment across the range of Petersberg tasks, within 60 days and for up to a period of one year. However, that force has never been utilised. As an article in *European Voice* noted:

A rapid reaction force [...] was a leading concept a decade ago, in the early days of European security and defence policy, but the goal faded in the face of EU difficulties in mustering adequately trained and equipped personnel, and has been superseded by battlegroups, the battalion-sized forces with contributions from several EU countries<sup>19</sup>

Part of the capabilities agenda of the French Presidency aims to re-emphasise this commitment to a 60,000 strong rapid reaction force as part of the wider set of proposals aimed at developing EU forces for EU-led operations. However, the main focus of the French work programme is the intention to launch:

a package of significant new capacity-building projects, initiated by a few countries and open to any nations wishing to participate, to meet operational needs, (strategic air transport, tactical transport, air mobility, in-flight refuelling, space observation);

Initially the premise was to establish these capability programmes using the Permanent Structured Cooperation mechanism provided for in the Lisbon Treaty (clause 1, 50). The groundwork for these programmes was intended to be set out during the period of the French Presidency, with a view to their formal creation once the Lisbon Treaty came into force in the early part of 2009. However, the ability of the French Presidency to pursue this objective through PSC has since been curtailed with the Irish rejection of the treaty, as the provision for PSC does not exist within the current treaties.

However, this agenda could still be pursued on an intergovernmental basis, which has been the foundation for all the capability initiatives pursued under ESDP thus far. The most obvious channel for developments of this nature would be through the European Defence Agency, which agreed a new Capability Development Plan at the beginning of July 2008.<sup>20</sup> Participation in the projects established by the EDA is already done on a country-by-country basis; while many of the projects it has identified thus far focus on the key capabilities highlighted in the French work programme.<sup>21</sup>

Indeed it could be argued that setting programmes up through the PSC process would merely have duplicated work that the EDA and NATO Member states are already undertaking.<sup>22</sup>

Commenting on the implications of the Irish referendum, an article in *Jane's Defence Weekly* noted that "despite the setback of Ireland rejecting the Lisbon Treaty, diplomats are still pushing the concept of structured co-operation on defence".<sup>23</sup>

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<sup>19</sup> "French ambitions persist", *European Voice*, 10 July 2008. Force generation difficulties have been particularly prominent in relation to the EU-led operation in Chad.

<sup>20</sup> Further information on the Capability Development Plan is available at: <http://www.eda.europa.eu/genericitem.aspx?id=386>

<sup>21</sup> The EDA has already established, for example, work streams dedicated to improving helicopter availability and establishing a European satellite communication procurement cell. See "EU defence ministers pledge to address helicopter shortages for crisis operations", *Defence Aerospace*, 26 May 2008

<sup>22</sup> NATO has recently established for example a strategic airlift capability programme.

<sup>23</sup> "Irish no vote will not slow European defence integration, say officials", *Jane's Defence Weekly*, 7 July 2008

## 2.3 Independent Operational Planning

### Background

In 2003 France, Germany, Belgium and Luxembourg presented a number of proposals for greater enhanced cooperation in European defence within the overall discussion at the time of the European Constitution. Part of those proposals envisaged the creation of an independent EU civil-military planning cell, based at Tervuren and outside of the NATO framework.

The timing of the Summit proved controversial as tensions between the European allies over the conflict in Iraq remained high. Consequently the proposals met with considerable opposition. Fears over the duplication of resources and capabilities and the potential for undermining the NATO Alliance pitched supporters of an independent military capability for the EU against the more pro-Atlanticist EU Member States, including the UK, who continued to advocate the primacy of NATO as the provider of European security.

