

WORKING GROUP VIII « DEFENCE »

Subject : Franco-German comments on the preliminary draft final report of Working Group VIII "Defence" (WD 022)

Members of Working Group VIII will find attached the Franco-German comments on the preliminary draft final report.

Working Group VIII – Defence

Subject : **Preliminary draft report from the Working Group on Defence**

A. INTRODUCTION

1. The Working Group on Defence, chaired by Mr Michel Barnier, conducted its proceedings on the basis of the mandate given by the Praesidium of the Convention, and subsequently expanded by the Group's Chairman (CONV 206/02 and CONV 246/02) and of questions which were put to it. The discussion was conducted, inter alia, with the support of introductory notes from the Secretariat prepared for each of the meetings, together with hearings of experts (a list of experts heard is given in the Annex). In addition, a seminar on the ESDP was organised with the assistance of the EU Institute for Security Studies, during which members of the Convention were able to exchange views with the experts (the programme for the seminar, a list of speakers and the minutes will be found in CONV 417/02).
2. The Working Group has met on nine occasions (one of the meetings was held jointly with the Working Group on External Action). Members of the Group and other Convention members submitted [...] written contributions ¹.
3. This report presents the results of discussions within the Group and a number of recommendations with a view to submission to the Convention.

¹ A provisional list of contributions is given in Annex II.

B. THE ESDP TODAY

4. The objective of a "Common Foreign and Security Policy" was included for the first time in the Maastricht Treaty. The provisions of the CFSP, including those of the ESDP, were revised by the Amsterdam Treaty, which entered into force on 1 May 1999.

Legal bases

5. The current principal legal bases for the ESDP are contained in Article 17 of the TEU. Paragraph 1 of that Article very broadly defines the scope of the ESDP: it includes "*all questions relating to the security of the Union, including the progressive framing of a common defence policy (...), which might lead to a common defence, should the European Council so decide*". Paragraph 2 of the same Article establishes that security questions include the Petersberg tasks, in particular "*humanitarian and rescue tasks, peace keeping tasks and tasks of combat forces in crisis management, including peacemaking*".

Developments since the Cologne European Council

6. The new context on the international scene and the inadequacies of Member States of the Union noted during the Balkans crisis prompted a reflection on how to give concrete scope to the ESDP.

The Franco-British Summit in Saint-Malo and then the Cologne European Council in June 1999 gave political impetus and concrete terms to the strengthening of the European Common Security and Defence Policy.

7. At the Cologne European Council (3-4 June 1999) the Heads of State or Government of the Member States of the European Union took the decision to provide the Union with the capacity for autonomous action, backed up by credible military forces, the means to decide to use them, and the readiness to do so, in order to respond to international crises without prejudice to actions by NATO. At the Helsinki European Council (10-11 December 1999) the Heads of State or Government of the Member States of the European Union took the decision to provide the Union with an autonomous capacity to take decisions and, where NATO as a whole is not engaged, to launch and then to conduct EU-led military operations in response to international crises. These conclusions have been continuously developed by the European Council at its subsequent meetings. Although the natural priority for the European Union's

crisis-management action outside the Union remains relatively close to its borders, neither the Treaty nor the European Council conclusions place any geographical limit on the Union's action.

