

EU CRISIS RESPONSE CAPABILITY REVISITED

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EU CRISIS RESPONSE CAPABILITY REVISITED

EXECUTIVE SUMMARY

Three years after Crisis Group first took a snapshot of European Union crisis response capacity, much has changed for the better in both conflict prevention and conflict management. Mechanisms then only planned or just introduced such as the Political and Security Committee are functioning well; important new ones such as the European Defence Agency have come on line. The enlarged EU has gained experience with police and military missions in the Balkans and Africa and has just launched its most ambitious operation, replacing NATO as Bosnia's primary security provider. Nevertheless, many old problems of Council/Commission coordination have not been resolved, and fundamental questions about member state political will to act together are being asked with more urgency in the post 9/11, post-Iraq War environment. The Constitution adopted in June 2004 will help if it is ratified but the EU cannot afford to let momentum slow by turning inward during the difficult year or two while that issue is fought out.

The reason is simple for pushing forward on conflict management capabilities and for acting to the greatest extent possible as if the Constitution's provisions relating to Common Foreign and Security Policy (CFSP) were already in force. The world has become if anything more dangerous in the past three years. The EU is the only serious partner in sight that can significantly help the U.S. deal with a wide range of security problems -- and with the potential strength to cause Washington to take notice from time to time of constructive criticism and alternative policies. That will not happen until the Union builds some further military muscle and above all learns how to punch at a higher political weight.

The European Security Strategy (ESS), adopted in 2003, is a blueprint for what a coherent European foreign policy should look like but it is as yet mostly words on paper. There is hope that the progressive "mainstreaming" of political and conflict issues into development aid and trade deals will result in a renewed debate on reinforcing conditionality in the whole of EU external assistance. Many observers,

however, still question whether the EU can not only talk but walk.

The EU and NATO now speak to and about each other constantly in Brussels, and they are beginning to get daily experience of each other in the field in more than one Balkans location. A great deal more work is required, however, to ensure that the relationship is a truly complementary one, as envisaged in the important "Berlin Plus" arrangements they reached in 2003. European armed forces that are stronger, flexible and more interoperable would make the EU a much better partner not only for the U.S. but for the UN and regional organisations as well. On the other hand, an EU failure to improve its capabilities would only strengthen the unfortunate argument of some in the U.S. that America should increasingly go it alone.

This report is not a comprehensive examination of all aspects of EU foreign policy but rather, like its predecessor, an overview of those aspects that relate particularly to the important field of crisis response and management, civilian and military. It is written for a wider than specialist readership, to draw attention to developments within the EU that have been both rapid and not as well understood or appreciated as they deserve to be.

Brussels, 17 January 2005

EU CRISIS RESPONSE CAPABILITY REVISITED

I. INTRODUCTION: THE STRATEGIC CONTEXT

When Crisis Group's first EU crisis response capability report¹ was published in June 2001 the European Union had only recently begun to work seriously on the area, as part of the ongoing development of the Common Foreign and Security Policy (CFSP) since its inception in the Maastricht Treaty that entered into force only in 1993. In the intervening three years, the strategic environment has been fundamentally altered and with it the Union's place in the world. Despite vigorous and sometimes acrimonious debate among member states, 2003-2004 may ultimately be seen as decisive for the development of European foreign policy. The divisions were painfully and publicly on display. The biting terms "old Europe" and "new Europe" used at the height of argument over the pre-Iraq War crisis by the U.S. Secretary of Defence² revealed how incomplete the sense of a common foreign policy identity was.

But the divisions also demonstrated how important a sense of common policy objectives and capabilities has become, for two broad sets of reasons. First, the world is more dangerous. No single country can deal alone with the full range of contemporary security threats, so the search for common threat assessments, responses and understandings of what long-term measures can be taken to reduce suffering and risk has become more vital than ever. This is particularly true for EU countries, as they have no realistic alternative to multilateral action. Secondly, as Iraq showed, the international community and its multilateral structures are fragile. Unless it is willing to accept the risk of their collapse under the burden of unfulfilled expectations and the return of international relations to a more zero-sum game, an

entity such as the EU, which lives by multilateralism, needs to assert itself more in world affairs.

The increased sense of urgency behind the search for "effective multilateralism" led to formal adoption of the first ever European Security Strategy³ (ESS) at the end of 2003. Written with the U.S. Security Strategy of 2002⁴ in mind, it is meant to present the Union's response to a new strategic environment. It is questionable whether the EU yet has the political will and coordination, if not the resources, to pursue such a wide-ranging strategy single-mindedly. Nevertheless, little more than a decade after the birth of CFSP, member states have progressively aligned their positions and coordinated their actions on many foreign policy matters. If there is still controversy and even some strong disagreements on sensitive issues, this should not lead to despair. The reality that some member states will want to exercise discretion in areas perceived as strategically vital does not mean that the EU is systemically incapable of becoming an increasingly effective foreign policy actor. This is not an all-or-nothing issue.

The policy framework laid out in the Security Strategy is, politically at least, a step forward. It is noteworthy that even as the dispute over Iraq was most intense, states as diverse as France, Ireland, Germany, Greece, Finland and the UK agreed on common threat assessments and a common foreign policy vision. In theory, the ESS affords greater legitimacy to Javier Solana, the EU's High Representative for CFSP, and provides him with a strategy that member states must

¹ Crisis Group Issues Report N°2, *EU Crisis Response Capability: Institutions and Processes for Conflict Prevention and Management*, 26 June 2001.

² Remarks by Secretary of Defence Donald Rumsfeld, 22 January 2003, in response to the pledge by President Chirac and Chancellor Schroeder that France and Germany would cooperate to oppose war in Iraq.

³ Javier Solana, "A secure Europe in a better world: European Security Strategy", endorsed by the Brussels European Council, 12-13 December 2003. "Effective multilateralism" was conceived as a "clear challenge to Member States to turn their rhetoric into a 'results oriented' strategy with which the US can engage", by approaching global challenges more realistically. While firmly anchored in the classical principles of multilateralism, such as the rule of law, support for the UN system and political, rules-based cooperation at a regional and global level, the concept, as presented in the ESS, "does not preclude the use of force as a last resort". "Making multilateralism matter: The EU Security Strategy", ISIS, *European Security Review*, No. 8, July 2003.

⁴ Document available at <http://www.whitehouse.gov/nsc/ncc.html>.

live up to. In practice, difficult cases are likely still to present problems.

Incoming EU Presidencies are now formally obliged to attempt to implement not only the ESS but also a longer-term, Multi-Annual Strategic Program.⁵ In December 2003, the European Council, the Union's highest body, made up of heads of government or state, asked the incoming Irish Presidency and Solana, in coordination with the Commission, to present concrete proposals for ESS implementation. The four initial policy documents the Irish presented at the June 2004 European Council focused on effective multilateralism with the UN, the fight against terrorism, a Middle East strategy, and a comprehensive Bosnia policy.

The European Security and Defence Policy (ESDP) missions carried out in 2003-2004 in Macedonia, Bosnia and the Democratic Republic of the Congo offer some hope that genuine political will is giving some substance to proclamations and speeches. These were, however, mostly small missions, have not all been stunning successes and have revealed serious constraints on EU action. The Balkan missions took over from UN or NATO structures. They all, therefore, had long lead-up periods that could be used for planning. This was not short-term crisis response but ongoing conflict management. The Artemis mission in the Congo was different, involving a grave humanitarian crisis in Ituri; also, it began life as a French initiative, not a UN or NATO mission. Lessons are being learned, political will developed and experience gained, from those ESDP missions, which will help now that the EU has taken over NATO's peacekeeping task in Bosnia (SFOR) in December 2004, its most serious challenge to date.⁶

European diplomacy is becoming increasingly hard-edged, with a serious debate emerging on "conditionalities" -- whether the Union should place stringent political conditions on aid or trade agreements. Human rights clauses, present in European agreements since the 1970s, have become the rule and are in the process of being complemented with clauses on Weapons of Mass Destruction (WMD).⁷ Similarly, the Cotonou Agreement

with ACP countries⁸ has been given a stronger political aspect. With agreement at the June 2004 EU Council on the new European Constitution -- which still faces a difficult ratification process, of course -- prospects for foreign policy development in the next few years are fairly good. The last months of 2004 have seen progressive implementation of the Security Strategy and the new European Defence Agency (EDA) come on-stream to coordinate military expenditures. "Communitisation"⁹ of the European Development Fund (EDF) is expected soon.

