

Working Group VIII

Working Document 22 REV 1

Working Group VIII – Defence

Subject : **Revised 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, as 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, furthermore, 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).
2. In addition, a seminar on the European security and defence policy (ESDP) was organised, with the assistance of the European Union Institute for Security Studies, during which members of the Convention were able to engage in discussions with experts (the programme for the seminar, a list of speakers and the minutes will be found in CONV 417/02).
3. 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.
4. This report presents the results of the Group's discussions and sets out its recommendations to the Convention.

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

B. THE ESDP TODAY

5. 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

6. The current principal legal bases for the ESDP are contained in Article 17 of the TEU. The ESDP is therefore acknowledged as forming part of the CFSP. Paragraph 1 of that Article defines in very broad terms 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 specifies 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 meeting

7. The new international context and the inadequacies observed in action by Member States of the Union during the Balkans crisis prompted consideration of how to give practical effect to the ESDP.
8. The Franco-British Summit in Saint-Malo and then the Cologne European Council meeting in June 1999 gave the political impetus and set out the practical guidelines required for the strengthening of the common European security and defence policy.
9. At the Cologne European Council meeting (3 and 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 action by NATO. At the Helsinki European Council meeting (10 and 11 December 1999), the Heads of State or Government of the Member States of the European Union decided to give the European Union the autonomous power to decide on and, where NATO as such was not involved, to initiate and conduct EU-led military operations in response to international crises. These conclusions have been further 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

10. At the Helsinki European Council meeting, 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 contingents 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 components. The Member States of the European Union have also established common capacity objectives (command and control, reconnaissance and strategic transport).
11. For those Member States which are also members of the Atlantic Alliance, their military capabilities must also allow them to play a full role in NATO operations.
12. Furthermore, since Cologne, 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, arrangements were to be agreed with the Alliance.

13. Since November 2000, two Military Capabilities Commitment Conferences have been held. The Conferences made it possible to bring together the specific 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 capabilities available to it continue to develop.
14. Further to the evaluations conducted at the two conferences on improving military capabilities and after analysing their outcome, the Member States decided to set up a *European capabilities action plan* to make good shortfalls in the area of capabilities by rationalising Member States' defence efforts and increasing synergy between their national and international projects.
15. In that context, nineteen Working Groups were established to cover most of the significant shortcomings pinpointed by the Headline Goal Task Force. These Working Groups will report on 1 March 2003.
16. 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.
17. The critical shortcomings include the following:
 - command, control and communications;
 - strategic intelligence and the surveillance and protection of troops in the field;
 - strategic transport by air and sea;
 - effective engagement capacity.

(b) Institutional developments

18. Progress in the sphere of capabilities has been accompanied by institutional measures. The first was the appointment 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 Nice European Council conclusions, structures have been specifically created for decision-making on 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 provides military advice and exercises military command over all military activities, and the Military Staff, which supplies military expertise.

(c) Civil capabilities

19. It is important to note that, since the Feira European Council meeting, the capabilities-goal approach has also been applied to civil capabilities, particularly police capabilities, and the capabilities needed to achieve objectives in relation to the rule of law, civil administration and civil protection. A committee has also been set up to deal with the civilian 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.
20. On 19 November 2002 the conference on civilian 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

21. Having established its structures, the European Union has developed procedures for crisis management and a policy and programme of exercises have been approved. An initial test of the procedures was carried out in crisis management exercise CME02 in May 2002. The text of the procedures, endorsed at PSC level, remains open-ended. It should be noted here that there is no provision at present for holding joint military exercises, even though the Union would stand to gain from doing so.

(e) Operational capability declaration

22. Following the progress made both on structures and procedures and on capabilities, the Laeken European Council adopted the "operational capability declaration", stating that "through the continuing development of the ESDP, the strengthening of its capabilities, both civil and military, and the creation of appropriate structures within it ..., the Union is now capable of conducting some crisis-management operations. ... Development of the means and capabilities at its disposal will enable the Union progressively to take on more demanding operations".
23. Since that declaration, the Union has decided to put in place, as from 1 January 2003, a policing mission in Bosnia and Herzegovina to 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 in the FYROM.