In August 2003 the British Government subsequently circulated a paper entitled *Food for Thought* to all EU Member and Acceding States. Along with proposals on structured co-operation and mutual defence, the paper presented an alternative to the "Tervuren proposal" and one that would place any EU planning capability firmly within the NATO framework. The paper's support for EU planning within NATO was interpreted by many as a firm indication of UK opposition to the Tervuren plans, a position also supported by several EU Member States including Spain, Italy and Poland. However, it was regarded by others as an acceptance by the UK of its need to remain involved in the ESDP debate in order to shape any potential outcome. The *Food for Thought* paper was considered as the first step towards a compromise.

After considerable negotiation, an agreement was reached at Naples in November 2003 whereby a small operational planning cell of 30-40 personnel would be established within the existing EU Military Staff in Brussels, rather than as an independent entity.<sup>24</sup> The planning cell would also have the capacity to rapidly establish an Operations Centre for a particular autonomous operation. Under this 'structured cooperation' agreement the cell would operate in parallel with a European cell based within SHAPE, NATO's operational planning HQ; while any independent EU operation run from its own headquarters would be a last resort when the US or NATO chose not to be engaged and the operation was not conducted either under the auspices of the Berlin Plus agreement or a national Operational HQ.<sup>25</sup> A number of commentators expressed concern at the time, however, "that a large oak [would] grow from the acorn being planted in Brussels".<sup>26</sup> Indeed in May 2007 the EU Foreign Ministers tasked the High Representative for CFSP, Javier Solana, to prepare a report on the shortcomings in the EU Military Staff's ability to conduct strategic planning for EU-led operations. That report was presented in November 2007 and resulted in the restructuring of the EU Military Staff and a limited revision of its Terms of Reference aimed at enhancing its ability to conduct early strategic planning so as to better inform and accelerate the decision making process

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<sup>24</sup> [European Defence: NATO/EU Consultation, Planning and Operations](#)

<sup>25</sup> The Berlin Plus agreement allows for EU access to NATO military assets and capabilities when conducting an operation that NATO as a whole is not engaged in.

<sup>26</sup> "Defensive war: Arguments on defence further complicate negotiations on EU constitution", *The Economist*, 6 December 2003.

among Member States. The Council indicated in May 2008 that it would return to this issue in the latter half of 2008, including an examination of the need for additional personnel.<sup>27</sup>

The Civil-Military cell achieved full operational capability (FOC) on 1 January 2007. This includes the capacity to generate an Operations Centre in order to run an autonomous EU operation as and when required.

Detailed background on the initial planning cell proposals and the subsequent agreement that was reached at Naples is available in Library Research Paper [RP06/32, \*European Security and Defence Policy: Developments since 2003\*](#).

## French Proposals

As part of the proposals to strengthen military capabilities and develop the EU's capacity for intervention, one of the key objectives of the French Presidency work programme includes:

strengthening European capabilities for planning and conducting ESDP military and civilian operations.<sup>28</sup>

Although the exact nature of the French proposals is unclear, it is widely accepted that such proposals envisage the expansion of the EU operations centre within the civil-military planning cell into an entirely independent standing EU military headquarters that would be responsible for tasking for future EU military operations. The development of such capacity is regarded as a fundamental tenet of the package of measures intended to improve the EU's ability to field an intervention capability and avoid becoming tagged as a mechanism purely for civilian crisis management. The implication of a permanent planning capability however, is that the operational hierarchy where the EU would deploy under its own HQ as a last resort would essentially be made redundant.

Yet, the likelihood of achieving unanimity among the EU's Member States with respect to this proposal is widely regarded as minimal. As the European Council on Foreign Relations has commented:

The likelihood of getting a European headquarters are slim, though not hopeless. But French officials admit that they do not want a teleological dispute and they are happy to abandon use [of] the words European Headquarter to avoid a fight with those who see it [as an] attack against the NATO headquarter[s]. The intention is thus to stress the need for permanent personnel to manage EU missions abroad.<sup>29</sup>