Conflict prevention and management have always been part of EU foreign policy but they are achieving new prominence as core components of its more ambitious operational scope. There is still considerable room for improvement. There are glaring weaknesses in EU ability both to prevent violent conflict and to manage conflicts as they arise. Some of these are structural, many more result from a lack of capabilities, both military and civilian, and all could be vastly improved by a greater dose of political will. Indeed, political will is a recurring theme in this report. The EU is finding its role and is setting out its ambitions, but the question remains whether its political leaders will follow through on their aspirations.¹⁰

In the longer-term, they may have no choice. As recognised in its Wider Europe vision,¹¹ the Union has a vested interest in maintaining peace and security in its neighbourhood. On issues such as terrorism, it is hard to draw a line between internal and external policies, between what happens within the EU and what happens on its borderlands. The Atocha bombings in Madrid on 11 March 2004 tragically demonstrated that the EU cannot be an island of tranquility in a violent world. At the end of 2004, the European Council took the momentous decision to begin accession negotiations with Turkey on 3 October 2005, which could pave the

⁵ This sets out medium term objectives for six consecutive Presidencies of the Council, beginning on 1 January 2004 (Ireland, The Netherlands, Luxembourg, UK, Austria and Finland) in an attempt to achieve a consistent approach. It has been a recurrent criticism of European governance that shifting Presidencies (every six months) means shifting priorities.

⁶ See Crisis Group Europe Briefing, *EUFOR: Changing Bosnia's Security Arrangements*, 29 June 2004.

⁷ Such clauses are not unproblematic, however. See Sections II D 1 and IV A 2 below.

⁸ The European Community and its member states signed a twenty-year Partnership Agreement with the 77 African, Caribbean and Pacific states (ACP) in Cotonou, Benin (23 June 2000), which entered into force on 1 April 2003. See Section IV A 1 below.

⁹ "Communitisation means transferring a matter which, in the institutional framework of the Union, is dealt with using the intergovernmental method (II and III pillars) to the Community method (I pillar)", that is, giving primary responsibility to the Commission rather than member states and the Council. EU Glossary, at <http://europa.eu.int/scadplus>.

¹⁰ Not the least important test of political will upcoming in 2005 is the need to determine the EU's financial perspective -- its budgetary framework -- for 2007-2013. This will impact heavily on EU capabilities to conduct many aspects of its external relations. See also Section II C 3 below.

¹¹ *Ibid.*

way for a Union that borders within a decade or so on Syria, Iraq, Iran and the South Caucasus.¹²

"Effective multilateralism" is a matter not so much of choice as of necessity. In the 1990s, failure to get involved early and effectively to protect others in the Balkans and Rwanda hung over the EU.¹³ If it fails now to become more effective at conflict prevention and management, it will ultimately be failing to protect itself.

This report is not a comprehensive examination of all aspects of EU foreign policies. Like its predecessor in 2001, it is a snapshot of today's situation, with some recommendations on how crisis response could be improved. Four main areas are addressed.

Section II, Structure and Framework, looks at the structures of EU conflict prevention and management policy and at some of the major changes introduced by the Constitutional Treaty. On the basis of the concepts and terminology identified in the 2001 report, it gives a broad overview of how the Union's institutional framework for external action works.

Section III, Capabilities, examines the progress of the last three years as well as the persistent shortfalls in terms of ability actually to implement aspirations. It reviews initiatives to improve capabilities and the problems these raise and outlines the major military and civilian aspects, including NATO-EU relations; it also raises some questions about third-country contributions.

Section IV, Practices and Policies, assesses what the EU is doing in conflict prevention and management, highlights some remaining problems, and analyses current and past activities in seven areas identified in 2001: on the conflict prevention side (what can be done to prevent conflict from breaking out or recurring), the EU's contribution to and problems with international peacebuilding regimes, in-country peacebuilding, preventive diplomacy and preventive deployment,¹⁴ and

on the conflict management side (what can be done once a crisis has become armed conflict to prevent it escalating and to end it), diplomatic peacemaking, traditional peacekeeping, implementation of sanctions and peace enforcement.¹⁵

Section V, Operations, assesses strengths and weaknesses of EU operations in Macedonia, Bosnia and the Congo.

promote cooperation -- global, regional or bilateral in scope -- (e.g. multilateral cooperation forums, arms control treaties, international legal frameworks governing issues like the status of refugees, and international dispute resolution mechanisms). **In-country peacebuilding:** national and international efforts at economic development and institution building to make states viable and peaceful including pre and post-conflict aspects. **Preventive diplomacy:** the full range of methods described in Article 33 of the UN Charter, such as mediation, good offices, and arbitration. **Preventive deployment:** deployment of personnel (civilian or military) to prevent a slide into armed conflict. See, for these and the definitions in the following footnote, Crisis Group Report, *EU Crisis Response Capability*, op. cit.

¹⁵ **Diplomatic peacemaking:** closely linked to preventive diplomacy, it intends to lead to a cessation of hostilities in the first instance and to establish the basis for lasting peace thereafter. **Traditional peacekeeping:** the interposition of civilian or military personnel between the parties to a conflict, when they have reached a peace agreement and are into implementation. This is inherently peaceful, with engagement limited to return of fire in self-defence. These are UN Chapter VI rather than more forceful Chapter VII operations. **Sanctions:** These are implemented to deny a country or political entity the means to prolong or escalate violence within a conflict through restriction of access to markets for goods, capital, services or other externally provided elements. The focus now is frequently on "targeted" or "smart" sanctions such as bank-account freezes or travel bans directed at policy makers or those with great influence on policy. **Peace enforcement:** this is the use of military force to reverse trans-border aggression (the 1991 Gulf War) or to separate warring parties and enforce a broken ceasefire (also known as "peace-keeping plus").

¹² European Council Conclusions, 16-17 December 2004. Turkey committed to extend its 1963 Association Agreement with the European Community to the EU-25 -- a de-facto recognition of Cyprus -- before that date, as a precondition to the beginning of negotiations.

¹³ "The Responsibility to Protect: Report of the International Convention on Intervention and State Sovereignty", Gareth Evans and Mohamed Sahnoun (co-chairs), Ottawa, 2001, at <http://www.dfait-maeci.gc.ca/iciss-ciise/pdf/Commission-Report.pdf>.

¹⁴ For the purposes of this report we adopt the following working definitions of key terms: **International peacebuilding regimes:** international norms, arrangements, agreements and laws designed to minimise security threats and

II. STRUCTURE AND FRAMEWORK

A. THE BIG BANG ENLARGEMENT

Enlargement from fifteen to 25 members on 1 May 2004¹⁶ was an historic achievement that clearly alters EU dynamics. Partly this is a matter of mechanics. Decision-making will be more unwieldy since many more interests must be reconciled. It is too early to say what the precise impact of enlargement on the internal workings of institutions will be but the expansion of the European Commission to 25 members changes the basis of that body's collegiality.¹⁷

Eight of the ten new members were emerging from their communist experience just ten years ago. Their transformation has been rapid but incomplete. New member states' politics tend to be fractured between numerous transient political groups. While there was a huge uptake of EU legislation with adoption of the *acquis communautaire* (body of European Community law), a cooling-off phase now seems likely. Perhaps it has already begun, as indicated by the low turnout in the June 2004 European Parliament elections especially in Poland, the Czech Republic and Slovakia.

