



CFSP Forum

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Note from the Editor

Karen E. Smith, London School of Economics, Editor

This issue first tackles the challenge of leadership in EU foreign and security policy, and contains two articles on 'directoires', one by Christopher Hill and the other by Bastian Giegerich. Annegret Bendiek then examines the democratic deficit problem in the financing of the CFSP/EDSP.

The issue concludes with two new kinds of *CFSP Forum* 'content'. The first is a chronology of the EU and Lebanon, compiled by Sarah Tzinieris. Given the recent war between Israel and Hezbollah, readers might find such a chronology useful. The second is a table, which I compiled, of the geographic spread of CFSP and ESDP

of comparison – which is not to say that they might not become relevant in the future.

By the 1990s ‘variable geometry’ had become a commonplace prescription for the problem of making foreign policy in a steadily enlarging and more complex EU – and one in which national interests were not fading away. This was far from being the same as a *directoire*. Indeed it implied that smaller states would always have a role in their own area of geographical or historical specialisation, as the Scandinavians were to do with the ‘Northern dimension’ policy of the late 1990s.³ In the event, however, the most prominent inner groups tended to unite the bigger member states, together with key external players. Thus Spain, though a newcomer, proposed a Big Five grouping to deal with EC/CFSP issues.⁴ This came to nothing, but only two years later, in 1994, a Contact Group of five was set up to deal with the crisis in Bosnia. This included only Britain, France and Germany from the EU, together with the US and Russia. Spain probably did not feel the exclusion sharply, unlike Italy, which focused its whole foreign policy attention on gaining entry to the group, which it eventually did, to little effect, in 1997. It was, indeed, strange that just after the CFSP had been launched with such a fanfare, its major players had chosen to concert outside its framework – just as Germany had acted unilaterally over the recognition of Croatia and Slovenia in late 1991.⁵

The Contact Group was at least drawn as close to regular EU decision-making procedures as possible. Yet other member states were deeply unhappy about the implications for their brand new CFSP, and the existence of the much more serious ‘Quint’.⁶

The EU-3 took it on themselves to act independently of the CFSP, whether because they thought they would not get agreement à 15, or because they feared the inevitable leaks emerging from a cumbersome multilateral process, is not clear. On 21 October 2003, the British, French and German foreign ministers visited Tehran, ten days before the UN Security Council (UNSC) discussions on the subject and in the middle of the discussions on a European Security Strategy. Not only was Spain not invited, which caused comment in Madrid, but even the Italian presidency, and High

The directoire will not become permanent in the sense of having hard boundaries, or of becoming institutionalised. It is not that kind of phenomenon. There is also little chance of the European Security Council which has occasionally been floated. On the other hand, it has become an immanent tendency, and one which cannot be removed from the mental maps of those involved in the making of European foreign policy. It may, indeed, have reached the point where it is becoming a self-fulfilling prophecy. All this is based on the assumption that the Three can handle their self-appointed role with both diplomacy and discretion. If they give in to the temptations either to squabble amongst themselves, or to take their partners' acquiescence for granted, the whole fragile edifice will tumble down around them. And it does not follow that the CFSP would be better off as a result. The paradox which now obtains is that the CFSP and some form of directoire have become interdependent.

¹ Simon Nuttall's 'Coherence and Consistency', in Christopher Hill and Michael Smith (eds.), *International Relations and the European Union* (Oxford: OUP, 2005), provides the crispest analysis of these problems. Nuttall distinguishes between 'institutional' consistency (between the intergovernmental and Community sides of the EU), 'horizontal' (between different EU policies), and 'vertical' (between EU and national policies).

² *Le Petit Larousse Illustré 1996: Dictionnaire Encyclopédique* (Paris: Larousse, 1995).

³ For a list of groups where smaller states did participate, on such matters as non-proliferation, or Angola, see Simon Nuttall, *European Foreign Policy*

E3 Leadership in Security and Defence Policy

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A group of willing and able EU member states has to lead in order to achieve substantial progress in building ESDP. Of course, decision-making by directorates is resented by those who are not part of this select group which undermines this process. It is high time to openly debate how to balance the competing goals of effectiveness and legitimacy.¹ The EU faces the trade-off of all international institutions: 'institutions that are regarded as legitimate...are not terribly effective, while those that are effective...are not regarded as legitimate.'²

Is it possible to build an effective and legitimate EU security policy by means of an E3 directorate, consisting of France, Germany, and the United Kingdom? E3 leadership is a real-world phenomenon whether one likes it or not. This paper will briefly discuss three examples of E3 small-group leadership – the talks with Iran, the EU battlegroup initiative, and the debate about EU planning capacity for civilian and military ESDP missions.