(f) Relations with NATO

24. The European defence policy cannot be defined without a reference to NATO. Eleven current European Union 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. For States which are simultaneously members of the European Union and of NATO, their military capabilities must also allow them fully to play their role in the framework of NATO operations.
25. 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. The members of the Group have stressed that the conclusion of that agreement will be of great importance to the implementation of the ESDP.

(g) *Relations with the United Nations*

26. Following the establishment of the ESDP, at the European Council meeting in Göteborg, the Heads of State or Government of the Member States also took important decisions to step up cooperation between the European Union and the United Nations, particularly in the areas of conflict prevention and crisis management.
27. The operational capability that the European Union acquires in the ESDP field may prove to be of great help in conflict prevention and crisis management operations conducted under United Nations auspices.
28. The establishment of the EUPM in Bosnia and Herzegovina has made it possible actually to work with the United Nations in practice, in order to ensure a smooth transition between the two operations.

C. SPECIFIC NATURE OF DEFENCE MATTERS

29. Defence policy is a special policy both at national and at European level. It is one which goes to the very heart of sovereignty and which essentially calls upon national resources. Decisions to take part in operations are for national authorities, which will always wish to be involved in any decision to conduct an operation, as, in addition to having national security implications, they are also likely to endanger the lives of their soldiers.
30. Consequently, the provisions relating to the ESDP sometimes differ from those which apply to the CFSP, e.g.:
 - the provisions of the Treaty of Maastricht (Article 23(2)) rule out the possibility of applying qualified majority voting to "*decisions having military or defence implications*";

- a special situation also applies as regards 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".*) This provision forbids the financing of military operations out of the Community budget. As a result, such financing may be provided either directly by the Member States taking part in an operation ("costs lie where they fall", with the consequence that a limited number of countries bear all the costs) or by the creation of another system for the financing of military operations.

Variety of situations

31. In this context, it is worth considering the diversity of individual States' situations in terms of status, budgetary effort, military structure and capabilities within the Union.

(a) Difference in status

32. Eleven European Union Member States (Germany, Belgium, Denmark, Spain, France, Greece, Italy, Luxembourg, the Netherlands, Portugal and the United Kingdom) are members of NATO and are therefore bound by a collective defence clause under Article 5 of the Washington Treaty.
33. 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.
34. Four Member States (Austria, Finland, Ireland and Sweden) are non-aligned countries. They have observer status in the WEU.
35. Mention should also be made of the special 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.

36. 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, the Czech Republic and Turkey) are already members of NATO, while others were invited to join NATO at the Prague Summit on 21 and 22 November 2002. Those candidate countries for European Union membership which are 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 certainly become "associate members" once they have joined NATO. Two candidate countries remain non-aligned (Cyprus and Malta).

(b) Differences in defence industry

37. The current situation is also particularly varied with regard to Member States' defence industries. The countries cooperating under the OCCAR ¹ (Germany, France, Italy and the United Kingdom) and the LoI ² (Germany, Spain, France, Italy, the United Kingdom and Sweden) alone account for 90% of total European production in this sector.

(c) Budget differences

38. 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 States' defence budgets shows that in only five of the fifteen Member States does military expenditure exceed 2% of GDP. Just two States (France and the United Kingdom) have recently announced sizeable increases in their military budgets for equipment. In most Member States, military expenditure is continuing to decrease.

¹ 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. The OCCAR currently manages several international programmes.

² 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.

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

(d) Differences in deployment capability

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

(e) Other differences

41. Other differences may be identified on both the political/institutional level (permanent members of the United Nations Security Council) and in the type of military capabilities (professional army or conscripts, etc.).

Cooperation developed between certain Member States

42. In various areas of defence there are forms of cooperation between certain Member States:
- some Member States cooperate under the OCCAR and the LoI in the area of armaments: the special 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, some Member States have created multinational military units with headquarters or general staffs. This 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), the European Air Group (Germany, Belgium, Spain, France, Italy and the United Kingdom), the Multinational Division (Centre) (Germany, Belgium, the Netherlands and the United Kingdom) and the General Staff of the German-Netherlands First Corps (Germany, the Netherlands and the United Kingdom). There are also other multinational forces, which do not, however, have joint headquarters. That is the case of the British-Netherlands Amphibious Force and the Spanish-Italian Amphibious Force.