On foreign policy and security issues, some (notably the U.S. Secretary of Defence) have suggested that the newcomers have a more transatlantic posture than some established members, reflected in attitudes toward the Iraq crisis. Most of them have contributed to the U.S.-led coalition in that country. It is certainly true that these countries, dominated until recently by Russia, feel gratitude to the U.S. and believe their ultimate security depends on its continued engagement with Europe.¹⁸ The EU does not guarantee hard security in the same manner as NATO. But their attitudes are well within the traditional range of approaches to U.S.-European relations.¹⁹ Their entry may shift the balance of debate

within the Union a few degrees but is unlikely to alter course fundamentally.

The EU now borders an arc of instability from Belarus to the Balkans. The genuine security concerns of new members about human trafficking or drugs are now the security dilemmas of the entire Union. They require both a foreign-policy approach to Europe's new neighbours as well as an improvement in domestic capacity to prevent EU borders from becoming porous.

For most of the new member states, NATO has been a major driver in efforts to update and modernise armed forces for the range of peacekeeping and peace-enforcing missions for which they are likely to be required. Some specialisation among them may be useful as the EU puts together packages for future ESDP missions. Most new member states do not yet have significant development and humanitarian programs that can be plugged easily into EU development policy. In both defence capabilities and development aid, there is considerable scope for them to adopt best practices but this transfer need not be one-way. The necessary reform of armed forces in the new member states should spur military reform in older EU members. In crafting development policies, the good examples set by, say, Denmark and The Netherlands might become elements of a template. Modernisation and Europeanisation can be synonymous.

B. THE EUROPEAN CONSTITUTION

1. The death and rebirth of the Intergovernmental Conference

Launched in October 2003 to complete the work of the two-year long Constitutional Convention, the Intergovernmental Conference (IGC) fell apart two months later over the issue of weighted voting in the Council. Poland and Spain refused to depart from the agreements made at the 2000 Nice IGC that gave them more voting strength than their populations would justify. There was speculation that others, such as France and the UK, were not unduly disappointed by the failure to reach agreement.

After the initial shock and some predictions that negotiations would not restart for years, the Irish Presidency began a shrewd rescue operation. Informal, mostly bilateral negotiations with individual member states were held in the first three months of 2004 to explore compromises. The change of Spanish governments following the 14 March election and disintegration of the ruling coalition in Poland contributed significantly to the decision to reopen the

¹⁶ The ten new member states are Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia.

¹⁷ The Commission takes all decisions by consensus.

¹⁸ The sense of dependence on U.S. security guarantees tends to be weaker among new member states further from Russia.

¹⁹ There is a spectrum of opinion on transatlantic issues within the EU, running from the UK, Denmark and The Netherlands, which have been consistently keen on maintaining NATO and thus U.S. involvement, to France, which has been most interested in building a separate EU capacity. Those members which are traditionally neutral (Austria, Sweden, Finland and Ireland) are less ambitious to build anything resembling a "European army".

IGC with a view to reaching a final agreement no later than 17-18 June at the European Council summit.²⁰

In its April interim report, the Presidency confirmed that the IGC had to proceed on the basis that nothing was agreed until everything was agreed, although, in fact, very few provisions of the draft Constitution remained in dispute. A broad consensus had been reached on many proposals during the preceding Italian Presidency. General Gustav Häggglund, Chairman of the EU Military Committee (EUMC), had contended in 2003 that: "Everybody is on agreement on defence. Why should its [progress] then depend on other issues having nothing to do with defence?"²¹

Until the end, the most divisive issues were the Commission's size and composition and the voting formula in the Council.²² Despite their complexities and the political sensitivity, the pressure on leaders to reach a deal in June was enormous. All governments were keen to keep the constitutional bargaining separate from the scheduled start in the last months of the year to the tough haggling over EU finances for 2007-2013. They also needed a success after the European Parliament election, when voter turnout was a record low 45 per cent, and Eurosceptic parties advanced in both old and new member states. Agreement after two full days of discussion on the text of the Constitutional Treaty was a solemn moment in the history of European integration and a triumph for the Irish Presidency.

The 25 heads of state and government reconvened to sign the Treaty on 29 October in Rome. What seemed the most difficult hurdle at the beginning of the IGC -- agreement among governments -- has been now, however, almost completely overshadowed by the challenges of the ratification process. Member states have two years to ratify but the British decision to submit the Constitution to a referendum has stirred debates on this

possibility in other member states and raised the prospect of rejection by part of the EU electorate.²³ It is not clear what, if any, safeguard mechanisms could protect the Constitution should one or more member states fail to ratify. Formally, rejection by a single country would block the Constitution for all. If not all have ratified within two years, the European Council would reconvene to decide on appropriate further steps.

Failure to adopt the Constitution would not mean the end of the EU, which could at worst continue to function under the current rather cumbersome system of the Nice Treaty, but it would be a serious political setback that could promote centrifugal trends leading to a less homogeneous Union with different degrees of integration from subject area to subject area. In foreign and security policy, this might mean that "enhanced cooperation" -- a subset of member states coming together in a specific policy sector -- would become the norm.

In structural terms, EU shortcomings as a single actor able to prevent conflicts and manage crises are fairly obvious. The Union is divided into a pillar structure, whereby some matters are the competence of the Commission and others of the Council (i.e. member states acting through the EU's Council structures). As external relations are partly "communitarised" and partly intergovernmental, their management is split between Commission and Council with neither able to provide overall coordination and coherence. As a result, rivalry has always existed between the two institutions. In crisis management, there have been internal efforts at greater coordination -- the Council issued a document in March 2003, "Suggestions for procedures for coherent, comprehensive EU crisis management",²⁴ relating to inter-institutional cooperation. But as one official put it, the "micropolitics" can sometimes dominate the bigger picture.²⁵

The Constitution's institutional innovations are especially relevant to foreign and security policy. It provides a "double-hatted" European foreign minister, who would serve in both Council and Commission. This leaves open many questions about staff and the precise nature of the responsibilities and the relative importance of this figure compared to the President of the European Council. Appointment of the foreign minister might go some way to answering Henry Kissinger's famous question of whom to call when the U.S. wants to speak

²⁰ The Presidency recommended this in a report on the IGC to the March European Council, doc. CIG 70/04, 24 March 2004. On 26 April 2004, the foreign ministers decided to reconvene the IGC on the margins of the 17-18 May General Affairs Council.

²¹ General Häggglund said this in an interview with the Swedish-language Finnish newspaper *Hufvudstadsbladet* on 17 December 2003. His suggestions -- going outside the EU treaties -- would no doubt be strongly opposed by those who would see this as a breakdown in the unity of the EU system.

