



## **EPC WORKING PAPER N° 11**

ESDP: The State of Play

Fraser Cameron  
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**THE FUTURE OF CFSP**





## **EPC WORKING PAPER**

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## List of Acronyms

AET	Agency Establishment Team
C2	Command and Control
C3	Command, Control and Communications
C <sup>4</sup> ISR	Command, Control, Communications, Computers, Intelligence, Surveillance and Reconnaissance
CBRN	Chemical Biological Radiological and Nuclear
CDM	Capability Development Mechanism
CFA/CDA	Capability Functional Areas/Capability Development Areas
CFSP	Common Foreign and Security Policy
CMO	Crisis Management Operation
COTS	Commercial of the shelf Technologies
DCI	Defence Capability Initiative
DSACEUR	Deputy Supreme Allied Commander Europe
DTIB	Defence Technological and Industrial Base
DTEB	Defence Test and Evaluation Base
EACC	European Airlift Coordination Centre
EAC	European Airlift Centre
ECAP	European Capability Action Plan
EDA	European Defence Agency
ERRF	European Rapid Response Force
ESDP	European Security and Defence Policy
ESRP	European Security Research Programme
ESS	European Security Strategy
EUMS	EU Military Staff
EUMC	EU Military Committee
EUPM	EU Police Mission
GAERC	General Affairs and External Relations Council
GDP	Gross Domestic Product
GoP	Group of Personalities
HHG	Helsinki Headline Goal
HG2010	Headline Goal 2010
HQ	Headquarters
IPU	Integrated Police Unit
LoI	Letter of Intent (Framework Agreement)
NRF	NATO Response Force
OCCAR	Organisation Conjointe de Coopération en matière d'Armement
PCC	Prague Capabilities Commitment
PGM	Precision Guidance Munitions
QMV	Qualified Majority Voting
R&D	Research and Development

R&T	Research and Technology
RMA	Revolution in Military Affairs
SEAD	Suppression of Enemy Air Defence
SHIRBRIG	Stand By High Readiness Brigade
SFOR	Stabilisation Force
UN DPKO	UN Department of Peacekeeping Operations
WEAG/WEAO	Western European Armaments Group/Organisation
WMD	Weapons of Mass Destruction

## Introduction

The European Security and Defence Policy (ESDP) is beginning to move forward. After the disarray and shock of the Iraq war there are encouraging signs that the Member States recognise the need to improve the EU's procedures and capabilities for security and defence. The EU is moving to implement the proposals contained in the Solana EU Security Strategy (ESS), agreed last December by the European Council. In June the EU agreed a new constitutional treaty that contains far-reaching proposals for "permanent structured cooperation" in defence. Rather than waiting for the eventual full ratification of the new Constitution by the 25, the Member States have already begun to lift key defence provisions for immediate adoption such as the European Defence Agency, the Solidarity Clause and an expansion of the Petersberg Tasks. The European Commission has also produced a number of proposals to enhance Europe's research capacity in the security field. The Union is active in two police missions in the Balkans (EUPM and Proxima) and is about to embark on its first ESDP rule of law mission in Georgia. Later this year the EU will be taking over the SFOR mission in Bosnia from NATO, which will be named operation Althea (and include an Integrated Police Unit).<sup>1</sup> In comparison to recent years this is an ambitious agenda and demonstrates a new mood in the EU to develop its crisis management capabilities.

A key element in this agenda will be focusing on the necessary capabilities to underpin the EU's security policy aspirations. This applies equally to capabilities for civilian and military crisis management. But whilst civilian crisis management capabilities suffer from a lack of political will to develop hitherto non-existent or under-developed capabilities; military crisis management suffers from a massive over-capacity in the wrong types of forces and equipment. This has led to a significant drain on resources from European coffers and an inability to provide forces and equipment that are relevant for today's security challenges as mapped out in the ESS.

The EU must now seek to develop a European strategic culture and simultaneously promote "defence transformation." The Union has now taken a potentially important step forward by establishing a new Agency in the field of defence capability, development, research, acquisition and armaments (European Defence Agency - EDA). Looked at from the perspective of the past fifty years of the Member States' experience in managing defence policies, budgets and bureaucracies there is a massive task ahead. Yet the budgetary pressures facing all Member States may push them further and faster down the path of defence sharing than was possible in past years.

This paper briefly reviews the main developments in ESDP and assesses the ESS. It considers the changes in the new Constitutional Treaty affecting ESDP, examines the mandate of the EDA and assesses the prospects for increased R&D in the defence field. It recognises that these new challenges are occurring in a period of uncertainty about the future of the EU and limited prospects for additional financing being available for ESDP.<sup>2</sup>

## 1. The Development of ESDP

The end of the Cold War opened up the prospect of both widening and deepening the European Union (EU). The states that were under Soviet domination for half a century now had the opportunity to join the prosperous western half of Europe. The Member States of the EU also seized the opportunity, some more enthusiastically than others, to agree plans for a single currency and a common foreign and security policy (CFSP). The 1992 Maastricht Treaty that established the CFSP also foresaw “the eventual framing of a common defence policy,” which could “in time lead to a common defence.” The 1997 Amsterdam Treaty agreed on a High Representative for CFSP and introduced the Petersberg Tasks (including “humanitarian and rescue tasks, peacekeeping tasks, and tasks of combat forces in crisis management, including peacemaking”) which clearly did not amount to “the framing of a common defence policy.” The two main European defence camps were led by France and the UK; the former saw the potential for a European defence policy to strengthen European autonomy and break free of their dependence on the US through NATO, whilst the UK led the camp of those convinced that NATO remained the key pillar for defence and security policy.

The election of a new Labour British government in 1997 led to a change in the UK position. At St. Malo in December 1998 London and Paris initiated a new bi-lateral push on EU defence efforts with a declaration stating that the EU should develop “...the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and a readiness to do so, in order to respond to international crises.”<sup>3</sup>

In the past five years European Council meetings have developed ESDP further:

- on operational objectives in December 1999, with its Helsinki Headline Goal (HHG) where the Member States agreed that in “cooperating voluntarily in EU-led operations, Member States must be able by 2003, to deploy within 60 days and sustain for at least 1 year military forces of up to 50,000 - 60,000 persons capable of the full range of Petersberg Tasks.”;
- on decision-making in order to be able to oversee a crisis management operation at the Nice European Council in December 2000, and with the introduction of the permanent structures of the Political and Security Committee, Military Committee and EU Military Staff;
- on financing military crisis management operations at the Seville European Council in June 2002, and
- on capabilities widely regarded as lacking in European inventories and essential for crisis management operations with the Laeken European Council on 15 December 2001 which approved the European Capability Action Plan (ECAP). This called on Member States to “mobilise voluntarily all efforts, investments, developments and coordination measures, both nationally and multinationally, in order to improve existing resources and progressively develop the capabilities needed for the Union’s crisis-management actions.”<sup>4</sup>



The Berlin Plus arrangements with NATO were also an important step forward (see below). Finally, the Union began its first actual military operations under ESDP (Concordia<sup>5</sup> and Artemis<sup>6</sup>) in April and June 2003.

## **The European Security Strategy**

The European Security Strategy (ESS) was partly a response to the Union's disarray over Iraq and partly a response to the assertive US national security strategy of September 2002 with its emphasis on "pre-emptive strikes." The Member States gave Javier Solana, the High Representative for CFSP, a mandate to address the issue of where the Union stands as a global actor and how it sees its evolving security instruments meeting that vision.