D. THE CURRENT CHALLENGES

The new threat

43. The ESDP was defined and developed on the basis of the threat as evaluated in the 1990s. There can be no doubt that this definition of threat has been overtaken by events on the international scene. After 11 September, the threat is no longer defined solely by the risk of conflict between States or ethnic groups, but more by a situation of **global insecurity** characterised by less clear-cut risks, linked to international terrorist organisations or the use of weapons of mass destruction, which elude the provision made for conflict management in the traditional sense.
44. 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 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, more than ever, public opinion is calling for security and protection and continues to be very much in favour of European defence. It is therefore for the Convention to consider how the gap between expectations and reality could be overcome.

Credibility and effectiveness

45. One key factor in the credibility of the Union's defence policy and hence of its role on the international stage is the creation of suitable 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 both to ensure that the Helsinki headline goal is fully achieved and to check whether it may not be necessary to revise the capability objectives in the light of the new threats. The need for fresh efforts in this area clashes in particular with Member States' budgetary constraints. While further efforts to increase defence budgets are desirable, it is in any event necessary to make expenditure more effective.
46. 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 United States). This expenditure also seems to be considerably less effective in Europe. Investment in research is fundamental both to ensure the efficiency of equipment and to avoid any widening of the gap for civil industry.
47. 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

48. The Group stressed that defence policy makes a great contribution to the Union's international credibility. In framing that policy, the aim is not to militarise the European Union but to give it the tools necessary for the defence of its objectives and values and for it to contribute to peace and stability in the world in accordance with the principles of the United Nations Charter. The Group, which noted that those are the objectives of the CFSP and the ESDP as laid down in the present Treaty, also noted with interest the proposed "principles and objectives" that the Working Group on External Action recommended be incorporated into the constitutional treaty (see WD 21 REV 2). The Group also noted that the principle of gender equality ought to appear in one of the first articles of the constitutional treaty and should apply across the board.

49. On the basis of these premises, broad consensus emerged in the Group on the following recommendations ¹:

I. Crisis management:

(a) Updating the Petersberg tasks

50. The Petersberg tasks could be expanded to include a specific reference to other tasks involving use of military resources:
- post-conflict stabilisation;
 - conflict prevention;
 - military advice and assistance ("*defence outreach*": supporting local forces in calming hostilities, building and maintaining trust, and assistance in the development of democratically accountable armed forces, e.g. through training);
 - joint disarmament operations (weapons destruction and arms control programmes).

(b) Arrangements for ensuring coherence and efficiency in carrying out crisis management operations

51. A crisis management operation must of necessity meet two requirements: efficiency and coherence. There was a clear tendency within the Group to feel that there need to be swift and efficient procedures for crisis management, without this affecting political scrutiny:

¹ A few members of the Group were reticent about some recommendations.

- (a) Use should be made of Article 25 of the Nice Treaty, which 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 the role of the High Representative be enhanced. The High Representative should have a right of initiative in crisis management matters, but the decision to initiate an operation would remain a Council prerogative. In particular, it would be for the High Representative to submit to the Council a proposal specifying the type of operation contemplated and the resources that would have to be brought together for the performance of that operation. Moreover, it is essential in conducting a crisis management operation that responsibility for the operation be assigned to a single person whose brief would be to ensure the coherence of the operation (civilian and military aspects) under the authority of the Council and within the framework of the parameters approved by it. The commander of the military operation and those in charge of civilian aspects should be answerable to that person. The High Representative would be empowered, in urgent cases, to take the necessary decisions under the authority of the Council and in close and permanent contact with the Political and Security Committee.
- (c) The need for a command structure on the ground is vital and ought to reflect the arrangements made in Brussels. 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.
- (d) The launching of an operation, both for its military and for its civilian aspects, means that swift access to financing is also a requirement. As regards the civilian aspects of an operation, the Group took careful note of the recommendations made by Working Group VII on External Action.

Where an intended operation is a military one or its civilian or military nature has yet to be decided, appropriate funding needs to be provided for the preparatory phase of the operation. It is therefore envisaged that a relatively modest fund be set up, based on Member States' contributions, from which the preparatory stages of such an operation could be financed. The administration of that fund would be governed by strict provisions laid down in a financial regulation and would be subject to political and financial scrutiny.

Given that military operations cannot be financed from the Community budget and to prevent application of the "costs lie where they fall" approach from leading to all the costs being borne by a limited number of Member States, it has been suggested that provision be made for a mechanism under which common costs would be borne jointly (by all Member States).