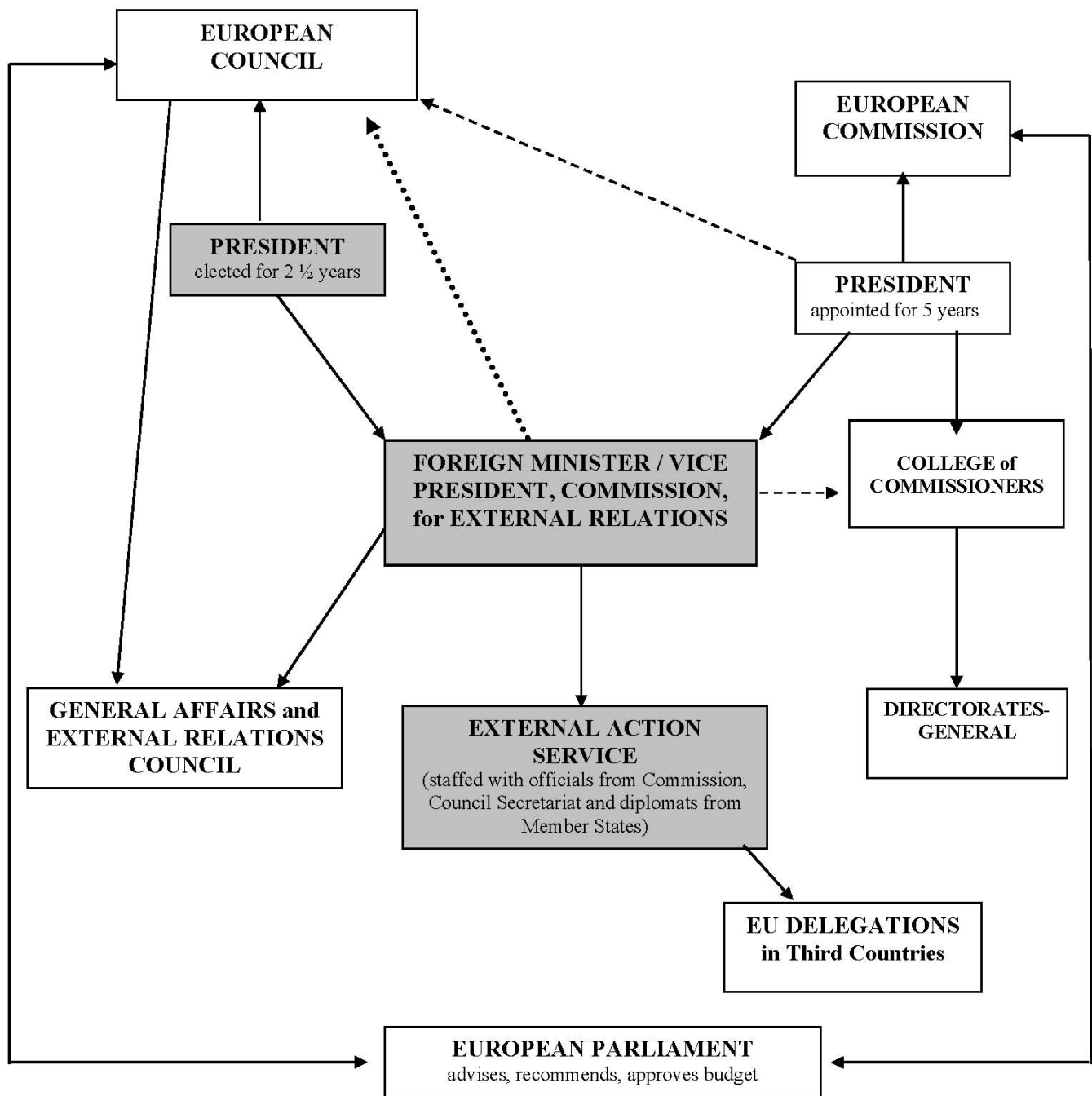
²² The voting formula is important when the Council makes decisions by a qualified majority. The solution eventually endorsed is based on the principle of double majority, whereby a question carries when it has the support of at least 15 members of the Council, comprising at least 55 per cent of its votes, and representing at least 65 per cent of the EU's population.

²³ As of December 2004, ten countries -- Belgium, Czech Republic, Denmark, France, Ireland, Luxembourg, The Netherlands, Portugal, Spain and the UK -- are certain to hold referendums, with others possible as well.

²⁴ Council Secretariat Document No. 7116/03.

²⁵ Crisis Group interview, January 2004.

Figure 2: Key Structures for EU External Action under the New Constitution



Legend

- > Presides Over / Directs/ Mandates
-> Reports To
- - -> Participates In
- New Institutions

to Europe, but member states will still have final say in policy decisions. Even a powerful EU foreign minister is more likely to be a valued interlocutor, listener, consensus-builder and communicator than a decisive, independent actor.

The European Parliament, which had hoped that the IGC would herald a new stage in its own development, has mostly been disappointed. In most foreign policy areas, it did not gain the genuine oversight role it wanted. It will be able to object to the new foreign minister via its right to refuse to confirm the College of Commissioners. It has the power to call for testimony and question the minister. However, its main role will still be the rather limited one of budget oversight. As a result, in the immediate future, its only likely gain will be a greater say in the European Development Fund (EDF) once that is brought fully into the EU framework.

While EU architecture remains somewhat unclear pending ratification, the Union's immediate capacity to prevent conflicts and manage crises will not be seriously impaired. Even in the case of a negative outcome, European foreign policy is evolving in a dynamic context, not a structural vacuum: the European Defence Agency, the European Security Strategy, a new relationship with NATO, a European planning headquarters and the first ESDP missions all emerged in 2003. In other words, while structural reform at the constitutional level is not yet confirmed, evolution is ongoing.

What is needed is political will to fulfil the potential of the Union's existing conflict prevention and management structures so that the EU can be a more effective international player. The uncertainties that still surround the Constitution should affect that objective only marginally.

2. The European Foreign Minister

By far the Constitution's most important foreign policy proposition was that of a European Foreign Minister. The title, with its overtones of independence from the member states, raised eyebrows in some capitals, and there were attempts to water it down. However, the idea is popular, not least because it is easily comprehensible.

Over the past few years the High Representative, Javier Solana, and the External Relations Commissioner, Chris Patten, worked well together, due to a good personal relationship and an effective division of labour. But this was more good fortune than institutional design. Combining the posts should produce a stronger EU foreign policy identity and better institutional coordination. In conflict prevention

and management, the latter would also hopefully allow a strengthening of links between military and civilian capabilities, and short and long-term measures.

According to the Constitution, the Union Minister of Foreign Affairs will be elected by a qualified majority in the European Council (the EU summit) and be responsible for "conducting" the Common Foreign and Security Policy. The European Council will have the right to remove the minister under the same procedure. The foreign minister is proposed also to be a vice president of the Commission and so bound to its rules and obligations. In other words, the minister could be required to resign from the Commission by that body's president.

Fears that a double-hatted minister would not be at home in either Commission or Council and so be suspect in both appear excessive, as do concerns in some member states that "double-hatting" would lead to Commission foreign policy dominance at Council expense. The foreign minister will have the prerogative to propose initiatives to the Council of Ministers and European Council (a prerogative that Solana technically now lacks) will chair Council sessions on external relations, and be required to carry out the policy mandated by the Council.²⁶

Nevertheless, some doubt the workability of the arrangement. Anyone combining Solana's and Patten's -- now Ferrero-Waldner's -- jobs, particularly when the scope of European foreign policy seems set to expand, will face a Herculean task. Their schedules have been full, and it is fair to ask how one individual will be able to cope with a double job. Clearly, the support staff must be of the highest quality, which raises the question whether it will come principally from the Commission or the Council, or be formed anew. The Constitution envisages creation of an External Action Service staffed by civil servants from both the national diplomatic services and the European Commission delegations. The Service is meant to be up and running in two years -- provided, of course, the Constitution comes into force. The Council Secretariat and the Dutch Presidency started preparations in June 2004, shortly after the Constitution

²⁶ For clarity, the Council of the European Union (Council, sometimes referred to as the Council of Ministers) is the EU's main decision-making institution. It consists of the ministers of the 25 member states responsible for the activity on the agenda: foreign affairs, agriculture, industry, transport, etc. Despite its many configurations, the Council is a single institution. The European Council is also the term used to describe the regular (twice a year) meetings of the heads of state or government of the member states with the President of the European Commission (the EU Summit).

was signed, and the 25 member state foreign ministries are preparing their concept papers. Solana has formed a task force of senior Secretariat officials and diplomats seconded from capitals to design the Service, which is envisaged as including eventually as many as 7,000 personnel, and the Commission has already done considerable work on this as well.²⁷ Solana and the Commission are to submit a joint progress report on their preparatory work to the June 2005 European Council.