(a) *Military capabilities*

8. At the Helsinki European Council, the political objective set at Cologne was translated into concrete objectives: creation of European forces which are credible, available and effective. Under this objective (known as the Helsinki headline goal), the Member States undertook to be able by 2003, cooperating together voluntarily, **to deploy rapidly** (within 60 days), and then sustain (for at least one year) **military forces capable of the full range of Petersberg tasks** as set out in the Amsterdam Treaty, including those which would require significant forces of up to corps level (up to 15 brigades, or 50 000 to 60 000 persons). At the same time, the Member States should be **able to deploy smaller rapid response elements with a very high degree of readiness**. These forces should be self-sufficient with the necessary command, control and intelligence capabilities, logistics, other combat support units and additionally, where needed, air and naval elements. The member states of the EU have also set out collective capability goals (command and control, reconnaissance, strategic transport).
9. For those Member States which are also members of the Atlantic Alliance, their military capabilities must ~~at the same time~~ allow them to play a full role in EU as well as in NATO operations.
10. Furthermore, since Cologne, and based on the declaration at the NATO summit in Washington in 1999, it is envisaged that the Union should be able to conduct operations with recourse to NATO resources and capabilities. To implement this sort of operation the arrangements were to be agreed with NATO.
11. Since November 2000, two Military Capabilities Commitment Conferences have been held. The Conferences made it possible to bring together the concrete national commitments corresponding to the Helsinki objectives. Analysing the catalogue of forces, participants were able to affirm that by 2003 the European Union would be capable of conducting more demanding operations as the assets and capabilities at its disposal continue to develop. ~~the full range of Petersberg tasks, but that certain capabilities had to be improved to optimise the capabilities available to the Union.~~
12. Further to the evaluations conducted at the two conferences ~~on improving military on~~ capabilities and after analysing their outcome, the Member States decided to set up a European *Capability* Action Plan (ECAP) to overcome existing capability for capabilities to enhance European crisis management capabilities in an effort to make good shortfalls by rationalising Member States' defence efforts and synergising their national

and international projects.

In that context 19 Working Groups were established to cover most of all the significant capability short~~fall~~~~seomings~~ pinpointed ~~in~~ the Headline Goal Task Force evaluation exercise. These working groups will report on 1 March 2003.

Although considerable progress has been made in identifying shortfalls and remedying them, it must be noted that the results are not yet satisfactory. Further efforts are required.

13. The critical shortcomings ~~which require substantial action remain. These include~~ the following :

- command, control and communications;
- strategic intelligence and ~~the~~ surveillance and protection of troops in the field;
- strategic transport both sea and air ;
- effective engagement capacity.

(b) *Institutional developments*

14. Progress in the sphere of capabilities has been accompanied by institutional measures. The first was the nomination in Cologne of the High Representative for the Common Foreign and Security Policy, whose action in the area of "flashpoint diplomacy", particularly in the FYROM, has been deemed to be of very great value on a number of occasions. In accordance with the conclusions of the Nice European Council, ~~S~~structures have been specifically created for decision-making and monitoring of crisis management action: the Political and Security Committee (the main role of which, apart from its contribution to the definition of foreign policy, is to exercise political control and strategic management in times of crisis), the Military Committee, which is responsible for providing military advice/recommendations and exercises military direction of all military activities ~~delivers military opinions~~ and the Military Staff, which provides military expertise.

(c) *Civil capabilities*

15. It is important to note that since the Feira European Council, the capabilities-goal approach has also been applied to civil capabilities – particularly police capabilities, and the capabilities needed to achieve goals in relation to the rule of law, civil administration and civil protection. A committee has also been set up to deal with the civil aspects of crisis management. Since then, conferences on the improvement of civil capabilities have also been held and a plan of action adopted concerning police capabilities.

On 19 November 2002 the conference on civil crisis management capabilities noted that voluntary commitments by the Member States had outstripped the specific goals for 2003 which the European Council had set for priority areas (police, rule of law, civil protection and civil administration).

(d) *Crisis management procedures*

16. Having established its structures, the EU has developed procedures for crisis management. A policy and a programme of exercises have been approved. An initial test of the procedures has been carried out through the first crisis management exercise CME02 in May 2002. The text of the procedures, endorsed at PSC level, remains open-ended.

(e) *Operational capability declaration*

17. Following the progress made at the level of structures and procedures and as regards capabilities, the Laeken European Council adopted the "operational capability declaration" stating that "Through the continuing development of ESDP, the strengthening of its capabilities, both civil and military, and the creation of appropriate EU structures, the EU is now able to conduct some crisis management operations". The Union will be in a position to take on progressively more demanding operations, as the assets and capabilities at its disposal continue to develop".
18. Since that declaration the Union has decided to put in place, as from 1 January 2003, a policing mission in Bosnia and Herzegovina which will take over from the United Nations policing operation. In addition, the Union is considering the possibility of taking over the military operation conducted by NATO "Amber Fox" mission in the FYROM.