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

(c) Facilitating flexibility in decision-making and action

52. 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 **assent**. 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, although political support and solidarity would always be required. Once the operation was launched, the abstaining States would not participate in decision-making concerning the implementation of the operation as originally decided on, but could join in at a later stage. They would, however, take part in decision-making that had political consequences or required military action going beyond the terms of reference of the mission as originally decided on.
53. The Working Group's discussions have revealed diversity among Member States as regards the level of their capabilities and the willingness to commit themselves even to tasks already included in the Treaty, e.g. peacemaking.

54. As the Maastricht Treaty set up a specific form of cooperation for the introduction and management of the euro, the new treaty could consequently provide for a **form of closer cooperation between Member States**, open to all Member States wishing to carry out the most demanding tasks 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 and command and control capabilities would be available. Another condition might be participation in multinational forces with integrated command and control capabilities. Other factors are also important, such as force preparedness, interoperability and deployment capabilities.

II. The response to the new threat: more solidarity

55. The Group concluded that the threat which the European Union is facing has evolved since the first stages of ESDP development. It is now also necessary to cope with the threat of terrorism and the use by terrorist 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 required the combined use of the whole range of instruments available today to the Union, and in particular the Member States (military resources, intelligence, police and judicial cooperation, civil protection, etc.).

(a) Solidarity clause requiring recourse to all of the Union's instruments for the protection of the civilian population and democratic institutions

56. There was an inclination in favour of a new clause spelling out the principle of solidarity between Member States which would be enshrined in Article 1 of the Constitutional Treaty. That clause would enable **all the instruments available to the Union to be mobilised**, including the military resources and the structures originally set up for the Petersberg tasks, and also police and judicial cooperation, civil protection, etc., **in order to avert the terrorist threat, protect the civilian population and democratic institutions and to assist a Member State within its territory in dealing with the consequences of a possible terrorist**

attack. It would therefore be a question of optimising the interdisciplinary character of the Union's approach, in order both to respond effectively to new challenges and to indicate clearly what distinguishes the European Union from a military alliance.

57. 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. The future Treaty should state that the European Council will adopt a threat-assessment declaration and regularly update it.
58. Taking this enhanced solidarity further, and to strengthen the existing Community mechanism, the setting up of a pool might be envisaged consisting of specialised civil-protection military units identified by the Member States, which would undertake joint training and coordination programmes so as to facilitate more effective intervention in the event of natural or humanitarian disasters within the Union.

(b) Collective defence clause

59. Several members of the Group wanted to go further and proposed that the Constitutional Treaty should include a collective defence clause. Some members of the Group proposed inserting a passage on "solidarity and common security" in the Constitutional Treaty and annexing to the Treaty a political declaration on solidarity and common security in order to identify risks of any sort, including terrorism in particular, and the means of dealing with them. The European Security and Defence Union that would be produced by this development would also contribute to the strengthening of the European pillar of the Alliance.

In this context it was also suggested that Member States who so wished could share between themselves the obligations laid down in Article 5 of the Brussels Treaty relating to mutual assistance, thus bringing to an end the Western European Union.

60. Such a collective defence clause was considered unacceptable by some members for reasons connected with the "non-aligned" status of certain Member States, and by others because they considered collective defence was covered by the Atlantic Alliance.

61. Under those circumstances, it would seem sensible to allow those Member States wishing to intensify their cooperation, and in particular to undertake a commitment to the WEU Treaty, to do so within the framework of the Union rather than outside the Union.

As indicated above for certain aspects of the Petersberg tasks, the new Treaty should therefore provide for a **closer type of cooperation on defence policy matters**, open to all Member States wishing to enter into such a commitment and fulfilling the requirements for such a commitment to be credible, in particular command and control capabilities, force preparedness, interoperability and deployment capabilities.

Decisions would be taken only by the participating Member States. **The methods of operation and decision-making procedures for such cooperation would be specified in the text establishing such cooperation.**

62. In addition to such specific cooperation as established by the Treaty, certain members also proposed amending the provisions on **strengthened cooperation**, as resulting from the Treaty of Nice. In general, those provisions should be open to cooperation in security and defence matters, and their conditions of use would be relaxed (decision to establish strengthened cooperation taken by a qualified majority, reduction in the number of States required to constitute strengthened cooperation, rapid decision-making procedures).