The ESS produced in a document with the subtitle "*A Secure Europe in a Better World*," was first proposed as a draft at the Thessaloniki European Council in June 2003 and then adopted in a revised form at the December 2003 European Council in Brussels.<sup>7</sup>

The ESS clearly states that the EU and its Member States will tackle their security priorities in a framework that emphasizes multilateral institutions (specifically the UN and regional organisations) and the rule of law (upholding the principle of the use of force as a last resort). It has no illusions regarding the weakness of the EU as a military power. Indeed, the Union's lack of military capability is highlighted as a major weakness. The ESS stresses that priority security objectives (WMD proliferation and international terrorism) should be addressed through "effective multilateralism." In other words, by supporting the UN system, strengthening national responses through EU synergies and by addressing root causes such as poverty and weak governance by drawing upon community instruments and regional dialogue. These characteristics, along with an emphasis upon "preventive engagement" rather than "pre-emption," are generally acknowledged to make the ESS stand apart from the US National Security Strategy. Thus, it may be read as identifying security priorities which meet current US concerns but that do not amount to a European endorsement of US methods.<sup>8</sup>

The ESS suggests that the EU has three key strategic objectives in applying its external instruments to meet contemporary security challenges:

- extending the zone of security on Europe's periphery;
- supporting the emergence of a stable and equitable international order, particularly an effective multilateral system;
- seeking effective countermeasures to new and old threats.

Whether applied to new or old threats, these countermeasures have certain common elements; recognizing that the first line of defence lies beyond EU frontiers; acknowledging that inaction is not an option; understanding that a military response is not always appropriate but might form one element of a combined response. In this way, the EU can engage in the systematic political engagement of “prevention.”

It was a brave move for Solana to put such emphasis on multilateralism, especially as an EU commitment to multilateralism has not always been conducive to common, effective action as demonstrated by the failure of the Union to meaningfully mobilize in support of the Biological and Toxin Weapons Convention or to arrive at a common position in the UN Security Council over the Iraq crisis. Solana’s use of the term multilateralism is not simply a knee-jerk response to the US but a clear challenge to Member States to turn their rhetoric on multilateralism into a “results oriented” strategy with which the US can engage.

The ESS again stresses that Europeans generate inadequate capability from their considerable defence spending. Member States must make better use of the €160 billion devoted annually to defence (the US spends around billion euros 340).<sup>9</sup> The document emphasises that this needs the *transformation* and *modernization* of European armed forces. In turn this requires and will inspire greater systematic thinking on how to reduce duplication, share tasks and create more multinational capacity, which in turn will reinforce efforts to establish a European Defence Agency (see below). The ESS therefore comes full circle by outlining the rationale for a European Security Strategy and then highlighting the key civilian and military capability weaknesses to remedy in order to make that policy a reality.

### **Proposals in the European Constitutional Treaty**

The articles covering defence in the Constitutional Treaty provide recognition that in this area, more than others, some Member States are more equal than others. There remains the commitment to “the progressive framing of a common defence policy” and this could lead to a common defence “when the European Council, acting unanimously, so decides.” The most important change, however, is in the acceptance of a new form of “permanent structured cooperation” within the Union that would allow those Member States whose military capabilities fulfil higher criteria and which have made more binding commitments to one another in this area to carry out missions on behalf of the EU. In blunt terms this acknowledges that Britain and France bring rather more military assets to the table than Malta or Cyprus.

Article I of the Protocol states that permanent structured cooperation shall be open to any Member State:

- that undertakes to proceed more intensively to ward developing, its defence capacities through the development of its national contributions and participation, where appropriate, in multinational forces, in the main European equipment programmes, and in the EDA,
- that has the capacity to supply by 2007 at the latest targeted combat units for the missions planned ... with support elements including transport and logistics.

Article II states that to achieve these objectives Member States participating in permanent structured cooperation shall:

- cooperate to achieve approved objectives concerning the level of expenditure on defence equipment, and regularly review these objectives in the light of the security environment and of the Union's international responsibilities;
- bring their defence apparatus into line with each other as far as possible, particularly by harmonising the identification of their military needs, by pooling and, where appropriate, specialising their defence means and capabilities, and by encouraging cooperation in the fields of training and logistics;
- take concrete measures to enhance the availability, interoperability, flexibility and deployability of their forces, in particular by identifying common objectives regarding the commitment of forces, including possibly reviewing their national decision-making procedures;
- work together to make good the shortfalls perceived in the framework of the "Capability Development Mechanism;"
- take part, where appropriate, in the development of major joint or European equipment programmes in the framework of the Agency.

Article III refers to the EDA and states that it shall contribute to the regular assessment of Member States' contributions with regard to capabilities.

There are complicated proposals for the use of QMV in taking decisions under permanent structured cooperation but experience suggests that Member States would be very reluctant to break from the traditional principle of unanimity in defence matters.

Another change is the mutual solidarity clause which, while acknowledging the commitments of NATO Members States that "if a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all means in their power...." This is more a political gesture than an attempt to create an EU defence alliance. But it serves to underline the basic solidarity between Member States.

## 2. Improving Capabilities : The Headline Goal 2010

There has been little discussion let alone consensus on what level of force Europeans envisage and under what circumstances force should be used. Furthermore, it has long been argued that the Petersberg Tasks have become an unhelpfully empty concept.<sup>10</sup> This was finally recognised in the ESS and in November 2003 Member States endorsed a plan to define by June 2004 the presently opaque Petersberg Tasks for the EU according to a timeframe of 2010.

The new 2010 Headline Goal states unequivocally that today's security threats and challenges are multifaceted and require both civilian and military responses. Accordingly, the EU is well placed to provide a framework for civilian and military responses and the deployment of effective capabilities will often play a crucial role at key moments in any conflict cycle. It recognised that that existing shortfalls still need to be addressed following a review under three categories; the Headline Goal Catalogue, the Headline Force Catalogue and the Headline Progress Catalogue.

Initial Helsinki commitments had led to a surplus of commitments in some areas such as soldiers (over 100,000) combat aircraft (over 400) and ships (100) and an absence of commitment in other areas such as strategic airlift and tactical transport (including helicopters). Other commitments were so complicated that a force planner would not be able to state with any confidence which of the actual troops were available at any one time.

A number of ECAP working groups were set up to examine shortfalls in a number of critical areas that can be grouped as follows:

- Strategic and tactical lift
- Sustainability and Logistics (including air-to-air refuelling)
- Effective engagement (including precision weapons)
- Survivability of Force and Infrastructure (including rescue helicopters)
- C<sup>4</sup> ISR (including communications, satellites, and surveillance)

Pre-dating this EU initiative NATO had launched the Defence Capabilities Initiative (DCI) at its Washington Summit in March 1999, which had already identified 58 key shortfalls. Despite NATO adopting a similar narrower focussed process under the Prague Capability Commitments (with 8 key capability areas launched at the Summit in 2003) both processes began to suffer the same fate of the original DCI, i.e. a lack of political will from Member States to commit resources to make up the shortfalls in the common key capability enablers. Even worse, the two organisations were focussing on almost identical capability shortfalls but could not coordinate sufficiently to have joint meetings, even after agreeing security arrangements, known as "Berlin Plus," for inter-institutional exchanges.