Equally important ultimately, of course, is the identity of the new Minister. An experienced former prime minister, president or national foreign minister will have more weight on the world scene and greater authority with which to bring along member states. The Minister and the new President of the European Council will need a good relationship. The Constitution provides that the President, to be selected by qualified majority for a two-and-a-half year term, should "at his/her level and in that capacity ensure the external representation of the Union on issues concerning its common foreign and security policy, without prejudice to the responsibilities of the Union Minister for Foreign Affairs".²⁸ The potential clearly exists here (as well as with the Commission President) for rivalry. If the minister is from a large member state, this will invite criticism from the smaller ones that foreign policy is in danger of being run by a directorate of the big players. Moreover, a declaration was attached to the Constitution stating that, in selecting the President of the European Council, President of the Commission and Foreign Minister, due acknowledgement should be given to the EU's geographical and demographic diversity.

With all these considerations in mind, the June 2004 European Council declared that Javier Solana "will be appointed Union Minister for Foreign Affairs on the day of entry into force of the Constitution".²⁹ Solana

has called the post "one of the most passionate jobs in the world today".³⁰

3. Legal personality and external representation

The second major proposition was to give the EU a single legal personality. This has two implications. First, the EU will become a subject of international law and thus able to sign treaties or join international conventions binding on the Union as a whole. Until now, the individual member states and, where appropriate, the Commission have signed. Secondly, Commission delegations abroad will become representation offices (perhaps renamed embassies) of the Union as a whole, with power and resources to bridge Community and CFSP/ESDP policies. This relates, of course, to the current debate about the powers and composition of the External Action Service.

C. ONGOING DEBATES

1. "Enhanced" and "Structured" cooperation

The EU has been no stranger to flexibility and multi-speed integration.³¹ However, it was only in the 1997 Amsterdam Treaty that such "enhanced cooperation" was formalised,³² opening the door to systematic use of differentiation as a tool for furthering integration in multiple areas. The idea -- highly controversial since inception -- is that willing member states can choose, under certain conditions, to cooperate further between themselves on matters covered by the treaties, using Union institutions and procedures. Some observers fear that differentiation will allow further integration of a core group while destroying the unity of the whole. Others believe it can speed up integration while assuring that eventually at least most member states will come along.

²⁷ "Plans for EU Diplomatic Service can officially begin", *EU Observer*, 29 October 2004. Crisis Group communication with former Commission official, December 2004.

²⁸ Title I, Article 21.

²⁹ "Declaration by the Heads of State or Government on the transition towards the appointment of the future Minister for Foreign Affairs of the European Union", European Council, 29 June 2004. The declaration continued: "The Heads of State or Government underline the commitment of Member States to work in support of the Secretary-General of the Council, High Representative for the common foreign and security policy during the transition to the establishment of the function of Union Minister for Foreign Affairs. The Heads of State or Government invite the President of the Commission and the Secretary-General of the Council, High Representative for the Common Foreign and Security Policy to organise the working relations between them in a way that will ensure a smooth and efficient transition and to take necessary measures to that end".

³⁰ "Solana appointed EU's first 'foreign minister'", *EU Business*, 29 June 2004.

³¹ Most notable examples are the *opt out* from the euro zone (by the UK, Sweden and Denmark) and from the Schengen Area (which Ireland and the UK can join at a later date, while Denmark, which has signed the agreement, can choose within the EU framework whether or not to apply any new decisions taken under it). In foreign policy, following a decision of the Edinburgh European Council of December 1992, Denmark does not participate in the elaboration and implementation of decisions and actions that have defence implications, so is not obliged to contribute to the financing of costs arising from such measures.

³² Title VII, Provisions on Closer Cooperation, Art. 43-45 of the Amsterdam Treaty, now Art. 27A to 27E of the Nice Treaty.

The Nice Treaty in 2000 revised the clauses to make them less restrictive in the context of enlargement to 25 and introduced the possibility of enhanced cooperation within the second pillar (CFSP), though only on issues with no military or defence implications.³³ The Constitution's provisions on enhanced cooperation mirror that reluctance and the preoccupations of those who fear being excluded by future arrangements. First, it restates Commission and member state obligations to promote participation of as many members as possible in any enhanced cooperation scheme. Secondly, the foreign minister is to screen any enhanced cooperation proposal and give an opinion as to whether it would be consistent with CFSP. The Commission is to advise on consistency with other EU policies. The proposal would also be forwarded to the European Parliament for information. Finally, the European Council would have to grant unanimous authorisation to proceed.³⁴

"Structured cooperation" generally is taken to involve the more sensitive matter of differentiated defence cooperation. Some see it in pragmatic terms as essentially the cooperation of some member states on matters such as interoperability, harmonisation of military requirements and the like but under the EU umbrella. Those who do not wish to join worry it might lead to a permanent core group of powerful states that would shape European foreign and defence policy, a permanent coalition of the willing, a standing force or perhaps a European army.

The debate has evolved to the point where it is now accepted that any EU action with defence implications undertaken by a limited number of member states must receive the same political approval as an action of the Union as a whole, and that such structured cooperation will be non-exclusive (that is, joining and leaving it is not to be too difficult). The Constitution's provisions on

structured cooperation in defence matters³⁵ are more cautious than the Convention's original proposal. They allow countries not part of an initiative to participate in deliberations, though not to vote, and include a protocol with objective operational criteria.³⁶

Structured cooperation in defence has the benefit of recognising the different cultures and priorities of member states, while providing an EU framework for what would be welcome improvement in capabilities. It more or less reflects the reality of Franco-British domination of European defence issues. A concrete indication of how it might work has been given by the plan to create Anglo-French-German rapid reaction battle groups for jungle, desert and mountain operations. Those wishing to join "must show a high degree of interoperability".³⁷ The proposal was submitted to the Political and Security Committee³⁸ on 10 February 2004 and gained further support at the informal meeting of defence ministers and chiefs of defence staff on 5-6 April in Brussels. The Joint Foreign Affairs and Defence Ministers' Council of 17-18 May 2004 endorsed a Solana document -- *Headline Goal 2010*³⁹ -- which includes the main parameters for developing EU military capabilities including rapidly deployable battle groups by 2007.

2. Which headquarters?

The question of an operational planning headquarters has seemed at times to dominate debate on European defence policy.⁴⁰ Most notably at a conference on 29 April 2003 attended by Belgium, Luxembourg, France and Germany during the main combat phase of the Iraq war, the notion of an EU operational headquarters independent of NATO seemed to be under serious consideration. At the December 2003 European Council, however, member states agreed to establish in 2004 a permanent small cell within NATO's operational headquarters, SHAPE, consisting of staff seconded from the capitals, for operational planning of EU-led operations using NATO assets under "Berlin Plus".⁴¹ In parallel,

³³ Member states which intend to establish enhanced cooperation address a request to the Council to that effect. The Council grants authorisation by qualified majority on the opinion of the Commission and after informing the European Parliament. However, Article 23 of the TEU provides that a member state may request referral to the European Council for a unanimous decision (the "emergency brake"). Member states thus retain their right of veto. It is a responsibility of the High Representative for CFSP (Javier Solana) to keep the Parliament and other member states fully informed.

³⁴ The Constitution contains a provision envisaging that member states taking part in enhanced cooperation that does not have military or defence implications may decide by unanimity, where the treaty provides otherwise, to apply qualified majority voting among themselves, and/or use ordinary legislative procedures. Article III-328 of the Constitutional Treaty.

³⁵ See Article III-213 of the Constitutional Treaty.