(f) *Relations with NATO*

19. The European defence policy cannot be defined without a reference to NATO. Eleven current EU Member States are members of NATO and are bound by a collective defence clause by virtue of Article 5 of the Washington Treaty (a commitment also recognised in Article 17 of the EU Treaty). Among the candidate countries, four are part of the Alliance and at the Prague Summit on 21 and 22 November 2002 others were invited to join NATO before their forthcoming accession to the EU. For States which are simultaneously members of the EU and NATO, their military capabilities should also allow them ~~at the same time fully~~ to play their role in the framework of NATO operations.
20. It has already been pointed out that there has, since Cologne, been provision for the Union to conduct operations using the resources and capabilities of NATO ~~(particularly as regards planning)~~. The development of these relations has not, however, yet resulted in the conclusion of the so-called "Berlin Plus" Agreement, which would guarantee access to these capabilities for the European Union.

(g) *Relations with the United Nations*

21. Following the establishment of the ESDP at the European Council in Göteborg, the Heads of State or Government of the Member States also took important decisions to strengthen political dialogue and step up cooperation between the EU and the United Nations, particularly in the areas of conflict prevention and crisis management.

The establishment of the EUPM in Bosnia and Herzegovina has made possible a concrete development in action alongside the United Nations in order to ensure a smooth transition between the two operations.

C. SPECIFIC NATURE OF DEFENCE MATTERS

22. Defence policy is a special policy at both European and national levels ~~s-and-even-more-so-at European-level~~. It is one which affects the very core of sovereignty and which essentially calls upon national resources. Decisions to take part in operations are for national authorities, who will always wish to be involved in any decision to conduct an operation, as, in addition to having consequences for the security of the State, they are also likely to endanger the lives of their soldiers.

23. Consequently, the provisions relating to the ESDP sometimes differ from those which apply to the CFSP. By way of example, we can quote the provisions of the Treaty of Maastricht (Article 23) which exclude qualified majority voting with regard the provisions on constructive abstention from the field of defence (~~*When abstaining in a vote, any member of the Council may qualify its abstention by making a formal declaration (...). In that case, it shall not be obliged to apply the decision, but shall accept that the decision commits the Union. (...) This paragraph shall not apply*~~ to decisions having military or defence implications. It is also worth noting the special situation concerning the financing of the ESDP (Article 28(3) TEU: *Operational 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*).

Variety of situations

24. In this context, it is useful to examine the variety of situations in the different States in terms of their status, budgetary effort, their military structure and their capabilities within the Union.

(a) Difference in status

25. Eleven European Union Member States (Germany, Belgium, Denmark, Spain, France, Greece, Italy, Luxembourg, Netherlands, Portugal and United Kingdom) are members of NATO and are therefore bound by a collective defence clause under Article 5 of the Washington Treaty.

Ten States (all of the above except Denmark) are also members of the WEU and therefore have a similar, if not wider, commitment under Article V of the Brussels Treaty.

Four Member States (Austria, Finland, Ireland and Sweden) are non-aligned countries. They have observer status in the WEU.

Mention should also be made of the particular case of Denmark which, while being a NATO member, enjoys special arrangements within the European Union by virtue of a Protocol

annexed to the Treaty. On the basis of that Protocol, Denmark does not participate in the preparation or implementation of Union decisions and actions having defence implications, but does not prevent the development of closer cooperation between Member States in this area.

A variety of situations is also to be found in the countries which are candidates for accession to the European Union. Four of them (Hungary, Poland, Czech Republic and Turkey) were already members of NATO, while others became members-candidates at the Prague Summit on 21 and 22 November 2002. The EU candidate countries already in NATO are also "associate members" of the WEU, while the others (Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia and Slovenia) have the status of "associate partners" and will most probably become "associate members" once they have joined NATO. Two candidate countries remain non-aligned (Cyprus and Malta).