A key feature of the original HHG was the voluntary nature of Member States' commitments, a feature that NATO also adopted under the Prague Capability Commitments process and for the NATO Response Force (NRF). The EU's cataloguing process, analysing European capabilities and commitments, had its limitations. Member States were not required to provide guarantees regarding what assets, troops and resources are actually available or really operational. Furthermore, most analysts agree that despite ECAP efforts the defence capability generation process slowed down in late 2002/2003 and had not prevented the considerable waste of resources spent on inefficient generation of military capacity throughout Europe.

Although the Helsinki Headline Goals were declared formally met in 2003, the Thessaloniki European Council acknowledged that the EU operational capability across the full range of Petersberg tasks was still limited and constrained by recognised shortfalls. The new 2010 Headline Goal was adopted at the Brussels European Council in June 2004,<sup>11</sup> and its essence captured in the statement:

*"Building on the Helsinki Headline and capability goals and recognising that existing shortfalls still need to be addressed, Member States have decided to commit themselves to be able by 2010 to respond to with rapid and decisive action applying a fully coherent approach to the whole spectrum of crisis management operations covered by the Treaty on the European Union. This includes humanitarian and rescue tasks, peace-keeping tasks, tasks of combat forces in crisis management, including peacemaking. As indicated by the ESS this might also include joint disarmament operations, the support for third countries in combating terrorism and security sector reform. The EU must be able to act before a crisis occurs and preventive engagement can avoid that a situation deteriorates. The EU must retain the ability to conduct concurrent operations thus sustaining several operations simultaneously at different levels of engagement."*<sup>12</sup>

The European Council statement left some questions unanswered. The new Headline Goal 2010 does not define more precisely the Petersberg Tasks (indeed it adds to them) nor does it clarify ambiguities in the first Headline Goal such as whether there was an agreed cap at the high end of military intervention for the EU or what precise level of concurrency and sustainability the Union used in its planning. Further ambiguity is added with reference to "joint disarmament operations," which could include anything from providing personal security to UN inspectors to full scale invasion à la Iraq. There is also ambiguity on concurrency and sustainability, both critical for providing the EUMS with realistic parameters for policy planning and force generation models, with such statements as "several concurrent operations." The same also applies to references to issues that are critically important to defence planning

such as “Interoperability but also deployability and sustainability will be at the core of the Member States efforts and will be the driving factors of this goal 2010.”

Perhaps in anticipation of such criticisms the new Headline Goal 2010 outlines a process for achieving these objectives with some specific milestones:

- to establish during the second half of 2004 a civil-military cell within the EUMS as well as the capacity to rapidly set-up an operation centre should the need arise for certain operations;
- to establish the Agency in the field of defence capability development, research, acquisition and armaments (European Defence Agency) during 2004. The agency's work will include ongoing efforts to achieve (the ECAP) capability shortfalls;
- to implement by 2005 the creation of an EU strategic lift joint coordination as a step towards achieving full capacity and efficiency by 2010 in strategic lift (air, land and sea);
- to transform (in particular for airlift) the EACC into the EAC by 2004 and to develop (between some Member States) a European Airlift command by 2010;
- to complete by 2007 the establishment of the Battle Groups including the identification of appropriate strategic lift, sustainability and debarkation assets;
- to acquire the availability of an aircraft carrier with its associated air wing and escort by 2008;
- to improve the communications at all levels of EU operations by developing appropriate compatibility and network linkage of all communications equipment and assets (both terrestrial and space) by 2010;
- to develop quantitative benchmarks and criteria for national forces declared to the Headline Goal in the field of deployability and in the field of multinational training.

These are ambitious but not unrealistic targets. The EU has now moved from working groups to project groups but it remains to be seen whether the Member States will have greater success in achieving the 2010 goals than previous targets.

### **Battle Groups**

The new Headline Goal (2010) is a process and the milestones and key concepts such as Battle Groups, interoperability, deployability and sustainability play a critical role in providing mechanisms for defence transformation as well as referring to actual defence tools. The catalogue process will remain in place for analytical purposes and innovatively as the basis for categorising capabilities to tasks within certain scenarios.

For instance the Battle Group concept is seen as a key “mobilising” element in pursuing the Headline Goal 2010. A Battle Group consists of highly trained, battalion – size formation (1,500 soldiers each) – including all combat and service support as well as deployability and sustainability assets. These should be available within 15 days notice and sustainable for at least 30 days (extendable to 120 days by rotation). They should be flexible enough to promptly undertake operations in distant crises areas (i.e. failing states), under, but not exclusively, a UN mandate, and to conduct combat missions in an extremely hostile environment (mountains, desert, jungle, etc). As such, they should prepare the ground for larger, more traditional peacekeeping forces, ideally provided by the UN or the Member States. They should also be compatible with the NATO Response Force (NRF).

The Battle Group concept leaves open the question of follow on forces. The Battle Group is deployable and sustainable for 120 days but the UN force generation process (the most likely source of follow on forces) is 6 months. This seems to imply that either the Battle Group’s period of deployment or the UN’s process of force generation should be recalibrated. However, the Headline Goal takes this a step further in its specific references to the “Battle Groups concept” although also more moderately described as “minimum force packages” by linking them to a more comprehensive concept of intervention whereby the EU has the ability to deploy force packages at high readiness as a response to a crisis either as a stand-alone force or as part of a larger operation enabling follow-on phases. This follow-on phase addition to the Battle Group concept provides a critical point of departure for further work to aid force planning for EU crisis management, but as yet has been left incomplete in the Headline Goal. Another major addition to the detail on force packages is the reference to “Procedures to assess and certify these high readiness joint packages will require to be developed.” Whilst only “remaining to be developed” this would potentially add a qualitative and quantitative breakthrough in forces assigned to the Union that are not only committed and counted in “catalogues” but also verified and vetted in order to substantially improve defence planning processes (this will mostly likely take the shape of a self assessment using a Defence Planning Questionnaire such as NATO uses which might be followed up with liaison interviews).

The two most important Member States in terms of deployable military force, France and the UK, remain committed to the new Headline Goal and have endorsed the commitment “to acquire the availability of an aircraft carrier with its associated air wing and escort by 2008” as the only states along with Italy with aircraft carriers in their navies. Having access to an aircraft carrier would provide an important symbol of power-projection for ESDP, even if it has a slower capability in force projection, unlike airlift and pre-positioning of key capabilities and forces.

### 3. The Multilateral Dimension: EU-UN Cooperation

In an annex to the “ESDP Irish Presidency Report” of June 2004 some of the missing links between the EU Battle Group’s intervention period (up to 120 days) and the UN’s force generation process are touched upon. Annex II entitled “EU UN” and under the heading “EU-UN co-operation in Military Crisis Management Operations: elements of implementation of the EU-UN Joint Declaration” provides an ambitious framework to take forward substantial cooperation in EU-UN military crisis management operations. Operation Artemis launched in June 2003 provided a rapid learning curve for EU-UN relations in crisis management. It is likely that EU-UN cooperation on future crisis management scenarios will increase. Currently, further analysis is being conducted on two specific models to meet the objective of “an EU operation in answer to a request from the UN” either with a “stand alone force” or as a component within a larger UN mission (a modular approach).