E3 and Iran

When, in the second half of 2003, the dispute between Iran and the international community

development was widely perceived to have been marginal. In order to reinvigorate the process within the EU, France and Great Britain introduced the idea of EU battlegroups, which are a specific form of military rapid response force packages.⁹ No one tasked France and the United Kingdom with the development of such a concept on behalf of the European Union. Instead, the governments of both countries used the precedent of previous leadership by them to justify their advance in 2003.

It is not clear whether this process of self-recruitment extended to Germany, which joined the initiative just ahead of it being brought before the PSC. The domestic discourse in Germany focussed on the fact that the battlegroups concept had been pushed by countries with recent colonial history in Africa and had specifically named Africa as a likely theatre of operations. The German government would thus have an interest to re-focus the initiative from the inside. For London and Paris, having Germany join before submitting the proposal for approval to the remaining EU members was attractive for the same reason. Having Germany on board, with its reputation for restraint in military matters, increased the appeal and legitimacy of the initiative.

What the leaders did was to generate the overall aspiration as well as offer a detailed framework for implementation.¹⁰ The battlegroups would be about the quality and not the quantity of European rapid reaction capabilities. However, in the second step, the trio was also leading by example. France and the United Kingdom offered a battlegroup each on their own and took on responsibility for a big

question of what their added value would be, the British cleared the way for a venue shift calling for a dedicated EU planni

**The Financing of the
CFSP/ESDP: 'There is a
democratic deficit
problem!'¹**

beyond the official EU budgetary procedure which will be explained below (see also Table 1: Range of funding options for EU foreign policy).

For civilian missions, there are three ways of funding. The main way is through the EU general budget, which includes the CFSP budget (see Annex 'CFSP'). According to Title V Treaty on the EU, the Rapid Reaction Mechanism is also covered by the CFSP budget. A second means is to fund operations through the European Development Fund; this Fund is not in the general budget but can be used to support civilian crisis management operations in ACP (African, Caribbean and Pacific) countries that are run by organisations working in close cooperation with the EU. EU civilian missions can also be financed outside the EU budget by national contributions if the Council decides by unanimity; these are ad-hoc missions.

There are three channels of financing operations and European agencies that have a defence or military component. According to the Treaty provisions, the European Security and Defence Policy (ESDP) is a matter of purely intergovernmental cooperation where member states' competencies are still predominant. Therefore, ESDP funding is realised from outside the EU budget. The ESDP missions can be financed firstly by the ATHENA mechanism, which was established in February 2004. For the ATHENA mechanism, the contributions of the member states are determined according to a gross national product scale; the only country that does not participate is Denmark. Third countries may contribute as well. Missions can also be financed by contributions of the Member-States according to the NATO principle 'costs lie where they fall'. This principle has the disadvantage of creating uneven burden-sharing amongst the contributing member states, as it is difficult for the smaller member states to act as a leading nation or furnish the mission from their own military and defence resources. Finally, the ESDP agencies such as the European Defence Agency (in charge of development of defence capabilities; armaments cooperation; research and technology), the European Union Institute for Security Studies (which contributes to research and analysis), and the European Union Satellite Centre (which generates information for crisis monitoring and conflict prevention) have their own budgets made up of national contributions. The possibility of administrative costing is something which is not clearly defined. In theory, it is possible that the member states are co-financing certain projects with private companies, international organisations, or the

EU.

In practice, the EU has around 20 operations/missions worldwide. Only a few of them have been purely military and the remainder are made up of either purely civilian or a mix of civilian and military elements (hybrid missions), and thus of CFSP and ESDP elements. The current trend whereby the EU's missions consist of hybrid missions is likely to continue. But the EU budget in EU's CFSP/ESDP funding lacks of transparency, accountability and adequate funding.

A threefold democratic deficit problem

First of all, a detailed description of proposed expenditure allows the general public as well as the European Parliament and national parliaments to 'know where the money goes'. It is the European taxpayers' money which is being spent; together with accountability, transparency is at the very heart of democracy.

Secondly, a lack of accountability relates to the EU foreign policy funding. The idea of accountability implies that the European Parliament should be able to exert decisive democratic control over the CFSP decisions. This even more so as the funding for military, police and civilian EU operations has increased and in the future will, in all likelihood, grow even further. The EU budget is not just a technical instrument compiling income and proposed expenditure; it reflects rather the EU's political objectives and priorities for the future. Mismanagement of funds, hidden expenditure, and nepotism are possible dangers if the European Parliament lacks democratic control over the financing of EU foreign policy. However, despite the consultation right established by the IIA as regard to CFSP Joint Actions, the European Parliament is hampered in its efforts at controlling the EU's financing due to the opacity of the allocation of funds (off-budget financing, parallel budgets and mechanisms), and by a lack of adequate rights to oversee military spending. Accountability goes hand in

and consult the European Parliament before, rather than after, it decides on EU operations. Accountability is crucial because the exact nature and sources of the financing of CFSP need to be accounted for to the European public

Table 1: Range of funding options for EU foreign policy

Civilian	Military ^{3/4}
Ø EU general budget (includes CFSP budget)	Ø ATHENA mechanism
Ø European Development Fund	Ø

Chronology of Lebanon, 2002-2006

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This chronology gives some background to the current crisis in Lebanon-Israeli relations, and to EU involvement with Lebanon. The work was produced under the auspices of EU-CONSENT.