³⁶ Giovanni Grevi, "Light and shade of a quasi-Constitution: An assessment", EPC Issue Paper No. 14, June 2004.

³⁷ "Paris, Londres et Berlin proposent de créer plusieurs forces de réaction très rapides", *Le Monde*, 10 February 2004.

³⁸ The Political and Security Committee (PSC) is the central EU body responsible for CFSP in the Council. See below.

³⁹ "Headline Goal 2010" in GAERC and Defence Ministers Council Conclusions, 17-18 May 2004. For details on the 2010 Headline Goal and the battle groups concept, see below.

⁴⁰ See discussion of the EU-NATO relationship below.

⁴¹ "Berlin" in this term refers to 1996 arrangements agreed there that extend NATO's support for operations led by the Western European Union (WEU); "Plus" refers to the crisis management tasks outlined at Petersberg, outside Bonn, in June 1992 and

they agreed also to establish a civil-military planning cell within the Council Secretariat, with approximately 30 seconded officials, responsible for planning autonomous EU operations (that is, those without NATO support). This cell is to be located in the EU Military Staff and operational by the beginning of 2005.

Subsequently, the European Council agreed to create, by 1 January 2006, an operations centre able to plan and actually conduct ESDP operations on the scale of the 2003 Congo operation (Artemis). This operations centre is not designed as a standing headquarters but rather is to be activated when a joint civil/military response is required, and no national headquarters is identified.⁴²

3. Financing ESDP

A further controversial structural issue involves financing of ESDP operations.⁴³ It is almost universally accepted that ad hoc funding is not optimal. It neither assures long-term commitment nor is conducive to rapid deployment. All ESDP operations have had reasonably long periods of political and administrative gestation,⁴⁴ have been small and either exclusively military or exclusively civilian. As such, they have relied on different sets of budget lines. In future, however, the EU may want to conduct a larger, cross-disciplinary mission in a shorter-time frame. Financing arrangements for the EU's replacement of SFOR peacekeepers in Bosnia have to be different from those for the relatively cheap, earlier missions in that country and in Macedonia.

Most importantly, under the current frameworks for ESDP missions, large member states, often the most substantial contributors, end up paying twice: first through allocation of common costs linked to GDP and then by virtue of the expenses they bear individually when deploying. This is politically unsustainable in the long-term. The problem is accentuated by enlargement, which has added many small countries that will make relatively low GDP-related contributions to ESDP missions.

subsequently incorporated into the EU's 1997 Amsterdam Treaty. For the Petersberg tasks, see Section III A below; for the EU-NATO arrangements, see Section III C below.

⁴² European Council Conclusions, 17 and 18 June 2004. The Artemis mission was conducted by the EU in the Congo (Ituri) in 2003. See below.

⁴³ This is dealt with at some length in "Euros for ESDP: Financing EU operations", European Union Institute for Security Studies, Occasional Paper No. 45, June 2003.

⁴⁴ Operation Artemis, in the Democratic Republic of Congo, was a partial exception to this, though the EU planning piggy-backed on French planning for Operation Mamba.

Following its decision of 22 September 2003, which called for a permanent financing mechanism, the Council established Athena,⁴⁵ which provides a single set of rules and procedures for common costs of EU military missions within an annual budget and will be activated when necessary.⁴⁶ It will be staffed by personnel of the Council Secretariat brought together as needed and managed by a special committee composed of representatives of member states⁴⁷ and the Commission. However, when discussing the financing of a specific operation, this committee will include a representative from each contributing member state⁴⁸ as well as representatives from contributing non-member states,⁴⁹ and the operation commander. The latter will make proposals for operational expenditures and then oversee the spending. Athena has considerable potential to speed up the decision-making process, since it eliminates the need for a fresh Council decision on a financial framework for each military ESDP mission.

More generally, of course, improved financing procedures will be of limited value if the EU does not make adequate provision for satisfactory funding to be available not only for ESDP missions but for the full range of its Common Foreign and Security Policy (CFSP) as well. Decisions to be taken in 2005 on the next financial perspective, covering the seven-year period 2007-2013, will be of great significance for many aspects of the Union's conduct of external relations.⁵⁰

⁴⁵ Council Decision No. 197/04 of 23 February 2004.

⁴⁶ This mechanism will cover specific "operational common costs" of ESDP military missions, in their preparatory, active and winding-up phases. It also covers common costs of ESDP exercises.

⁴⁷ Except for Denmark, which does not participate in elaborating or implementing EU policies with defence implications and thus takes no part in Athena.

⁴⁸ While the money to start Athena will come from contributions of all member states, operational expenditures will be covered only by those countries who wish to contribute to a specific operation.

⁴⁹ Non-EU member states are not allowed to vote on a decision in the Special Committee, including approval of the operational budget. The Council has prepared two model agreements for the participation of non-EU states in EU crisis management operations -- military and civilian -- which are meant to remove the need for time-consuming, case-by-case, and country-by-country procedures that have until now been the norm. These are not publicly available but presumably include a financial framework for third-country participation in ESDP operations. Council Document 12047/04, 3 September 2004. With regard to non-member state contributions see also Section III E below.

⁵⁰ The Union's six net donor countries (France, Germany, Holland, Sweden, Austria and the UK) have demanded that the spending cap be lowered to an average of 1 per cent of

D. THE COMMISSION

1. The Directorates-General

The European Commission implements its external relations responsibilities through five Directorates-General (External Relations, Trade, Enlargement, Development and Humanitarian Aid) headed by four Commissioners.⁵¹ currently Benita Ferrero-Waldner, Peter Mandelson, Olli Rehn and Louis Michel. Together they constitute the Group of Commissioners for External Relations, which is chaired by President Barroso, with Commissioner Ferrero-Waldner as vice chair.

Commissioners control personal cabinets (staffs of chosen advisers) in addition to one or more Directorates-General (DGs).⁵² Through their functional responsibilities and the funds and personnel at their disposal, they possess significant potential to contribute to conflict prevention and conflict management.

DG External Relations and European Neighbourhood Policy (RELEX) is subdivided into a number of directorates.⁵³ Directorate A is responsible for thematic and institutional aspects of CFSP in all geographic regions, including the Conflict Prevention and Crisis Management Unit (see below). Through a section of the Conflict Prevention Unit, DG RELEX also deals with political questions concerning African, Caribbean

and Pacific (ACP) countries. Directorate B is responsible for multilateral relations and human rights. Other directorates each deal with a geographic region.⁵⁴ The task force that had been created to develop and implement the European Neighbourhood Policy (ENP) -- with staff from DG RELEX and DG Enlargement -- is now part of DG RELEX,⁵⁵ which also coordinates all Commission delegations in third countries.

DG Development contributes to formulating EU development assistance and cooperation policies and directly manages relations with the 71 ACP countries under the framework of the Cotonou Agreement⁵⁶ as well as twenty Overseas Countries and Territories⁵⁷ Suspension of aid to countries ruled by autocratic regimes and not fulfilling the political dimension of the development and cooperation agreements, or embroiled in conflict, is a typical conflict prevention or management response.

DG Trade is charged with conducting EU international commercial policy as well as key aspects of intellectual property, investment and competition policy. It has had little directly to do with conflict prevention and management. However, the systematic inclusion of human rights clauses in trade agreements with third parties can be read as a forward-looking conflict prevention measure. Indeed, DG Trade has much potential for involvement in conflict prevention issues, not least through the units that deal with sustainable development, by including conflict impact assessments in trade agreements.⁵⁸

EU Gross National Income (GNI) over the seven-year period. It is presently 1.24 per cent. The Commission argues that to meet the anticipated challenges, including those posed by enlargement, the figure should not be less than 1.14 per cent. The major net beneficiaries under present arrangements (Spain, Portugal and Greece) seek to maintain their advantages. Reconciliation of positions will be difficult and will have an important impact on resources available for external actions, which accounted for 6.9 per cent of budget expenditures in 2004.