The first model, known as the “Bridging Model” reflects an operation Artemis type operation whereby the EU intervenes for a short period in order to allow the UN time to mount a new operation or reorganise an existing one. Such an operation requires a rapid deployment for a short duration with a clear end-state. The key to the successful use of such a force is close coordination with the UN for a quick replacement and smooth transition.

The second model, known as the “Stand By Model” has been described by the UN Secretariat as an “over the horizon reserve” or an “extraction force” provided by the EU in support of a UN operation. European experience also exists in the development of such a model with the Danish-based multinational Stand By High Readiness Brigades (SHIRBRIG). The Presidency report says that this type of model would require “complicated coordination” with the UN, “immediate reaction” and “could carry considerable associated risk” and will be analysed further under the development of the Battle Group concept.

Member States will also be able to continue long-standing bi-lateral or multinational commitments to the UN and may use the EU in a “clearing house process” whereby they submit information on the capabilities they have committed to the UN and should they wish, use the process to co-ordinate national contributions. The Presidency report says that these three issues (the clearing house process, the Bridging Model and the Stand By Model) will be developed further in the context of ongoing efforts to implement the EU-UN Joint Declaration.

Furthermore, whilst the development of a dialogue with the UN on the role the EU might play in supporting crisis management operations is consistent with the ESS and Franco-British visions on the role of the EU military capabilities,<sup>13</sup> the Stand By Model in particular raises some very interesting new issues. References to the fact



that the Stand By Model requirements for “complicated coordination” with the UN, “immediate reaction” and references that it “could carry considerable associated risk” imply a need for a very rapidly deployable and robust standing force, but whether this can be developed and operational for “immediate reaction” without it being pre-assigned to the EU in order for it to meet the EU’s decision-making process remains to be seen. This is more demanding than the Artemis model because the EU would be politically committing to the UN that it has these forces ready for immediate reaction. The voluntary trust-based commitments of the Rapid Reaction Force would not meet this requirement.

Finally this links to the role of the EU’s Operational Planning Centre (and Planning Cell) adopted at the December 2004 European Council. The Headline Goal clearly calls for the realisation of an EU Planning Cell. The more demanding aspects of the EU-UN military crisis management framework would also require an EU planning and operational facility. In the meantime the further development of the Operational Planning Centre could usefully take up the less controversial role of fostering good working relations with the UN Department for Peacekeeping Operations (UN DPKO).

Likewise, whilst the Battle Group is developed from concept to actual force it can also usefully be mobilised not just for re-arranging existing capabilities but rather as a tool for producing new ones. A key benchmark for measuring the value of the concept will be in seeing which countries offer to provide or create new Battle Groups at the commitments conference to be held this autumn. The EU Military Staff (EUMS) will also need to develop the concept through realistic scenario-based work to promote readiness, sustainability, concurrency and follow-on forces, as well as co-operation with and transition to civilian operations. This in turn will facilitate realistic categorisation of capabilities for tasks. It remains to be seen, however, if this work takes place within the EU Military Staff, in the new planning cell for civilian and military operations, or as part of the EDA’s remit. The civil-military planning cell provides the obvious location for discussions relating to how Battle Groups might be deployed in complex conflicts and peace-building processes, but there is little evidence that the proposed cell will be robust enough to bridge the crucial “security gap” known as the “civil-military divide” and ensure an integrated and comprehensive approach to the planning of military and civilian EU interventions.

## 4. The European Defence Agency

There have been many efforts over the years to inject more efficiency into defence procurement in Europe. These efforts have often failed due to the lack of political will and with employment considerations trumping economic efficiency. But in an era of shrinking defence budgets and with the cost of new weaponry rising there has been a new willingness to promote closer cooperation. This has led to the establishment of the European Defence Agency (EDA) under a Joint Action of the EU following a proposal in the European Convention and endorsed in the draft constitutional treaty.<sup>14</sup>

The Council decided in November 2003 that during 2004 an “Agency in the field of defence capabilities development, research, acquisition and armaments” would be established.<sup>15</sup> It would have four key roles:

- developing defence capabilities in the field of crisis-management;
- promoting and enhancing European armaments co-operation;
- strengthening the European industrial and technological base;
- and creating a competitive European defence equipment market as well as promoting, in liaison with the Community’s research activities where appropriate, research aimed at leadership in strategic technologies for future defence and security capabilities.

During 2004 Ministers agreed that the Agency should be tasked with:

- identifying future defence capability requirements, both in quantitative and qualitative terms (forces, equipments, interoperability and training);
- continuing to work with NATO through the Capability Development Mechanism (CDM);
- encouraging Member States to meet their capability commitments in the ECAP process;
- promoting the harmonisation of military requirements;
- pursuing collaborative activities to make up shortfalls, and defining financial priorities for capability development and acquisition.

The Agency will also identify multilateral solutions for present and future requirements of ESDP capabilities, and will promote cost-effective and efficient procurement through co-operation programmes to be managed by the WEAG/WEAO (Western European Armament Group/Western European Armament Organisation) and/or OCCAR (Organisation Conjointe de Coopération en matière d’Armement) or by the Agency on the basis of their experience and the Letter of Intent (Framework Agreement) process.

Although all Member States may join the EDA only a small number (France, the UK, Germany, Italy, Sweden and Spain) have significant defence industrial sectors. This means that most Member States are consumers rather than producers of defence equipment.

The Establishment Team, under its Director Nick Witney, has produced a comprehensive and detailed document outlining the future shape and key functions of the Agency, and stating clearly that “the agency’s *raison d’être* is to support the Member States in their collective effort to strengthen the ESDP.” The Establishment Team’s report is organised around five chapters: the agency’s Purpose and Role; the agency’s way of working; the agency’s size, structure, cost and ambition; the agency’s Steering Board; and Decision Taking. It also includes four technical annexes referring to the priorities of early activities, the proposed organisation chapter, a budget estimate for 2004 and 2005 and a timetable and roadmap for implementation.

## Functions

The functions are designed to tackle two broad problems a) to improve coherence and remedy fragmentation in the European defence capability generation process and b) provide longer term strategic direction as the basis for making decisions about future ESDP capability requirements. The latter strategic framework for decision-making based upon future ESDP needs also reinforces efforts to improve coherence and reduce fragmentation by fostering the development of a European strategic culture. Importantly the report notes that the Agency’s analytical horizon must also look beyond 2010. This will provide a more robust and policy relevant framework within which decisions can be made on research and capability investment in Europe.

## Structure

The Agency has been structured according to the functions to be delivered, especially the challenges of integrating capability development, research, armaments and industrial perspectives in the overall context of strengthening ESDP. Nick Whitney has been appointed as the Chief Executive sitting at the top of the hierarchy supported by a Deputy Chief Executive, Hilmar Linnenkamp, who will oversee the functional Directorate for R&T, the Armaments Directorate and the Defence Industrial and Market Directorate.<sup>16</sup> A fourth Directorate for Capability Development is also included, which mainstreams its activities in the other directorates through its role in the Integrated Project Teams that sit underneath the directorates in the chain of command and work on individual programme areas.