(b) Differences at defence industry level

26. The current situation ~~is also particularly varied with regard to~~ Member States' ~~is also varied with regard to armament-defence industries~~. The countries cooperating under the OCCAR ² (Germany, France, Italy and United Kingdom) and the LoI ³ (Germany, Spain, France, Italy, United Kingdom and Sweden) alone account for 90% of total European production in this sector.

(c) Budget differences

27. Another source of diversity between countries is of course the size of their defence budget, the actual structure of that budget and the nature of their military capabilities. The size of Member States' budgets varies widely within the European Union. An analysis of the States' defence budgets shows that in only five of the fifteen Member States does military expenditure exceed 2% of GDP. Only two States (France and the United Kingdom) have

² The main task of the OCCAR (Organisation for Joint Armament Cooperation) is to provide effective agreements for the management and development of certain armaments cooperation programmes between the Member States. OCCAR currently manages several international programmes.

³ In 1998 six Member States signed a Letter of Intent with the aim of defining a framework for supporting industrial restructuring in the defence sector.

recently announced sizeable increases in their military budgets for equipment. Military expenditure is continuing to decrease in the majority of Member States.

28. There is also the question of the differing structures of defence budgets, as the percentage of expenditure on research and development and equipment is a decisive factor. It is also worth noting in this respect that some countries have military police forces which are also financed from the defence budget.

(d) Differences linked to deployment capability

29. There are considerable differences linked to Member States' ability to deploy forces. While it is to a certain extent linked to national defence budgets, this ability to deploy capability is more than simply a budgetary issue. ~~Only a small number of Member States currently have forces designed for deployment outside their national territory.~~

Cooperation developed between certain Member States

30. In various areas of defence there are restricted forms of cooperation between certain Member States:
- certain Member States cooperate under the OCCAR and the LoI in the area of armaments: the specific nature of this cooperation is due to the fact that only a number of Member States take part and undertake to carry out projects together;
 - in the military field, certain Member States have created multinational military units with headquarters. ~~These include is is the case for~~ Eurocorps (land forces: Germany, Belgium, Spain, France and Luxembourg), Eurofor (land forces: Spain, France, Italy and Portugal), Euromafor (naval forces: Spain, France, Italy and Portugal).

D. THE CURRENT CHALLENGES

The new threat

31. The ESDP was defined and developed on the basis of the threat as evaluated in the 1990s. There is absolutely no doubt that this definition of threat has been overtaken by events on the international scene. After 11 September, the threat is no longer only defined by the risk of conflict between States or ethnic groups, but by a situation of **global insecurity** characterised rather by more diffuse risks linked to international terrorist organisations or the use of weapons of mass destruction which elude the provisions made for conflict management in the traditional sense.
32. The events of 11 September prompt consideration **not only of the need to project stability outside the Union, but also of the need to ensure common security within the European Union, particularly as regards protection of the civilian population and democratic institutions**. A purely national framework is no longer appropriate. At the same time and more than ever, all shades of public opinion are calling for security and protection and continue to be very much in favour of European defence. It is therefore for the Convention to overcome the gap between expectations and reality.

Credibility and effectiveness

33. One essential element for the credibility of the Union's defence policy and hence of its role on the international stage is the creation of adequate and interoperable military capabilities. Although this is a challenge we have been facing since the Cologne Summit and, as we have already seen, much has been done in this area, we need on the one hand to ensure that the Helsinki headline goal is fully achieved and on the other to check whether it may not be necessary to revise the capability objectives in the light of the new threats. The need for further efforts in this area is hampered in particular by Member States' budgetary constraints ~~reluctance in deciding to increase defence budgets. The fact that security depends on the use of military resources is sometimes seen as contradicting the very essence of the tradition of European integration, which is on the contrary founded on the abandonment of force and on a state of peace between peoples.~~

At the same time, it is essential to step up investment in military research. The weakness of European investment becomes flagrant when compared to United States investment in this area (some EUR 10 billion by the EU as against EUR 53 billion by the US. This expenditure also seems to be less effective in Europe. Investment in research is fundamental both to ensure the efficiency of military equipment and avoid any widening of the gap for civil industry.