⁵¹ The Commissioner heading DG Development (Michel) is also responsible for Humanitarian Aid.

⁵² While the Commissioner for External Relations is responsible for coordinating Commission external relations as a whole, DG External Relations (RELEX), which she controls, is not generally responsible for many of the countries dealt with by the Commission. The African, Caribbean and Pacific (ACP) countries are the primary responsibility of DG Development and of DG RELEX only when it comes to political affairs. In this respect, DG RELEX officials also participate in the (Council) CFSP Africa Working Group.

⁵³ Traditionally there have been ten directorates but this number, and their respective designations, may change slightly as a result of reassignment of portfolios in the new Commission. The former Directorate D (Western Balkans) has been moved to DG Enlargement, while RELEX, as its full expanded name indicates, has assumed responsibility for the European Neighbourhood Policy.

⁵⁴ These include C: Andorra, Australia, East Asia, EEA, EFTA, New Zealand, North America and San Marino; E: Caucasus, Central Asian Republics and Eastern Europe; F: Middle East, south Mediterranean; G: Latin America; and H: Asia, apart from Japan and Korea. Directorates I and K are administrative. There is no directorate J. As noted above, Directorate D (Western Balkans) is now with DG Enlargement.

⁵⁵ The European Neighbourhood Policy (ENP) now has a dedicated directorate within DG RELEX known as RELEX.D - European Neighbourhood Policy Coordination. For more on ENP, see Section IV A 1 below.

⁵⁶ The Cotonou Agreement is discussed in greater length in the Conflict Prevention subsection of this report below. Development cooperation with the ACP countries led to the first Yaounde Convention in 1964. A second followed in 1970 and was succeeded by the first Lomé Convention in 1975 and four subsequent Lomé Conventions. Cotonou came into force in 2003.

⁵⁷ For the full list, see http://www.europa.eu.int/comm/development/OCT/index_en.htm.

⁵⁸ It should be noted, however, that the recent requirements to include an inflexible human rights clause (and a similarly stringent provision respecting weapons of mass destruction) in trade and cooperation agreements raises a number of practical issues: if the Commission takes the clauses seriously, the

DG Enlargement deals exclusively with the current and prospective candidate countries for EU membership from Central, Eastern and Southern Europe,⁵⁹ including the Western Balkans (previously under DG RELEX). It is responsible for managing and implementing the pre-accession strategy through its specialised instruments.⁶⁰ Commissioner Rehn oversees as well the European Agency for Reconstruction.

These Directorates-General are responsible for managing the external action budget -- nearly €7 billion in 2004, over 40 per cent in pre-accession aid for the applicant countries, which, while peacebuilding in one sense, is mostly concerned with future EU membership. The other major components were development cooperation and administration of trade. The specific amount left to CFSP was only 0.6 per cent -- under €50 million. A separate budget line devoted to humanitarian aid and emergency relief -- €190 million in 2004 -- is managed by the European Humanitarian Aid Office (ECHO) of the Commission.

The Commission has a relatively unchallenged role in trade, development cooperation and humanitarian assistance but a much more modest one in CFSP, which is the domain of intergovernmentalism.⁶¹ Still, its management of the CFSP budget gives it influence.⁶² Its

negotiations can become considerably more complex; if it were not to treat the clauses as meaningful, the exercise would appear cynical and lose its purpose.

⁵⁹ Current candidate countries are: Romania, Bulgaria, Turkey and Croatia. The Western Balkan states are prospective candidates.

⁶⁰ These are PHARE (originally the Poland-Hungary assistance program developed by the European Commission as the Cold War was ending but subsequently expanded first to other Eastern European states and then to enlargement candidates more generally and focused on institutional building measures and public administration reform), ISPA (Instrument for Structural Policies for Pre-Accession, financing major environment and transport infrastructure) and SAPARD (Special Accession Program for Agriculture and Rural Development).

⁶¹ The Commission, which has exclusive right to initiate EU policy measures in Pillar One, shares this right with member states on CFSP (Pillar Two). Like any member state, it may submit proposals on CFSP to the Council, request the Presidency to convene an extraordinary Council meeting and make suggestions to the Policy Planning and Early Warning Unit for work by the Secretariat of the Council. Like the Presidency, it must inform the European Parliament of CFSP developments.

⁶² According to the Treaty on European Union (Art. 28), the administrative costs arising from CFSP are borne by the EC budget. Operational expenditure is met either from that budget or from member state contributions at the Council's discretion.

comparative advantage in conflict prevention and management lies in areas closely linked to long-term structural issues or immediate humanitarian needs. It controls many of the resources for EU action and has numerous instruments at its disposal, from election monitoring to its rapid reaction mechanism (RRM). This contrasts with the Council and the High Representative, who deal with a wider range of security issues but have many political constraints and fewer instruments they can use to influence situations. The Commission will continue to be the main, sometimes exclusive, purveyor of EU foreign policy in those regions of the world member states do not consider strategic priorities.

2. European Commission Delegations

The Commission has over 100 delegations around the world. Since these have developed out of the Commission and the first pillar, they have traditionally played a much greater role in advancing Community interests (such as trade agreements) than wider EU interests (such as CFSP) but, as discussed above, this would change under the Constitution. Indeed, change is already under way. A "Reform of the Management of External Assistance"⁶³ was launched in 2000 to make "radical improvements to the speed, quality and profile of EU external aid".⁶⁴ Its central aim was "deconcentration", whereby more issues would be decided on the ground instead of Brussels. In practice, this meant giving progressively more authority to delegations, more financial control to the heads of delegations and more ownership of aid management to recipients.

This has entailed a transfer of personnel from EuropeAid⁶⁵ to the delegations, which have increased from around 900 officials to over 3,000. Each phase has encountered serious problems, not least in finding staff and space in delegation offices.⁶⁶ While the profile and quality of delegations have been raised, these are still considered less than fully satisfactory.

The European Convention's Working Group on External Action concluded that the greater coherence and

⁶³ Commission Communication on the Reform of the Management of External Assistance, 16 May 2000.

⁶⁴ In an October 2002 overview of the process of reform, the Commission noted that it had much less staff in delegations per euro of aid money compared to member states or organisations such as the World Bank.

⁶⁵ EuropeAid Cooperation Office's mission is to implement the external aid instruments of the Commission which are funded by the Community budget and the European Development Fund.

⁶⁶ The department responsible for delegation management is Directorate K, DG RELEX.

efficiency needed in the Commission's external service might be achieved in part by an EU diplomatic academy.⁶⁷ Though member states balked at an independent institution, there is now regular pre-posting training in Brussels as well as a "European Diplomatic Program", though the latter is conducted infrequently and only for twenty days -- a "poor man's version of a European Diplomatic College".⁶⁸ The Commission developed new recruitment mechanisms to bring in more diplomatic professionals, including further secondment of national experts from member states, development of the Junior Experts in Delegation program and new rotation rules for officials in RELEX. The high professional standards of seconded national experts are widely believed to be sufficient to prevent national interests from compromising delegation work.

Since early 2001, heads of delegation have been expected to take a more active role in conflict prevention and management, in particular through incorporating conflict indicators in Country Strategy Papers (CSP). However, understaffing has somewhat restricted their ability to do this in any serious way.

Commission delegations clearly have a role to play in providing well-timed, accurate and useful information on local conditions to Brussels. They are often well-placed to assess the suitability and effects of specific EU measures, many of which they help implement. Their reporting has received some positive comment.⁶⁹ But there is a sting in the tail of such commentary -- what is essentially being said is that it is good to have something. If the EU is to deal seriously with crisis response, the delegation's role as information provider, or information coordinator, will become more important, and it will need to be performed better.