The greatest obstacle to progress is considered to be the UK which has always opposed the creation of military planning structures that would duplicate existing national and/or NATO assets. However indication of France's intent to rejoin the military command structure of NATO if progress in ESDP is achieved is regarded as a potential 'carrot' for a number of the more pro-Atlanticist states, including the UK. In April 2008, for example, the Polish Defence Minister Bogdan Klich suggested that the Polish government would support the possible creation of an EU military headquarters.<sup>30</sup>

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<sup>27</sup> Council of the European Union, 9868/08 (Presse 141), 26 May 2008

<sup>28</sup> *French Presidency of the Council of the European Union: Work Programme*

<sup>29</sup> "The French EU Presidency after the Irish no", *European Council on Foreign Relations*, 3 July 2008

<sup>30</sup> See "Poland indicates support for boosting EU's military role", *EU Observer*, 25 April 2008



An article in the *Financial Times* on 3 April also suggested that Washington had softened its longstanding opposition to an independent EU military capability:

President George W. Bush yesterday signalled a softening of long-standing US resistance to stronger European Union defence capabilities, suggesting for the first time this could help rather than weaken NATO [...]

The shift appears to be an early down payment from Mr Bush to a pledge last year from President Nicholas Sarkozy, who said he intended to return France to NATO's integrated military structure, which it abandoned in 1966. It also responds to Mr Sarkozy's expected announcement at the Bucharest summit that 1,000 additional French combat troops would be despatched to the NATO force in Afghanistan.<sup>31</sup>

Indeed Tomas Valasek has noted that the change in US opinion could be used to pressure European allies, and in particular the UK, to accept some form of compromise over the operational planning issue:

On the question of ESDP and the EU operational headquarters, some French officials also believe that the Americans may help them by leaning on the UK to accept the permanent EU planning headquarters. The Americans might not go that far but US diplomats have spoken privately to their UK counterparts, making the case for a compromise.<sup>32</sup>

However, a number of analysts have also questioned whether the political will to expand the current arrangement into a permanent feature of ESDP exists among EU Member States given the fact that the operations centre within the civil-military planning cell has yet to be 'deployed' in an operational capacity<sup>33</sup> and that existing EU operations have been undertaken adequately within existing structures.<sup>34</sup>

## 2.4 Financing of ESDP Operations

### Background

Under Article 28 (3) of the EC Treaty the common costs of CFSP and ESDP civilian crisis management activities are met from the general EU budget and divided among EU Member States on a GNI-related basis.<sup>35</sup> Expenditure arising from ESDP *military* operations is, however, met by individual Member States, as determined by the Council of Ministers. This is generally on a "costs lie where they fall" basis. Any Member State is entitled to abstain from a decision in this area under Article 23 (1) of the EC Treaty, and as such is not obliged to contribute to the financing of that decision. Denmark does not participate in the financing of ESDP operations under its general opt-out from actions under the Treaty that have defence implications.

Article 28 (3) states:

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<sup>31</sup> "Bush eases stance on EU defence capacity", *The Financial Times*, 3 April 2008

<sup>32</sup> "France, NATO and European defence", *Centre for European Reform*, May 2008

<sup>33</sup> The Operations Centre was, however, deployed as part of the Milex 07 exercise.

<sup>34</sup> Operation Althea is conducted under the Berlin Plus Agreement and is run by SHAPE; while the EU-led operation in Chad is run under a French operational HQ

<sup>35</sup> In 2008 the UK's share of common costs is 17%

3. Operating expenditure to which the implementation of those provisions gives rise shall also be charged to the budget of the European Communities, except for such expenditure arising from operations having military or defence implications and cases where the Council acting unanimously decides otherwise.

In cases where expenditure is not charged to the budget of the European Communities, it shall be charged to the Member States in accordance with the gross national product scale, unless the Council acting unanimously decides otherwise. As for expenditure arising from operations having military or defence implications, Member States whose representatives in the Council have made a formal declaration under Article 23(1), second subparagraph, shall not be obliged to contribute to the financing thereof.