The management of the Agency's work programme is described as based upon a matrix. Included in the horizontal axis of the matrix is the work on the Headline Goal shortfalls, the 2010 Headline Goal and beyond to look at future capability requirements. The report suggests that a number of Capability Functional Areas (CFAs) such as those based on the key enabling areas of crisis management that have been used to categorise key capability shortfalls (Command, Inform, Operate, Protect and Sustain). Representatives from all relevant Directorates will work in Integrated Project Teams along with other key stakeholders (i.e. industry). Included on the vertical axis are initiatives for strengthening the Defence Technological and Industrial Base (DTIB) drawing upon strategies developed by Agency and DTIB/EDM experts. The report argues that including such groups within the CFAs is crucial to achieving capability needs. The report goes on to argue that this "matrix" approach should be adopted because it "should also help identify synergies between intersecting agendas – for example, the interconnection between a major collaborative armaments project and restructuring of the relevant industrial sector."

The Agency will be tasked to maintain relationships with existing co-operative institutions. For Non-EU NATO Member States transparency will help maintain relations and states such as Turkey and Norway might be early candidates for a special Consultative Committee, although it would have no decision-making power.

### **Budget, Staffing, Priorities**

It will take time to get the agency up and running at full speed and this will be in the context of ongoing developments under the Headline Goal 2010, ECAP Project Groups and the Commission's Preparatory Action. Nevertheless, the report envisages that the Agency's core staff in the four directorates will initially build up to 80 (including experts seconded from national administrations) and will have a budget of 25 million euros for 2005 (including 10 million euros for non-recurring set up costs). The report says that keeping the team small and hungry will encourage an approach that is outward-looking and engaged with the stakeholders in order to leverage resources and focus on high-value targets.

The report recommends that the Agency also prioritise some early pilot projects in late 2004 in key areas such as interoperability of communications for C2 or a review study of programmes in the armoured fighting vehicle sector. The scope of activities, size and budget of the Agency will be kept under review and respond to such things as the demise of the WEAG/WEAO. Nevertheless the Joint Action establishing the Agency will include the requirement of having a formal review after three years or on ratification of the Treaty on the Constitution.

The High Representative for CFSP will chair the Steering Board which will likely meet at least twice a year, perhaps back-to-back with the General Affairs and

External Relations Council (GAERC), at the level of Defence Ministers. The Commission will be represented in the Steering Board but will not have a vote (this is reserved only for Ministers) and this will also apply to the Secretary General of NATO, when it is deemed appropriate for him to attend. The Steering Board will take decisions in the three areas of a) how the Agency conducts its business internally, b) the Agency's external relations, and c) the substance of issues relating to the Agency's mission and functions. Ministers will seek to achieve consensus on decisions but decision making will be according to QMV.<sup>17</sup>

## **Work Programme**

The intention is to staff the Agency by the end of 2004 and then concentrate on a number of priorities:

### *Capabilities*

It is foreseen that the Agency will assume oversight of ECAP and begin work on a long term vision on the future of ESDP requirements based on the future strategic environment. A specific provision is also envisaged for work on space-based technologies with the aim of identifying options on how to move forward.

### *R&T*

The Agency will develop procedures for bringing European defence R&T within the Agency, work with the Commission to ensure complementarity with its Preparatory Action and European Security and Research Programme (ESRP), and work with the Member States to set goals for greater multilateral collaborative R&T projects.

### *Armaments*

The Agency will begin work on identifying best practice for collaborative programmes, assume responsibility (from WEAG Panel II) for Defence Test and Evaluation Base (DTEB), and launch studies including on Commercial off the shelf Technologies (COTS).

### *Defence Industry and Market*

The Agency will jointly identify with the European Commission the work to follow up the Green Paper (due in autumn 2004) on defence procurement, launch studies on European Capacities of the Defence Industrial Base following the Commission's work on Monitoring Defence Industry, and promote select letter of intent (LoI) rules with the LoI states.

The Commission will be one of the key stakeholders in the Agency (along with the Member States, Council bodies, OCCAR, LoI-states, WEAG/WEAO and non-EU NATO States, and NATO through the CDM) and as such it is “fully associated” to the work of the Agency.<sup>18</sup> The preparatory report stated that “The Commission’s work on Research and Technology, market regulation and defence industrial policy issues require, and offer beneficial potential for, a fruitful partnership between Agency and Commission.” This is a major understatement as the vast and fast developing role of the Commission in this area will have a major impact on the investment strategies of European defence and security research industry and their patterns of procurement which in turn will affect the technologies and capabilities that will be produced in the future.

### **Assessment**

The importance of the EDA is that it brings all defence development issues under one roof and under the responsibility of the High Representative and defence ministers. The 80-strong staff should provide some much needed fresh impetus and top-down orientation as opposed to the current bottom-up approach. There is also an important role for the Commission in promoting procurement, security research and cross-pillar cooperation.

## **5. The Role of the Commission**

In recent years the Commission has been deeply involved in examining different aspects of the state of play of the defence market and defence industrial policy, usually with the support of a powerful group of interested external experts (e.g. STAR 21 Report 2003).<sup>19</sup> In a Communication dated 11 March 2003 and entitled “Towards an EU Defence Equipment Policy,” the Commission identified seven priority areas of action standardisation, monitoring of defence-related industries, intra-community transfers, competition, procurement rules, export control of dual-use goods and research. In pursuit of this action it concluded by listing the various activities in train:

- provide financial assistance for a European Standardisation Handbook to be ready in 2004;
- monitor defence-related industries;
- launch an impact assessment study in 2003 as the basis, if appropriate, for elaborating at the end of 2004 the necessary legal instrument to facilitate intra-Community transfer of defence equipment;
- continue its reflection on the application of competition rules in the defence sector in respect of the provisions of article 296 (ECT);
- initiate a reflection on defence procurement at national and EU levels. Specifically, it stated “Given the important Court Judgement in recent years, especially in helping to define the scope of Article 296, the Commission

will issue an Interpretive Communication by the end of 2003 on the implications of these judgements. In parallel, it will work on a Green Paper, which might be issued in 2004 as a basis for discussion with stakeholders;

- raise, in the appropriate Council working groups, the issue of the Commission's involvement in export control regimes;
- launch a Preparatory Action for advanced research in the security field (see below);
- pursue work on a possible EU Defence Equipment Framework overseen by an Agency (or Agencies). This has been taken over by the new European Defence Agency.

Of these, effort to establish a security/defence research programme has made a recent breakthrough. The Preparatory Action for Security Research commences in February 2004; its first call for proposals for research projects and supporting activities (e.g. technology road-mapping etc) closed in June 2004, receiving a strong support from European security research stakeholders.<sup>20</sup> With this highly scrutinised Preparatory Action the Commission is preparing to open up Community Research and Development funding to the security/defence sector. In the autumn of 2004, a "Group of experts" will be assembled to further help advise the Commission on priority areas and co-ordination mechanisms. The Commission's security focused work runs in parallel to the Agency's work and the pillar and legal divisions between the two will pose challenges for coherence in relating its work directly to the defence capability priorities identified by the Agency.

The importance of the Commission in research, market regulation and relationship to article 296(1) TEC (that states "any Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and war material") is not lost on the AET, which states that whilst competences must be acknowledged it "makes sense to ensure that Commission-funded and defence-funded programmes are as complementary as possible; to provide where possible for mutual use of research results; and to look for opportunities for co-funded joint ventures."