34. The Union must be able swiftly to mobilise its civil and military capabilities in the context of crisis management. It cannot simply produce declarations on operational capability or catalogues of military strength. It must be able to take decisions swiftly and effectively.

E. RECOMMENDATIONS

I. Crisis management: coherence, efficiency

35. A crisis management operation must absolutely meet two requirements: efficiency and coherence. All members of the Group are agreed that there must be swift and efficient procedures for crisis management, without this affecting political accountability:
- (a) Article 25 of the Nice Treaty provides for the Council's power of decision to be delegated to the Political and Security Committee for the purpose and for the duration of a crisis management operation.
 - (b) It is recommended that this process be made even more efficient by enhancing the role of the High Representative. The High Representative should have a right of initiative in CFSP, including crisis management matters. He should chair the General Affairs Council in its external relations formation as well as the PSC (details on these arrangements are to be finalised in working group VII). Moreover, it is essential in conducting a crisis management operation that command-coordination be assigned to a single person whose brief would be to guarantee the coherence of the operation (civilian and military aspects). The High Representative would be empowered, in urgent cases, to take the necessary decisions under the supervision of the Council and in close and permanent contact with the Political and Security Committee.
 - (c) it is essential to ensure the EU's unity of action on the ground, respecting the integrity of the military chain of command. The need for a command structure on the ground is vital. That role should be assigned to the Special Representatives acting on the ground under the authority of the High

Representative or, failing that, to another person designated by the Council for that purpose. The need for close coordination on the ground between civilian and military actors is recognised.

- (d) The launching of an operation, both as regards its military and civilian aspects, means that swift access to financing is also a requirement. As regards the civilian aspects of a crisis management operation, therefore, the Group recommends that a provision be included in the Treaty allowing for some relaxation of the procedures for calling on the Community budget in order to guarantee the requisite speed. This would be done, in particular, by a substantial increase in the ligne d'action d'urgence of the CFSP budget.

There was consensus that it is vital for necessary arrangements to be made to allow for the rapid establishment of the regular budget for common costs of military operations. Appropriate funding for the preparatory phase of the operation must also be provided for. ~~It is therefore proposed~~ Some member States argued that a ~~relatively modest~~ fund be set up, based on Member States' contributions, from which the preparatory stages of ~~a military operation or an operation where it is not yet clear whether it is to be civilian or military could be financed~~ could be financed. Such a fund would of course be subject to suitable political and financial scrutiny. Given possible increase in costs and duplication of administrative structures, others argued in favour of preparatory phase activities being financed from a special budget.

36. To ensure better interoperability upstream, enhanced cooperation on training was also proposed. The suggestion that a joint military college be established aroused some interest.

II. The institutional framework: arrangements to be strengthened

A. ESDP structures

37. Existing institutional structures in the ESDP area must be maintained. They would, however, have to be adapted to ensure greater coherence and efficiency.
38. The group underlined that the HR should ~~In order to ensure the effectiveness of the defence policy, provision should be made in the Council for a political figure, acting under the Council's authority, to head European Union action and coordinate Member States' efforts to ensure the effectiveness of the defence policy (mindful of the ongoing discussion in working group VII)(hereinafter referred to as the future HR in order not to prejudge the future outcome of discussions in progress in Working Group VII on creating a post of European Union Secretary for Foreign Policy and External Relations).~~

B. Parliamentary scrutiny

39. The Group also discussed the need for suitable political scrutiny of defence policy.

40. It would be exercised in two ways:

- European Parliament:
 - In the area of the development of the ESDP, the European Parliament would be duly informed by the Presidency of the European Council and of the Council, and by the High Representative, of progress and decisions taken in this field and of guidelines for the future.
 - The Parliament would have the prerogative of putting resolutions to the Council, which the Council will take into account in its meetings.
- National parliaments:
 - National parliaments exercise permanent scrutiny over their governments, notably in the field of defence policy.
 - In the majority of Member States the national parliament must approve the use of national forces in an operation.