In March 2004 a permanent financing mechanism (ATHENA) for the common costs of EU operations having military or defence implications was established by the Council of Ministers. ATHENA essentially eradicated the need for a Council decision adopting a separate financing mechanism every time a military operation was undertaken.<sup>36</sup> It should be noted that ATHENA deals with the common costs of ESDP operations, including some operational costs as defined in the Annexes of the Council Decision. Given the restrictive nature of the current list of common costs, the ratio of costs financed on a common basis to total operational costs is small at less than 10%. The majority of operational costs of an ESDP mission continue, therefore, to be determined on a “costs lie where they fall” basis out of the national budgets of individual Member States.

In December 2004 the European Council agreed to establish, within that agreement, measures to allow for voluntary payments to be made in order to meet the costs of a rapid response operation. The ESDP Presidency Report of December 2004 stated:

## XII. Review ATHENA

42. The first review of ATHENA, the mechanism to administer the financing of the common costs of European Union operations having military or defence implications, was finalised. Based on the Lessons Learned of ESDP military operations, Member States agreed on several changes to the ATHENA Council Decision. In response to the Council tasking to continue reflecting on the most appropriate ways and means to finance rapid reaction, Member States agreed to establish a special title within the Athena budget for voluntary payments in anticipation of a rapid response operation.<sup>37</sup>

Further amendments to ATHENA were made in early 2007. Those amendments included extending the scope of ATHENA to include EU operations conducted in support of a third party or organisation, such as the EU’s support to AMIS,<sup>38</sup> and expanding the list of common costs covered by the mechanism to include the acquisition of information (ISTAR),<sup>39</sup> medical facilities and critical in-theatre capabilities such as demining and logistics.

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<sup>36</sup> Council Decision 2004/197/CFSP

<sup>37</sup> <http://ue.eu.int/uedocs/cmsUpload/ESDP%20Presidency%20Report%2017.12.04.pdf>

<sup>38</sup> African Union Mission in Sudan

<sup>39</sup> ISTAR relates to intelligence, surveillance, target acquisition and reconnaissance capabilities.

In light of those amendments a codified version of the Council decision to establish ATHENA was published in May 2007 (Council Decision 2007/384/CFSP).<sup>40</sup> Annex III of that Decision lists the operational common costs borne under ATHENA.

The ATHENA mechanism is reviewed after every operation and at least every 18 months.<sup>41</sup>

Under Article 1 (47) of the Lisbon Treaty provision for the rapid financing of the preparatory phases of a crisis management operation, through a start-up fund based on member States' contributions, has also been envisaged. Decisions on the financing of the fund, and in particular the scale of contributions by Member States, would be taken by QMV in the Council after consulting the European Parliament.

## French Proposals

The main drawback of determining operational costs largely on a "costs lie where they fall" basis is that the financial burden of an operation falls mainly to those Member States contributing personnel and equipment; while smaller and newer Member States are often reluctant to commit large forces to an operation as deployment is expensive. As such, the willingness of States to meet the force generation obligations of an operation or an initiative such as the EU Rapid reaction Force is often lacking, despite expressions of political support. This has also been raised as a problem within the context of the NATO Alliance, as evidenced by the unwillingness of NATO Member States to meet the force generation requirements of the ISAF operation in Afghanistan.

In order to support the EU's capability for rapid intervention and share the burden of operational deployments more equitably among the EU's Member States the French Presidency Work Programme therefore calls for a revision of the ATHENA mechanism in order to fund more of the costs of EU military operations from the common budget as opposed to on a national basis.

Any amendments to the Council Decision establishing ATHENA will, however, require unanimity and support for the proposal is considered unlikely to be forthcoming from either the EU's four neutral states<sup>42</sup> or Germany, where domestic opposition to military intervention is high.