### **Research programme: GoP report**

Following the European Commission Decision of February 3 2004 on the "Implementation of the Preparatory Action on the Enhancement of the European industrial potential in the field of the security research," a "Group of Personalities" (GoP) was set up. It was tasked "with the primary mission ...to propose principles and priorities of a European Security Research Programme in line with the EU's foreign, security and defence policy objectives and its ambition to construct an area of freedom, security and justice."<sup>21</sup> The GoP was co-chaired by European

Commissioner's Philippe Busquin and Erkki Liikanen and included eight security industry Chairmen and Chief Executives, four members of the European Parliament, four Directors of Research Institutes, and two Ministry of Defence officials.

The product of the group's work was a report entitled "*Research for a Secure Europe.*" Its key conclusion was that security research is an essential pillar of future European security and as such should require substantial appropriate resources to the tune of €1 billion (reaching up to 1.8 billion) per year. Whilst meeting EU security needs it would also help the EU meet the Lisbon economic criteria and Barcelona target of 3% spending on R&D of all Community research spending.

The first chapter of the report argues that in light of the EU's political, economic and security ambitions the Union should be investing considerably more in security research. It suggests that such research must be defined broadly as the growing dependence on interconnected infrastructures in transport, energy, information and other fields increases the vulnerability of modern societies. At the same time, the natural diffusion of technological know-how resulting from scientific and industrial developments make it easier for technological advancements to be used malevolently.

The chapter then turns to a comparison with the US response to the post-9/11 security environment where it has "led to the adoption of a new security concept, record-breaking investments in defence and security, and the establishment of a Department of Homeland Security." The chapter acknowledges the very different EU environment and the problem of coordination in the EU between agencies (such as police and judiciary across 25 Member States) and the complexity of dealing with trans-national nature of current threats. But it states clearly that "Europe must rapidly build up the capability to protect citizens at home as well as to deploy significant resources for peacekeeping, humanitarian aid and institution building activities abroad. To achieve these objectives, Europe must take advantage of its technological strengths. This requires state-of-the-art industries, a strong knowledge infrastructure, appropriate funding and an optimal use of resources."

The second chapter "Research and Technology – "force enablers" for a secure Europe" begins with a bold statement: "Technology itself cannot guarantee security, but security without the support of technology is impossible." It notes the connection between civil and defence applications because they "increasingly draw from the same technological base and there is a growing cross-fertilisation between the two areas." The GoP gives the example of the "internet and GPS" being military inventions, although they have flourished under civilian enterprises, which in turn have fed back into the military developments and ushered in the new concept of the "Revolution in Military Affairs" and practically "network-enabled warfare."



This chapter also states that “in today’s technology-driven and knowledge-based world, excellence in research is a prerequisite for the ability to tackle the new security challenges.” It suggests that Europe is in a good position to respond to the technological requirements in responding to security, due to its high quality research institutes and strong industrial base. Although the report chooses to focus upon one segment of that industrial base by stating that “a significant part of this industrial base specialises in the defence, aeronautic, space and professional electronics,” it also notes that “Europe has world-class industrial expertise in pharmaceuticals, bio-technology and telecommunication. Targeted research investment in these areas will therefore not only enhance security but also contribute to EU productivity and growth.”

But the report is critical of the fragmented nature of the defence industrial sector which means that the absence of a single customer with a single set of requirements increases costs and leads to inefficiencies. It goes on to note that “the dividing line between defence and civil research funding, the absence of specific frameworks for security research at the European level, the limited cooperation between the Member States and the lack of coordination between national and European efforts exacerbate the lack of public research funding and present major obstacles to achieving cost-effective solutions.”

To overcome this lack of coherence the report provides seven recommendations:

1. Involvement of all Member States;
2. Effective coordination between national and European efforts;
3. Systematic analysis of security-related capability needs, from civil security to defence;
4. Sufficient funding;
5. Full exploitation of potential synergies between defence, security and civil research;
6. Providing specific legal conditions and funding instruments for security-related research at the EU level;
7. Creating institutional arrangements that are both efficient and flexible enough to combine the efforts of Member States and the Community, and to involve other partners with mutual benefits.

The third chapter “Towards a European Security Research Programme” calls for increased spending on civil and military security research with a particular focus on:

- the protection of Member State territory, sovereignty, domestic population and critical infrastructure against transnational threats, and
- for the EU missions’ outside the Union for peacekeeping, conflict prevention and strengthening international security in accordance with the principles of the United Nations Charter.

The minimum recommended budget is 1 billion euros “with the possibility to progressively increase it further, if appropriate.” A clear link is made in the contribution this budget would make in helping the EU achieve its target for a 3% of GDP investment in Research, as set at Lisbon and Barcelona.

The report makes a powerful case for European Commission spending on security/defence research on the basis of a holistic understanding of security, where internal-external boundaries are blurred, in which Europe is a global actor in a globalised world, and where there are new opportunities but also new dangers including those set out in the ESS. It emphasises the need to focus upon internal security as a priority and calls for increased coordination between the Member States and the Union. The importance of defence capabilities is raised toward the end of the report although the military dimension is rather neglected in the bulk of the report.

There remains the problem of securing support from the Member States for an increased budget for security R&D. This will be very difficult given the reluctance of the major net contributors to increase the EU’s budget and competing priorities. But homeland security is important for politicians and as the report points out, an increase in spending could lead to reduced overall costs.

## **6. The Transatlantic Framework**

The transatlantic framework for such discussions often comes in two forms a) political concerns in Europe that US technological applications to defence capabilities will leave Europeans behind as marginal security partners and b) defence-industrial concerns from key areas within Europe’s defence industry that a European defence market is necessary if Europe is to be able to survive and compete internationally with the US and others. The political concern is a longstanding one and as yet the US has shown no signs of wanting to completely create force postures and technologies that will make co-operation with key European partners impossible (and perhaps even less so after Iraq). The balance is needed both for the US in restraining its tendencies to seek technological-solutions to international security threats and challenges (a critique of the Revolution in Military Affairs Debate) and for Europeans to invest in key enabling and interoperability capabilities to permit them to project their forces in a timely manner, if necessary with partners to meet their security objectives. Neither the US nor the Europeans seem ready, nor can they afford, to fundamentally undermine their shared desire to achieve this balance, but the pressure is mounting in both the EU and NATO to move beyond policy frameworks toward creating both useable and larger numbers of deployable armed forces.

The defence industrial concern is equally complex because whilst some sectors of the industry consider that a European market would offer them a firm basis for international competition, others do not and worry that such a European market would end their privileged relationships with national governments that ensure their existence. It is further complicated by the internationalised nature of some larger defence companies and US reluctance to allow European firms to compete for American defence procurement contracts. The defence-industrial landscape that the Commission is entering needs to tread carefully among these different concerns for ESDP to be strengthened and to respond to security policy objectives, rather than the narrower concerns of some that seek labels such as “strategic industry.” Likewise a realisation of the interdependence of the Transatlantic market and progress or otherwise in EU-US economic and market relations should be also be taken into account when considering the future of the European defence market.

## 7. EU-NATO

Although NATO has a longer tradition of dealing with the capability generation and defence transformation process, it is still struggling to meet commitments. The Prague Capabilities Commitment identified eight specific capability packages:

- Chemical, biological, radiological and nuclear (CBRN) defence for all deployable forces;
- Alliance ground surveillance system design developed by the end of 2004;
- Deployable and secure C3 for all deployable HQ;
- Increase of PGMs by 2005;
- Reduction in SEAD shortfall by 2005/ additional support jamming;
- Reduction in outsized airlift by 2004;
- Reduction in air-to-air refuelling by 2005;
- Increase deployable combat service support by 2005.