III. The response to the new threat: more solidarity

41. The Group concluded that the threat which the European Union, like other countries, is facing has changed since the first stages of ESDP development. It is now necessary to cope also with the threat of terrorism and the use ~~by terrorists groups~~ of weapons of mass destruction, which would target the civilian populations and democratic institutions of our countries. The Group also agreed that this threat demanded a response which went far beyond military means and required the combined use of the whole range of instruments available to the Union (in particular police and judicial cooperation, civil protection, etc.).

42. In application of the principle of solidarity between Member States which might be embodied in one of the initial articles of the Constitutional Treaty, a new clause on "solidarity and common security" ~~eshould~~ be inserted into the Treaty. ~~It would enable~~**ing all the instruments available to the Union to be mobilised, including the military resources and the structures originally set up for the Petersberg missions, in order to avert the terrorist threat, but also protect the civilian population and democratic institutions and to assist a Member State within its territory in dealing with the consequences of a possible attack.**

~~This clause would not be a clause of common defence. Such a clause would not be a clause on the defence of territorial integrity, but would apply to threats from non-State entities; moreover, Assistance in managing the consequences of an attack would be provided only at the request of the civilian authorities of the country concerned.~~

43. ~~In addition, a political declaration on "Solidarity and Common security" should be attached to the Constitutional Treaty identifying all threats, in particular Terrorism, and the instruments to combat them available to the Union. The declaration should, in the perspective of article 17 I TEU, also envisage the development of ESDPU towards a European Security and Defence Union (ESDU); which would also contribute to the strengthening of the European pillar within the Alliance. This political declaration future Treaty should also state that the European Council will regularly conduct adopt a threat-assessment declaration and regularly update it.~~
44. Taking this enhanced solidarity further, the setting up of a civil protection pool might be envisaged consisting of specialised units identified by the Member States, which would undertake training and coordination programmes so as to facilitate more effective intervention in the event of natural or humanitarian disasters within the Union.

IV. Petersberg missions: updating and flexibility

~~(a) Updating the Petersberg missions~~

45. ~~The Petersberg tasks could be supplemented with a specific reference to the following tasks :~~
- ~~——— stabilisation~~
 - ~~——— conflict prevention~~
 - ~~——— defence outreach (providing that forces to dispel hostility, build and maintain trust and assist in the development of democratically accountable armed forces, for example through training and assistance, or weapons of mass destruction and arms control programmes).~~

(b)(a) Facilitating flexibility in decision-making

456. With a view to the forthcoming enlargement of the Union, it is more important than ever that the Member States should agree to move from **consensus** (unanimity) to **consent**. This approach would be based on a culture of solidarity. The launching of an operation would be decided unanimously but with the application of the rules on constructive abstention, albeit relaxed. Member States not wishing to participate in an operation would be encouraged not to oppose it but to abstain. Once the operation was launched, the abstaining States would not participate in decision-making concerning the conduct implementation of the operation, within the framework of the original decision, but would be able to join at later stage.

(be) Recognising the diversity of commitments

467. Discussions in the Working Group have revealed diversity amongst the Member States as regards the level of capabilities and the willingness to commit even to tasks already enshrined in the Treaty (for instance, peace enforcement). Those Member States wishing to undertake a firmer commitment than others should be enabled to do so within the framework of the Union. To this effect, the instrument of enhanced cooperation shall be included in the Treaty for ESDP. To guarantee operationality, modalities to implement such flexibility mechanisms should be defined in the Treaty:

- such cooperation should be based on decisions with qualified majority;
- the threshold for the number of participating Member States should be lowered;
- rapid decision-making has to be ensured.

Member States wishing to do so could transfer their obligations under the WEU Treaty into the Union using the instrument of enhanced cooperation.