As the Centre for European Reform has noted:

He [Sarkozy] wants the EU to fund a bigger share of military operations from common funds, as opposed to national budgets. This suggestion is unlikely to be popular in Germany, which rightly suspects that more common funding would mean an increase in its payments to the EU.<sup>43</sup>

An article in *European Voice* also concluded:

Overhauling the financing arrangements for ESDP missions may be another French aspiration that will fall casualty to member state resistance. France wants to spread the financial responsibility more widely than under the current

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<sup>40</sup> A copy is available online at: [http://eur-lex.europa.eu/LexUriServ/site/en/oj/2007/l\\_152/l\\_15220070613en00140033.pdf](http://eur-lex.europa.eu/LexUriServ/site/en/oj/2007/l_152/l_15220070613en00140033.pdf)

<sup>41</sup> Further information on ATHENA is available at: [http://www.consilium.europa.eu/uedocs/cmsUpload/ATHENA\\_june\\_2007.pdf](http://www.consilium.europa.eu/uedocs/cmsUpload/ATHENA_june_2007.pdf)

<sup>42</sup> Sweden, Finland, Austria and Ireland. In 2008 Ireland's share of common costs is 1.4%, Sweden's is 2.75%, Austria's is 2.2% and Finland's is 1.5% (*Official Journal of the European Union*, 14 March 2008)

<sup>43</sup> "The CER Guide to the French Presidency", *Centre for European Reform*, July 2008

“costs lie where they fall” principle [...] but the broader definition of common costs that France wants is not popular with member states which fear they will end up with a larger bill – notably Germany.<sup>44</sup>

### 3 The UK Position

The UK has generally been quite cautious in its attitudes to the development of a European defence policy, regarding it as essential for strengthening the capabilities of the NATO alliance as opposed to the more pro-European view that the EU should establish an independent military capability including independent operational planning structures, outside the NATO framework. However, it is generally acknowledged that ESDP has to a certain degree acquired an impetus of its own, partly due to British encouragement.

How much further ESDP will progress under the Brown Government has so far been unclear. The identification of defence as a ‘red line’ in discussions over the Lisbon Treaty was considered to have set an early precedent in the Brown premiership.<sup>45</sup> Indeed in one of his first speeches on EU policy in November 2007, the Foreign Secretary David Miliband, appeared to set the UK at odds with those Member States seeking greater EU military integration by arguing that “the EU is not and never will be a superpower” and that greater collaboration with NATO must be sought. He stated:

We must also overcome the blockages to collaboration with NATO. We welcome the signs of increased willingness on the part of key partners to do so.

First, European member states must improve their capabilities. It’s embarrassing that when European nations – with almost 2 million men and women under arms – are only able, at a stretch, to deploy around 100 thousand at any one time [...]

European nations need to identify the challenges we face; the capabilities we consequently need; then identify targets for national investment in equipment, research, development, and training necessary to make more of our armed forces; work together for efficiency; and back it up with political drive.<sup>46</sup>

An article in *The Guardian* went on to report:

Taking questions from students at Bruges College last night, Miliband sounded distinctly sceptical, querying the need for more military instruments when the priority was to make existing ones work better. “The mismatch is between ambition and reality. It’s not an institution we lack” he said. “Let’s not duplicate the work that’s done by NATO or nation states in a new European institution.”<sup>47</sup>

It had been widely expected prior to the Bruges speech that the Foreign Secretary would use the opportunity to call for a new EU “charter” on military capabilities to be established. The notable absence of that suggestion, however, led many to conclude that the original

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<sup>44</sup> “French ambitions tested”, *European Voice*, 10 July 2008

<sup>45</sup> CFSP and ESDP and the UK’s discussions over the specific provisions of the Lisbon Treaty were examined in detail by the Foreign Affairs Select committee in January 2008. A copy of its report is available online at: <http://www.publications.parliament.uk/pa/cm200708/cmselect/cmfa/120/12002.htm> Library Research paper RP08/09 *The Treaty of Lisbon: Amendments to the Treaty on European Union*, 24 January 2008.