With so much overlap, it remains unsatisfactory that the EU and NATO are not working much more closely on a common capability agenda. NATO also has experience to draw upon in the procurement sphere including the Defence Investment Division, in the Security Investment Directorate at NATO HQ, as well as a series of Agencies including NATO Standardisation Agency, the NATO maintenance and supply agency, the research and technology agency and the NATO C3 Agency. It will be interesting to see how the EDA-NATO relationship evolves considering one of the EDA's mandates is to tackle fragmentation in European defence procurement.

A key obstacle for developing EU-NATO relations at a working level had been the difficulties in achieving security arrangements to support an inter-institutional

relationship, which has come to be known as 'Berlin Plus' for shorthand. 'Berlin Plus' has become a term that symbolises all that is good and bad about recent EU-NATO relations. Its origins refer to the 1996 NATO Ministerial in Berlin, where foreign ministers agreed to make NATO assets available to WEU-led operations in a bid to boost European defence within NATO. At the 1999 Washington Summit this provision was extended for EU-led Crisis Management Operations under the European Security and Defence Policy. The Washington communiqué said these arrangements would cover "...operations in which the Alliance as a whole is not engaged." The original 'Berlin Plus' comprised four principles that included:

- assured EU access to NATO operational planning;
- availability to the European Union of NATO capabilities and common assets;
- NATO European command options for EU-led operations, including developing the European role of NATO's Deputy Supreme Allied Commander, Europe (DSACEUR); and
- adaptation of the NATO defence planning system to incorporate the availability of forces for EU operations.

Between 1999 and December 2002, the EU and NATO were prevented from formalising this agreement due to blocking manoeuvres by, alternatively, Greece and Turkey. Eventually agreement was reached in December 2002 which led to a further series of EU-NATO agreements. A deal, originally, brokered by the UK and concluded on the margins of the Brussels Council. Those agreements specifically provide for:

- a NATO-EU Security Agreement;
- assured Access to NATO planning capabilities for EU-led Crisis Management Operations (CMO);
- availability of NATO assets and capabilities for EU-led CMO
- procedures for Release, Monitoring, Return and Recall of NATO Assets and Capabilities (known as the "Model Contract");
- terms of Reference for DSACEUR and the European Command Options for NATO;
- EU-NATO consultation arrangements in the context of an EU-led CMO making use of NATO assets and capabilities;
- arrangements for coherent and mutually reinforcing Capability Requirements.

'Berlin Plus' is also, therefore, a series of institutional arrangements between the EU and NATO that enable them to exchange information securely and to establish the manner in which NATO makes available its assets. The final institutional agreement that was necessary to formalise this relationship arrived with the 12 March 2003

“EU-NATO Agreement on Security of Information” (including 18 articles). The whole ‘Berlin Plus package’ could then be tied together with the so-called “Framework Agreement” which consisted of an exchange of letters between the EU’s High Representative and NATO’s Secretary General dated 17 March 2003 - just in time for the EU to launch Operation Concordia on 31 March 2003 which required NATO assets and planning resources.

There has long been an underlying tension between those, led by France, holding a desire to have a fully autonomous ESDP and those, led by the UK, with a determination to keep ESDP wedded to NATO. These tensions increased during the Iraq war when France, Germany, Belgium and Luxembourg took the step of calling for an independent EU operational headquarters to be set up in the Brussels suburb of Tevuren. After some considerable diplomatic wrangling, the idea was finally accepted with silent approval from the US on the basis of UK reassurances.

Nevertheless, one cannot help observing that ‘Berlin Plus’ could be better mobilised not just to support NATO’s extraction from the legacy operations in the Balkans (from SFOR to ALTHEA), as it orients towards Afghanistan and the Middle East, but to help develop the right framework for Europeans to transform their defences to produce real capabilities that can make them key security partners at all levels internationally and regionally. This could at least turn to greater inter-institutional co-ordination on the capability development process and in turn developing relations between the various NATO agencies working on capability and defence investment and the new Agency and the Commission’s Green paper on procurement and Preparatory Action work.

## **Assessment**

Within the EU both the high level report and the report preparing the EDA draw upon the ESS as the main reference point for their objectives in support of security policy. Considering that the agency is looking to the future in its analysis beyond 2010 to inform decision makers on key “defence capability” choices for the future and the Commission is simultaneously funding research in areas that will produce technologies of the future available to be integrated into defence or crisis management capabilities one must ask the question whether these two processes are properly integrated. One cannot dominate the other but there is a need to avoid the technology trap and the technology gap in order to have a balanced policy.

## Conclusion

It will be a major challenge to achieve both better coordination and coherence. If security and capabilities is the point of analysis for the two ventures then a longer-term analytical perspective is critical. We need to ask the right questions about Europe's future capability needs in order to influence the current procurement process. Engaging in a broader debate about the role and future of the EU as a strategic actor and what it needs from an ESDP, will complement present bottom-up approaches, such as Member State engagement at the national level. In adapting to the demands of being a global strategic actor with a common defence policy, the EU now needs to take its general statements under the new Headline Goal 2010 and make progress on its key benchmarks not least developing scenarios that test Member States' commitments to providing sufficient troops and capabilities that can meet the need for concurrent, sustainable, and projectable forces. This is a critical aspect for the new debate in understanding how credibly the EU is planning to take up its international responsibilities mapped out in the ESS. This is the only way force planners can move forward and provide credible analysis on the types of capabilities available for different crises, which in turn can provide a realistic starting point for making real EU-UN ambitions for "Bridging forces" or even "Stand By forces." Furthermore, if this cross-pillar aspect is not addressed it might even pave the way for a wasteful common agricultural policy-for-defence – where EU subsidies are used to prop up the defence industrial sector and over-supply of exports are dumped on unstable regions and end up fuelling conflicts.

There are some positive signs that at last the Member States of the EU, prodded by the institutions, may be getting serious about defence. There is a broad recognition that too much money is being wasted on conscript armies and out-of-date equipment. There is also recognition of the benefits to be gained from sharing costs in security research and procurement. No Member State is capable of tackling the budget/technology/industry trap alone. Cooperation is essential. But the pursuit of effective security policy supported by appropriate defence policy and capabilities has been a difficult process at the national level and it would be unfair to expect more from the Union based upon "mythical efficient procurement." However, the national level has developed a sophisticated approach of discussing military capability needs based not only on defence industrial policy, but also increasingly on a discussion about strategic interests and security requirements. The EU must not ignore this in its bid to develop mechanisms and processes, which appear disconnected at a time of changing institutional and legal competencies. Any new framework for assessing capabilities and armaments policy must be based upon strategic objectives, civil-military needs and respond to a changing security environment; so far such an approach has been incorporated into early concepts being developed in the European Defence Agency but there is no room for hesitancy and the work must be "mainstreamed" beyond the Defence Capability Directorate

and underpin all short term and long term work programmes of the Agency's Directorates. Such mainstreaming must also be extended to discussions between the Agency and the Commission and indeed in the Commission's own work to set up a European Security Research Programme. The failure to realise the opportunity to link up strategic analysis (security, political, military, conflict as well as technological) with short term and long term defence transformation needs will mark a missed opportunity to learn from the experiences and lessons of at least fifty years of national defence planning and management.