~~As the Maastricht Treaty set up a specific form of cooperation for the introduction and management of the euro, it would therefore seem sensible to give those Member States wishing to undertake a firmer commitment the opportunity to do so within the framework of the Union rather than a "Coalition of the Willing" outside the Union.~~

478. For those Member States wishing to undertake a firmer commitment within the framework of the Union, This would mean that the new Treaty would should also enshrine a **closer type of cooperation on defence related aspects** policy matters. In some regards, this could be similar to the specific form of cooperation for the introduction and management of the Euro as set up in the Maastricht Treaty, and would be open to all Member States wishing to enter into such a commitment and fulfilling the requirements for such a commitment to be credible. One of the conditions would have to be a sort of presumption that pre-identified forces as well as command and control capabilities would be available. Another condition could be participation with regard to multinational forces with integrated command and control capabilities. ~~Decisions concerning this "defence Eurozone" would be taken only by the participating Member States. The precise arrangements would be written into the Treaty.~~

V. Capabilities and armaments: towards a European agency

489. To develop the ESDP, it is necessary to strengthen the military capabilities available to the Union. In this context, the group proposed to attach a protocol to the Treaty in which those states that wish to do so commit themselves to undertake the necessary efforts to improve their military capabilities and to develop new forms of cooperation, in particular through the harmonisation of the military requirements, pooling of capabilities and resources as well as role specialisation~~there is a clear need to introduce a mechanism for making Member States' undertakings systematic.~~

A small number of members also suggested that a series of convergence objectives (both quantitative and qualitative) might ~~can~~ be envisaged, e.g.:

- objective in terms of the proportion of GDP devoted to the defence budget
- objective in terms of the proportion of the defence budget devoted to expenditure on equipment
- objective in terms of the extent to which forces can be deployed.

4950. Development of capabilities is linked to development of armaments. In this context, the setting up on an intergovernmental basis of a European Armaments ~~and Strategic Research~~ Agency has been suggested. The Agency's initial tasks would be to ensure satisfaction of the harmonised~~ed ation of~~ operational requirements which would by ~~promoteing~~ a policy of ~~harmonised~~ procurement by the Member States, and to support research into defence technology, including space technology. The Agency would incorporate, with a European label, closer forms of cooperation conducted ~~which already exist in the armaments field between among~~ certain Member States ~~(in the framework of OCCAR, and L.o.I.)~~. The Agency ~~should could~~ also incorporate the appropriate elements ~~substance~~ of the cooperation that most Member States undertake within the WEU (WEAG ⁴ and WEAO).

501. Such an Agency could also be designed as a **Capabilities Agency**, with the role of encouraging Member States' efforts to improve capabilities. The Head of the Agency could for example ~~be authorised to~~ propose specific projects to groups of countries and monitor capability effort~~compliance by the Member States with the parameters laid down.~~

⁴ WEAG – group for armaments cooperation between 19 European countries (14 of which are members of the EU and 16 members of NATO), the objective being harmonisation of operational programmes and standards, cooperation on research and technology and the opening up of markets.

512. In this context, the following methods of participation are envisaged:

- Participation in the Agency would be open to all the Member States, and the aim would be to match capabilities to the objectives to which all had signed up.
- ~~— Certain Member States could constitute specific groups based on a commitment to carry out specific projects. Such projects might be in the area of research, development and procurement.~~
- ~~— Specific projects could also be opened up on an ad hoc basis to countries outside the European Union, in particular to non-Union members of the WEAG.~~
- The Head of the Agency ~~should~~could have the authority to monitor Member States' progress in developing capabilities ~~to meet the objectives approved~~ and to make proposals himself that certain countries participate in specific programmes. He or she might also make recommendations concerning the specific rules to apply to the armaments sector with a view to a European market which could help to strengthen the industrial base and optimise military expenditure.

523. Method of participation to specific projects :

– Certain Member States could constitute specific groups based on a commitment to carry out specific projects. Such projects might be in the area of research, development and procurement.

– Specific projects could also be opened up on an ad hoc basis to countries outside the European Union, in particular to non-EU European NATO members

- Efforts should be made for the step-by-step creation of a European armaments market, including through amending Art. 296 TEC.