<sup>46</sup> “Europe 2030: model power not superpower”, Speech by Rt Hon David Miliband MP to the College of Europe, Bruges, 15 November 2007

<sup>47</sup> “Britain scorns France’s plans for EU defence”, *The Guardian*, 16 November 2007

intentions of the Foreign Secretary to push the ESDP agenda had been tempered by Downing Street for fear of appearing too pro-European. An article in *The Sunday Times* commented at the time:

On Thursday morning Foreign Office special advisers were pleased that they had influenced the newspapers to write that Miliband was to propose a build-up of continental defence capabilities. He was to say Britain must "identify targets for the investment in equipment, research, development, and training necessary to make more of our armed forces". He was also to propose an extension of the European single market to North Africa and the Middle East by 2030.

By that evening the speech had been radically changed. Special advisers were downcast. All references to an "EU military capabilities charter" had been deleted by Downing Street. Similarly, the idea of extending the single market had been watered down to a vague commitment to a free-trade zone for "the countries of the Maghreb". The foreign secretary had gone from Euro-enthusiast to Eurosceptic in the stroke of a prime ministerial pen.<sup>48</sup>

In a further move which many analysts interpreted as a distinctly cautious approach by the UK to developing European military ambitions, the UK vetoed a three year budget for the European Defence Agency at a meeting of the agency's steering board on 19 November 2007. Commenting on the decision, a British official was reported as saying that "we [the UK] don't back a budget without seeing what we are paying for".<sup>49</sup>

Despite these initial overtures, subsequent developments at the Franco-British Summit in March 2008 on the progress of ESDP and European defence capabilities have led to concerns over how far the Government will cede to French pressure for progress in this area.

The Franco-British Summit Declaration outlined the intention of France and the UK to co-operate in the development of European military capabilities, particularly in the field of carrier group operations, strategic lift, and addressing helicopter shortfalls, while also providing for greater co-operation in the harmonisation of requirements and any subsequent capability programmes. The declaration also stated:

Ten years after Saint Malo, which launched European Security and Defence Policy, we stress our continuing common determination to play a leading role in defence and security, both in Europe and within the Atlantic Alliance, and in close cooperation with our partners and Allies [...]

We call on all our European partners to take decisive steps to strengthen European military and civilian crisis management capabilities during the French Presidency of the EU.<sup>50</sup>

Yet the summit declaration did not address the more controversial issue of an independent operational planning capability for the EU. As an article in *The Economist* pointed out:

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<sup>48</sup> "Gordon the master ventriloquist", *The Sunday Times*, 18 November 2007

<sup>49</sup> "Britain puts foot down on EU defense agency budget", *Defense News*, 20 November 2007. The role and progress of the EDA is examined in greater detail in Library Research Paper RP06/32, [European Security and Defence Policy: Developments since 2003](#), 8 June 2006

<sup>50</sup> A copy of the Joint UK-France Summit Declaration of 27 March 2008 is available online at: [http://www.diplomatie.gouv.fr/en/IMG/pdf/pdf\\_UK-FR\\_Communique\\_270308-Eng.pdf](http://www.diplomatie.gouv.fr/en/IMG/pdf/pdf_UK-FR_Communique_270308-Eng.pdf)

The French, mindful of British euroscepticism, are taking care not to push Europe's nascent defence project too hard before Britain ratifies the Lisbon Treaty this summer.<sup>51</sup>

Support for the development of ESDP under the French Presidency was reiterated by the Foreign Secretary in a speech on 3 July 2008 although, again, the government's position on specific French proposals such as the operational planning capability was not addressed. Mr Miliband stated:

the countries of Europe need to be better at using their hard power. That is why I strongly welcome President Sarkozy's proposals to reintegrate France into NATO's military structure and support for his call for the EU to play a greater role in crisis management.

Britain's arguments with France often obscure how much we have in common. But what strikes me about the French priorities for their Presidency is how closely they tie with our own ambitions for the EU, as set out in the Global Europe policy statement last autumn, whether on energy and climate change, migration, near neighbourhood policy, and the next steps on European defence.