It remains to be seen whether the new framework emerging during 2004 in the form of the announcements of a 2010 framework for the Battle Groups and a skeletal European Defence Agency with a tiny budget offer this. How can the EU combine immediate security pressures, due to concerns over terrorism and the proliferation of materials and weapons of mass destruction, and the need to develop a strategic framework that provides for the generation of defence capabilities as well as satisfying a hungry defence industry? This question may provide the impetus for a profound step-change in the level and intensity of debate at the EU level that has hitherto been absent.

Defence transformation will be a key element. The figures are well known. The Member States of the Union have over 1.2 million men and women in uniform but struggle to put more than 150,000 into the field at any one time. There is a clear need to improve deployability and mobility. Proposals have been made for a European defence White Paper<sup>22</sup> and an EU defence strategy.<sup>23</sup> Both make eminent sense. With the new Constitutional Treaty and the ESS, the ground has been prepared for a change in approach. Public opinion also expects the EU to act together in tackling the new security threats.<sup>24</sup> The decision by the US to withdraw 70,000 troops from Europe in the next few years should also be a spur to closer European cooperation.

But although expectations are rising, and even if the European Council has adopted a security strategy and launched two military operations, Member States and the EU institutions still have a long way to go in refining the institutional architecture, integrating the different policy instruments and providing clarity on concepts left unclear in the ESS. Not least the relationship between the Agency's strategic vision, analysis of capability requirements for today, 2010 and beyond and the Commission's investment that will shape the types of technology being developed in the security field is of critical importance. Failure to achieve synergies in these two strands of European defence and security capabilities will represent a significant missed opportunity to facilitate the development of ESDP in the future and for Europe to take up its stated international responsibilities and strategic role.

- 1 2004/570/CFSP, Council Joint Action on the European Union military operation in Bosnia and Herzegovina, 12 July 2004, in the Official Journal of the European Union, L252/10, 28 July 2004.
- 2 For a review of the wider political and economic background see Cameron F. (ed), The Future of Europe: Integration and Enlargement (Routledge: 2004).
- 3 For a review of the defence policy and economics of the evolution of ESDP since St. Malo see: Quille, G. & Mawdsley, J. "The EU Security Strategy: A new framework for ESDP and equipping the Rapid Reaction Force," ISIS Report, December 2003 at [www.isis-europe.org](http://www.isis-europe.org). See also, From Rutten, M. "From St. Malo to Nice, European defence: core documents", Chaillot Papers, ISS, No. 47 May 2001.
- 4 <http://www.eurunion.org/legislat/Defense/LaekenESDP.pdf>
- 5 The European Union launched a military operation (Concordia) in the former Yugoslav Republic of Macedonia (fYROM) on 31 March 2003. The core aim of the operation, at the explicit request of the fYROM government, was to contribute further to a stable secure environment to allow the implementation of the August 2001 Ohrid Framework Agreement.
- 6 The European Union (EU) launched a Military Operation in the Democratic Republic of Congo (DRC) in June 2003. The operation was code-named ARTEMIS. The European military force worked in close coordination with the United Nations Mission in DRC (MONUC). It was aimed, inter alia, at contributing to the stabilization of the security conditions and the improvement of the humanitarian situation in Bunia.
- 7 Solana, J., 'European Security Strategy: A Secure Europe in a Better World,' December 2003, ISS-EU, Paris at: <http://www.iss-eu.org/solana/solanae.pdf>
- 8 Quille, G., "Making multilateralism matter; The EU Security Strategy," ESR, ISIS Europe, No.18 July 2003, at: [www.isis-europe.org](http://www.isis-europe.org) ; Cameron F., "Europas neue Sicherheitsstrategie," Internationale Politik, Spring 2004.
- 9 The Solana Paper uses the figure €160 billion, slightly different figures can be calculated from the figure drawing on SIPRI and IISS, which may be due to exchange rate differences (usually occurring when drawing upon NATO figures which are in dollars).
- 10 Clarke, M., Garden, T., & Quille, G., "Achieving the Helsinki Headline Goal," Centre for Defence Studies, King's College London, November 2001.
- 11 Council of the European Union, ESDP Presidency Report, Brussels 15 June 2004. see annex 1 'Headline Goal 2010.' The 2010 Headline Goal process was first introduced in a French 'Non-paper' entitled 'Towards a 2010 Headline Goal.' This was further elaborated by an Italian presidency Paper and again by a UK 'Non-Paper' focusing on implementation entitled 'The road to 2010.'
- 12 Ibid.
- 13 For the 5 February 2003 Le Touquet Summit see: <http://www.diplomatie.gouv.fr/actu/bulletin.gb.asp?liste=20030205.gb.html> and for the 24 November 2003 London Summit see: [www.fco.gov.uk/Files/kfile/UKFrance\\_DefenceDeclaration\\_0.pdf](http://www.fco.gov.uk/Files/kfile/UKFrance_DefenceDeclaration_0.pdf)
- 14 'Draft Council Joint Action on the establishment of a European Defence Agency (EDA)', No. 10450/04, Brussels, 11 June 2004.
- 15 On the establishment and legal basis of the Agency see Quille, G. and Manca, D., "The European Armaments Agency: A Virtual Reality", European Security Review No. 20, ISIS Europe, January 2004.
- 16 SO207/04, Press Release, Javier Solana announced the appointment of the Chief Executive and deputy Chief Executive of the European Defence Agency, Brussels 30 July 2004.



- 17 Ibid. 2. The Joint Action includes: 'The Steering Board shall take decisions by qualified majority. The votes of the participating Member States shall be weighted in accordance with Article 23(2) of the Treaty on European Union. Decisions to be adopted by the Steering Board by qualified majority shall require at least two-thirds of the votes of the participating Member States. Only the representatives of the participating Member States shall take part in the vote.'
- 18 Fully associated meaning in particular with a view to exchange information, assessments, and advice, as appropriate, on matters where activities and strategies of the Commission have a bearing on the Agency's missions.
- 19 See the Commission's response in its Communication, entitled "A coherent framework for aerospace - a response to the STAR 21 Report," October 2003.
- 20 See the Commission's newly established website dedicated to the issue of security research with key policy documents: [http://europa.eu.int/comm/research/security/news/article\\_682\\_en.html](http://europa.eu.int/comm/research/security/news/article_682_en.html)
- 21 Research for a Secure Europe. European Commission. Commission Decision (2004/213/EC), February 3 2004 'On the Implementation of the Preparatory Action on the Enhancement of the European industrial potential in the field of security research,' Official Journal, L 67/18 (-22), 5 February 2004. The Decision included the following statement that provides the ground for the GoP: "The Commission may appoint independent experts to assist in the development of the European Security Research Programme; proposal evaluation; and monitoring of activities including the overall outcome of the Preparatory Action. Experts shall be appointed by a decision of the Commission authorising officer based on a call for applications."
- 22 EUISS report of May 2004.
- 23 Bertelsmann Foundation, Venusberg Report, May 2004 & Quille, Mawdsley, op cit.
- 24 see the last five years of Eurobarometer polls.



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The European Policy Centre (EPC) is an independent, not-for-profit think-tank, committed to making European integration work. The EPC works at the 'cutting edge' of European and global policy-making providing its members and the wider public with rapid, high-quality information and analysis on the EU and global policy agenda. It aims to promote a balanced dialogue between the different constituencies of its membership, spanning all aspects of economic and social life.



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