53. The setting up of a **Council of Ministers for Defence** might also be envisaged, which would not, moreover, require any amendment of the Treaty. Some raised the issue of its articulation with GAERC. The Council would act in the sphere of capabilities, monitor implementation of Member States' undertakings in that sphere and adapt the Union's capability objectives to the way requirements and the international situation evolve. If the abovementioned Agency were set up, the Head of the Agency would report annually to the Defence Council on the development of military capabilities within the Union.

List of experts heard by Working Group VIII on Defence

1. Mr Javier SOLANA (High Representative for the CFSP),
2. Gen. Rainer SCHUWIRTH (Head of EU Military Staff),
3. Mr Corrado ANTONINI (President of the European Defence Industries Group),
4. Mr Jean-Louis GERGORIN (EADS),
5. Mr Laurent GIOVACCHINI (DGA, French Ministry of Defence),
6. Mr Peter LUNDBERG (Assistant to Director-General, Defense Equipment Agency, Sweden),
7. Mr Anthony PARRY (BAE Systems),
8. Gen. Carlo CABIGIOSU (former KFOR Commander General),
9. Mr Alain LE ROY (EU Special Envoy in the FYROM),
10. Gen. Gustav HAGGLUND (Chairman of the EU Military Committee),
11. Lord ROBERTSON (Secretary-General of NATO and former UK Secretary of State for Defence),
12. Mr Alain RICHARD (former French Minister of Defence),
13. Rt. Hon. Christopher PATTEN (Commissioner for External Affairs)

List of experts attending the seminar on 7 November 2002

- **GNESOTTO** Nicole, Directeur, Institut des Études de Sécurité de l'UE, Paris
 - **HATFIELD** Richard, Personnel Director, Ministry of Defence, London
 - **HEISBOURG** François, Directeur général, Fondation pour la Recherche stratégique, Paris
 - **JOPP** Mathias, Directeur, Institut für Europäische Politik, Berlin
 - **SILVESTRI** Stefano, Président, Istituto Affari Internazionali, Rome
 - **SMITH** Rupert, General Sir, former DSaceur (1998-2001), Bristol
 - **DE WIJK** Rob, Professor, International Relations, Royal Netherlands Military Academy, Breda
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PAPERS SUBMITTED TO THE WORKING PARTY

<u>DOCUMENT</u>	<u>DRAFTER</u>	<u>SUBJECT</u>	<u>DATE</u>
WD 2	Mr Wim van EEKELEN		19 September
WD 4	Mr George KATIFORIS	Towards an EU Armaments Strategy	2 October
WD 5	Ms Sylvia-Yvonne KAUFMANN	Armaments	4 October
WD 7	Mr George KATIFORIS	Strategic Direction on EU Crisis Management Operations	11 October
WD 8	Ms Marie NAGY	Politique étrangère de sécurité et de défense de L'Union européenne	30 October
WD 9	Mr Oğuz DEMIRALP	European Defence	15 October
WD 11	Mr Liviu MAIOR		29 October
WD 13	Mr Kimmo KILJUNEN	European Security and Defence policy as an intergal part of the CFSP	4 November
WD 14	Mr Valdo SPINI	European Defence	4 November
WD15	Ms Sylvia-Yvonne KAUFMANN		4 November
WD 17	Mr Puiu HASOTTI	A New Momentum for the ESDP	12 November
WD 18	Mr Proinsias DE ROSSA		13 November
WD 19	Mr Oğuz DEMIRALP	European Armaments Cooperation	18 November
WD 20	Ms Danuta HÜBNER	Crisis Management	19 November
WD 21	Mr Kenneth KVIST	A European Security and Defence Policy aiming for Peace	19 November
WD 23	Ms Gisela STUART		21 November
WD 24	Ms Marietta GIANAKOU		21 November
WD 25	Ms Danuta HÜBNER	Improving the functioning and effectiveness of the ESDP in the service of CFSP	21 November