NATO is and will remain the cornerstone of European defence. Whether in Afghanistan or Kosovo, we need it to work as effectively as it can, which is why we want France to play a full role. But as the Balkans wars in the 1990s demonstrated, unless Europe can develop its own capabilities it will be consigned always to wait impotently until the US and NATO are ready and able to intervene.

This is not a threat to NATO. As the US Ambassador to NATO said: "the US needs, the UK needs, NATO needs, the democratic world needs a stronger, more capable European defence capacity. An ESDP with only soft power is not enough".

This means a genuine role for the EU in conflict prevention and crisis management whether it is providing the civilian experts - the police trainers, judges, civil servants and aid workers - that are needed alongside the military; or deploying soldiers from national armies in roles where NATO is not engaged.<sup>52</sup>

In January 2008 the Secretary of State for Defence, Des Browne, did comment however on the possibility of a standing EU military HQ during evidence to the Defence Select Committee. During that session he stated:

**Q277 Robert Key:** When we visited NATO headquarters in Brussels earlier in the year, it was pretty clear that France wanted to establish a separate EU military headquarters. Is France right?

**Des Browne:** I think we are on record as saying that a permanent EU operational headquarters would duplicate what is already available to the EU at the Berlin Plus level from SHAPE or otherwise from the five national operational headquarters which are offered to the Headline Goal, and I agree with the development on that.

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<sup>51</sup> "An entente in London", *The Economist*, 19 March 2008

<sup>52</sup> Speech by the Foreign Secretary to Progress, 3 July 2008 (<http://www.fco.gov.uk/en/newsroom/latest-news/?view=Speech&id=3924684>)

**Q278 Robert Key:** So how can we reconcile this divergence of opinion between France and the rest?

**Des Browne:** Presently we have no operational headquarters and that is how it has been reconciled thus far!

**Q279 Robert Key:** I cannot argue with that.

**Des Browne:** There is no operational headquarters and so long as we continue to sustain the argument then that is how it will be resolved.

**Chairman:** Secretary of State, if such a headquarters were the price for increased French commitment to NATO or for increased French commitment to Afghanistan, would it be a price worth paying?

**Robert Key:** Just say no!

**Des Browne:** I do not believe so, but with all due respect, Chairman, it is the most hypothetical of hypothetical questions and it may have been better if I had just said that to you.<sup>53</sup>

Yet, as Tomas Valasek has noted, the UK is now potentially left with somewhat of a dilemma:

The UK would welcome France's return to full participation in NATO, but it remains lukewarm on many French ideas on ESDP since it continues to prioritise NATO [...]

France's renewed interest in EU operational planning leaves the UK government in a paradoxical situation. It has always wanted NATO and the EU to co-operate closely. Britain now has the best opportunity in a decade to achieve just that. But the full French return to NATO and the prospect of better EU-NATO relations hinges on a compromise with France on the unloved EU operational headquarters.

Britain and France clearly need to find a solution that allows France to claim progress on ESDP, but also meets the UK's desire for closer EU-NATO co-operation. This will not be easy because the two sides have already been through the argument over EU operational headquarters once in 2003, and both parties walked away from it embittered.<sup>54</sup>

Indeed it has been observed that for progress on ESDP to be achieved during the French Presidency, the agenda must be driven by a convergence of interests between the UK and France. As Tomas Valasek goes on to state:

To unblock the EU-NATO relationship [...] Britain and France must seize on Sarkozy's initiatives, otherwise the hopes for better EU-NATO relations will evaporate. Britain and France form the undisputed core of European defence. They are the main providers of troops, and the largest producers and buyers of military hardware. The two countries are alone in Europe in having a truly global, strategic, expeditionary mindset, and the forces to back up their

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<sup>53</sup> Defence Select Committee, *The Future of NATO and European Defence*, HC 111, Session 2007-08