2002

17 June: Association Agreement is signed between the EU and Lebanon, which details specific areas in which objectives of the Euro-Mediterranean Partnership can be developed bilaterally.

2003

1 March: 'Interim Agreement on trade and trade related matters' is signed between EU and Lebanon, allowing trade aspects of Association Agreement to enter into force (start of 12 year transition period to free trade).

2004

20 January: IDF bombs Hezbollah targets in southern Lebanon, in retaliation for killing of an Israeli soldier during missile attack on Israel's border.

August: Syria insists that President Lahoud, whom it had previously appointed, remain in office beyond constitutional limit of one 6-year term. Despite general Lebanese outrage, Parliament extends President Lahoud's term by three years.

2 September: UN Security Council resolution 1559 - aimed at Syria - calls for the disarming of militias as well as the withdrawal of foreign forces from Lebanon (14,000 Syrian troops in Lebanon). Syria dismisses resolution.

20 October: Pol8borde1ne7rriahD-(forces)e81.1172 Tw[o4d6c0.00lockr:)-3.56 TD-b0067rriahD-

CFSP Decisions, 1 November 1993 – August 2006

Compiled by Karen E. Smith, London School of Economics, UK

Area/country	Maastricht Treaty in force, November 1993 - April 1999			Since Amsterdam entered into force, May 1999 – August 2006		
	Common Positions	Joint Actions	Others	Common Positions	Joint Actions	Others ¹
ASIA						
Afghanistan	3			6	9	
Burma	7			15		
Indonesia/Aceh				1	4	4
KEDO	1	1		2		
East Timor	1			1		
Central Asia					2	
Uzbekistan				1		
Sub-total	12	1		26	15	4
	(16.44% of CPs)	(1.28% of JAs)		(13.68% of CPs)	(6.98% of JAs)	(2.9% of others)
AFRICA						
Africa (general)	1			2		
Conflict prevention in Africa	2			3		
South Africa		1				
Angola	3			4		
Ethiopia/Eritrea	1			5		

I E t h 5 i o p i a /

ESDP ²					9	28	
Security (of information)						11	
WEU			1			2	
Sub-total	6	26	2	32	39	55	
	(8.22%)	(33.33%)	(18.18%)	(16.84%)	(18.14%)	(39.85%)	
EASTERN NEIGHBOURHOOD							
Western Balkans/South Eastern Europe	23	31	5	43	81	53	
Belarus	2			5			
Southern Caucasus (incl Georgia)				3	14	3	
Moldova				5	4	2	
Stability Pact		2					
Russia		1			6	2	
Ukraine	1					2	
Sub-total	26	34	5	58	104	65	Suh5

Total number of CFSP decisions = 705

Of which: Asia = 58 (8.23% of grand total); Africa = 142 (20.14%); Security/ESDP = 160 (22.69%); Eastern neighbours = 288 (40.85%); Latin America = 3 (0.42%); Middle East/Med = 48 (6.81%); Misc = 6 (0.85%)

Source: Council of the European Union, 'Actes Juridiques PESC: Liste Thématique', Brussels, 3 August 2006 (accessed 29 September 2006), http://www.consilium.europa.eu/uedocs/cmsUpload/ACTES_JURIDIQUES-2006-Continuing-updating.pdf

Recently-published and forthcoming books and articles on European foreign policy

Please send details of new publications to k.e.smith@lse.ac.uk.

Steve Blockmans and Adam Łazowski, eds., *The European Union and its Neighbours: A Legal Appraisal of the EU's Policies of Stabilisation, Partnership and Integration* (The Hague: T.M.C. Asser Press, 2006).

Anne Deighton, with Viktor Mauer, ed., *Securing Europe? Implementing the European Security Strategy*, ETH Zurich, Center for Security Studies, 2006.

Gisela Müller-Brandeck-Bocquet, ed., *The Future of the European Foreign, Security and Defence Policy after Enlargement* (Baden-Baden: Nomos Verlagsgesellschaft, 2006).

Helene Sjursen, ed., *Questioning EU Enlargement: Europe in Search of Identity* (London: Routledge, 2006).

Richard Youngs, ed., *Survey of European Democracy Promotion Policies 2000-2006* (Madrid: FRIDE, 2006).

Richard Youngs, *Europe and the Middle East: In the Shadow of September 11* (Boulder: Lynne Rienner, 2006).