V. Capabilities and armaments: towards a European agency

63. 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 recommended. The Agency's initial tasks would be to ensure the harmonisation of operational requirements by promoting 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, forms of cooperation which already exist in the armaments field between certain Member States (OCCAR, LoI).

The Agency should also incorporate the substance of the cooperation that most Member States undertake within the WEAG ¹.

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

- all Member States which so wished could participate in the Agency.
- certain Member States could constitute specific groups based on a commitment to carry out specific projects in the area of research, development and procurement, on the basis of the principles according to which current forms of cooperation operate, e.g. OCCAR.
- specific projects could also be opened up on an ad hoc basis to countries which are not members of the European Union, in particular to non-Union members of the WEAG.
- The Head of the Agency 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 spending, thereby enabling the scope of Article 296 TEC to be specified with due regard for experience acquired in Community matters.

65. The development of the CFSP calls for the strengthening of military capabilities available to the Union – with regard to both commitments entered into by Member States in order to fulfil the Petersberg tasks and deeper commitments which might apply to certain individual Member States. In that context, there is a proven need for a mechanism to evaluate and improve on the way in which Member States fulfil their commitments. A range of convergence objectives might be considered, which would evaluate:

- the proportion of the defence budget in relation to GNP, and in particular the proportion of equipment expenditure in the defence budget
- force preparedness

¹ WEAG – group for armaments cooperation between 19 European countries (14 of which are members of the European Union and 16 members of NATO), the objective being harmonisation of operational programmes and standards, cooperation on research and technology and the opening up of contracts.

- force deployment capabilities
- interoperability.

An evaluation and monitoring function should therefore be created in order to ensure compliance with these various commitments.

66. This function could be entrusted to the **Armaments Agency**, which would **thus become a true Capabilities Agency**, with the role of encouraging Member States' efforts to improve capabilities. The Head of the Agency could thus have the authority to monitor Member States' progress in developing capabilities with regard to the various objectives approved, and to propose that certain countries participate in specific programmes.
67. The creation of a **Council configuration bringing together Ministers for Defence** is also recommended, which would not require any amendment of the Treaty. The Council would exercise a role with regard to 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. The Ministers for Defence could also be associated with the Council of Ministers for Foreign Affairs when the latter considered military crisis management operations.

IV. The institutional framework: arrangements to be strengthened

A. ESDP structures

68. Existing institutional structures in the ESDP area must be maintained. They would, however, have to be adapted to ensure greater coherence and efficiency.
69. In order to ensure the effectiveness of the defence policy, provision should be made in the Council for a political figure who, acting under the Council's authority, would head European Union action and coordinate Member States' efforts as regards defence.

70. Should the Convention incline towards the creation of a post of "Union External Representative", combining the functions of High Representative and Commissioner responsible for External Relations, and who would not have any responsibilities with regard to the military aspects of security, it was proposed that provision be made for the creation of a post of High Representative for Defence, whose links with the "External Representative" have yet to be defined.

B. Parliamentary scrutiny

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

72. Such scrutiny would be exercised in two ways:

- European Parliament:
 - At present, the European Parliament is informed of developments in common foreign and security policy by the Presidency of the Council, and by the High Representative. It is thereby informed of progress and decisions taken in CFSP matters and of guidelines for the future.
 - The Parliament may put 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;
 - Regular meetings of national parliament defence committees should be organised with the aim of ensuring better exchanges of information and more effective political scrutiny.

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, Defence Equipment Agency, Sweden),
 7. Mr Anthony PARRY (BAE Systems),
 8. Gen. Carlo CABIGIOSU (former KFOR Commander General),
 9. Mr Alain LE ROY (Special Envoy of the European Union 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)
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Working Group VIII on Defence

<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 integral 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
WD 26	Mr Liviu MAIOR		27 november
CONV 389/02	Mr Panayotis IOAKIMIDIS	The development of the EU's Common Foreign and Security Policy and Defence Policy (CFSP/ESDP)	7 november
CONV 422/02	Mr Dominique de Villepin and Mr Joschka Fischer	Joint Franco-German proposals in the field of European security and defence policy	22 November
CONV 437/02	Mr Hannes FARNLEITNER and Mr Reinhard BÖSCH	A new impetus to the European Security and Defence Policy	28 November