<sup>54</sup> "France, NATO and European defence", *Centre for European Reform*, May 2008

ambitions. They virtually invented ESDP at the Chirac-Blair summit in St Malo in 1998. If these two disagree, little happens in Europe on defence.<sup>55</sup>

In its July 2008 dossier on European military capabilities the International Institute for Strategic Studies also observed:

The policy orientations of the United Kingdom and France will, above all else, determine Europe's ability to have strong and coherent capabilities in the future. Just as they launched the EU into the defence realm with their 1998 St Malo accord, they have it within their power strongly to influence Europe's future choices [...]

With Franco-British impetus, European countries could develop capabilities that would enable Europe to play an effective role in addressing international crises, at good value to the taxpayer. Without it, progress towards this goal is likely to remain heavily qualified.<sup>56</sup>

## 4 Suggested Reading

- International Institute for Strategic Studies, *European Military Capabilities: Building Armed Forces for Modern Operations*, July 2008
- "The pressures for a new Euro-Atlantic Security Strategy", *Europe's World*, Summer 2008  
(<http://www.europesworld.org/EWSettings/Article/tabid/78/Default.aspx?id=2cf2f5cc-b3b8-47aa-bac0-e94989c3c96f>)
- "The CER Guide to the French Presidency", *Centre for European Reform*, July 2008  
([http://www.cer.org.uk/pdf/bn\\_french\\_presidency\\_4july08.pdf](http://www.cer.org.uk/pdf/bn_french_presidency_4july08.pdf))
- European Security Review, July 2008 ([http://www.isis-europe.org/pdf/2008\\_esr\\_56\\_esr39.pdf](http://www.isis-europe.org/pdf/2008_esr_56_esr39.pdf))
- "French Ambitions Tested", *European Voice*, 10 July 2008
- "Irish no vote will not slow European defence integration", *Jane's Defence Weekly*, 7 July 2008
- "The French EU Presidency after the Irish No", *European Council on Foreign Relations*, 3 July 2008  
([http://www.ecfr.eu/content/entry/commentary\\_eu\\_french\\_presidency/](http://www.ecfr.eu/content/entry/commentary_eu_french_presidency/))
- "The French EU Presidency – What to Expect", *Open Europe*, June 2008  
(<http://www.openeurope.org.uk/research/frenchpresidency.pdf>)
- "Willing and Able? EU Defence in 2020", *Centre for European Reform*, June 2008  
([http://www.cer.org.uk/pdf/e\\_2020\\_844.pdf](http://www.cer.org.uk/pdf/e_2020_844.pdf))

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<sup>55</sup> "France, NATO and European Defence", *Centre for European Reform*, May 2008

<sup>56</sup> International Institute for Strategic Studies, *European Military Capabilities: Building Armed Forces for Modern Operations*, July 2008



- “France, NATO and European Defence”, *Centre for European Reform*, May 2008 ([http://www.cer.org.uk/pdf/policybrief\\_nato\\_12may2008.pdf](http://www.cer.org.uk/pdf/policybrief_nato_12may2008.pdf))
- “Europe’s Defence and its new security Strategy”, *Centre for European Reform*, December 2007/January 2008
- “Revising the European Security Strategy”, *European Security Review*, October 2007 ([http://www.isis-europe.org/pdf/2007\\_esr\\_45\\_esr\\_35.pdf](http://www.isis-europe.org/pdf/2007_esr_45_esr_35.pdf))
- “The Threats facing the EU in its Geographical Neighbourhood”, *European Parliament Briefing Paper*, March 2007 ([http://www.europarl.europa.eu/meetdocs/2004\\_2009/documents/dv/studyenpmissoioli/\\_studyenpmissoioli\\_en.pdf](http://www.europarl.europa.eu/meetdocs/2004_2009/documents/dv/studyenpmissoioli/_studyenpmissoioli_en.pdf))