⁶⁷ European Convention, Working Group VII, External Action, Recommendation 7, CONV 459/02.

⁶⁸ Crisis Group interview with Commission official, April 2003.

⁶⁹ House of Lords Select Committee on the European Union, "EU-Effective in a Crisis?", Report No. 7, 2002-2003 session, 11 February 2003, p. 17. Evidence provided by William Shapcott, head of the Council's Joint Situation Centre: "The Commission are good. The Commission are information providers. They have 140 delegations, each of which provides political reporting, and sometimes that is more useful than a national telegram. It has the angle or bias taken out of it. It may not be as in-depth as a good member state, but it does not have the spin that a member state puts on, or it has a different spin".

3. Specialised Units

Conflict Prevention and Crisis Management Unit

The Conflict Prevention and Crisis Management Unit in Directorate A (CFSP) of DG RELEX is responsible for coordinating Commission conflict prevention activities. It provides expertise and training to headquarters and field staff and promotes conflict assessment methodologies within the Commission. The unit, which was launched in 2001, actively contributes to CFSP debates within the Council and maintains contacts with other organisations active in conflict prevention (UN, OECD, G8, Council of Europe, OSCE and international financial institutions).

Despite its extensive mandate, the unit has a small staff. For example, two officials deal with conflict prevention aspects of Country Strategy Papers, Country Conflict Assessments, and demobilisation, disarmament and reintegration (DDR) programs, early warning and assistance to third countries in the fight against terrorism and contacts with partner organisations. The Crisis Management Policy section is again run by two officials, who deal with the Committee for Civilian Aspects of Crisis Management (CIVCOM) procedures. The Rapid Reaction Mechanism (RRM) and ACP political sections have four officials each. An observer noted, "you could easily staff the unit with 50" but the size confirms its role as a "focal point more than a facilitator".⁷⁰

In close cooperation with the Council Secretariat and the Joint Situation Centre, the unit provides the Council with a watch-list of potential crisis states on which the EU should focus. This is given to each Presidency and periodically reviewed. The unit could play a more proactive role if it were kept better informed of the priorities for discussion in the Council's various foreign policy institutions.

An early report -- "One Year On"⁷¹ -- indicated the unit has had some success in coordinating EU instruments and increasing the efficiency of actions that target so-called cross-cutting issues. The unit itself is particularly proud of its efforts to integrate conflict prevention concerns into Commission policies, particularly the programming of external assistance. This appears to have led to the progressive inclusion of conflict prevention indicators⁷² in the Country Strategy Papers,

⁷⁰ Crisis Group interview, May 2003.

⁷¹ The report was produced in March 2002 for the Seo de Urgell conflict prevention seminar. It can be found at: http://europa.eu.int/comm/external_relations/cpcm/cp/rep.htm.

⁷² See Commission check list for root-causes of conflict/early warning indicators elaborated by the Conflict Prevention

which the Council welcomed as a "significant contribution to achieving the objective of giving multi-annual programming greater substance, increasing the effectiveness and quality of EU external assistance".⁷³ As Country Strategy Papers are reviewed on a biennial or triennial basis, they could provide, over time, a valuable tool to assess the utility of these indicators.

The unit is also responsible for coordinating and managing actions under the Rapid Reaction Mechanism (RRM), created in 2001 to allow DG RELEX to disburse aid rapidly in potential conflict situations. This is discussed further below.

EuropeAid

EuropeAid is the implementing agency for both DG Development and DG RELEX projects.⁷⁴ Under its European Initiative for Democracy and Human Rights (EIDHR) program, it is also responsible for managing the EU Election Observation Mission (EOM) project cycle.⁷⁵ Project management was first unified in 1998, though EuropeAid was only created in its present form in 2001. The intention has been to make the Commission, already a principal donor of official development assistance (ODA), more focused and efficient. It is widely believed, however, that EuropeAid needs to lighten the bureaucratic burden imposed on the civil society organisations that implement Commission development assistance programs. The Barroso Commission has returned EuropeAid to the direct responsibility of the External Relations Commissioner (Ferrero-Waldner).

ECHO

The European Humanitarian Aid Office (ECHO) coordinates the Commission's humanitarian aid, funding of emergency and disaster relief and support for disaster preparedness. Its mandate is to assist communities in any non-EU country seriously affected by disaster, natural or man-made. The aid is intended to be non-discriminatory (apolitical) and particularly directed to so-called forgotten crises in areas where few member states are active. This can have a peacebuilding impact by stabilising difficult social or economic situations.

In financial year 2004 ECHO's budget for humanitarian aid was €508 million, covering operations in more than 60 countries.⁷⁶ Together this was nearly 7.3 per cent of EU external action spending.

ECHO has committed to guidelines of neutrality and impartiality for its work. These have been laid down in regulations to protect it from political interference (by RELEX and Solana's Policy Unit in particular). This insulation from political considerations has been a sensitive issue since its inception. In 2001, Crisis Group examined ECHO's response to the "grey areas" dilemma -- whether and how to separate emergency humanitarian assistance from longer-term development assistance and EU political policy.⁷⁷ It concluded that while ECHO needed to keep fighting hard to preserve its independence and improve its core humanitarian functions, total divorce from the political world, including from involvement in implementation of crisis responses identified as priorities by the EU leadership, was unrealistic.

Then Commissioner Nielson told the European Convention during its debate on EU external actions that, "while humanitarian assistance definitely contributes to the EU external action, it should not become subordinated to an EU crisis management instrument".⁷⁸ He pointed out that if humanitarian aid were to be integrated into an EU conflict management "chain of command", it would risk being delayed by the complex CFSP decision mechanisms.⁷⁹ Once the Constitution is in force, however, the foreign minister will "be responsible within the Commission for responsibilities falling to it in external relations and for coordination [of] other aspects of the Union's external action".⁸⁰ Humanitarian aid is defined as one of those aspects: "the Union's operations in the field of humanitarian aid shall be conducted within the framework of the principles and objectives of the

Unit, available at http://www.europa.eu.int/comm/external_relations/cpcm/cp/list.htm.

⁷³ GAERC meeting, 18 March 2003.

⁷⁴ Apart from humanitarian aid, macro-financial assistance, CFSP actions and the Rapid Reaction Mechanism.

⁷⁵ For more on EU election observation, see Section IV A 2 below.

⁷⁶ This sum broke down into aid for population and emergency food assistance for developing countries and other third countries that are victims of catastrophes or serious crises (€472 million); administrative expenditure (€25 million); and operational support and crisis prevention (€10 million). Source: 2004 EU Budget.

⁷⁷ Crisis Group Issues Briefing, *The European Humanitarian Aid Office (ECHO): Crisis Response in the Grey Lane*, 26 June 2001.

⁷⁸ Note from Commissioner Nielson on Humanitarian Assistance, Working Group on External Action of the European Convention, 21 November 2002.

⁷⁹ The Commission can take funding decisions within hours of a disaster and finance humanitarian organisations according to budgetary fast track procedures (contracts and payments all made within five days. Ibid.

⁸⁰ Article I/27, 4, Constitutional Treaty.

external action of the Union".⁸¹ It would appear that the minister will have, if not direct control, great influence on humanitarian aid matters. This is viewed within the humanitarian NGO community with concern.⁸²

European Agency for Reconstruction

Established in February 2000⁸³ in Thessaloniki, the European Agency for Reconstruction is responsible for managing the main EU assistance programs in Serbia, Montenegro, Kosovo and Macedonia. An independent agency, it is accountable to the Council and the European Parliament and overseen by a Governing Board of Member State and Commission representatives. It has managed some €2 billion of aid, including €315 million in new funding in 2003, and its work has, for the most part, been positively assessed.

E. THE COUNCIL

1. The High Representative and the Council Secretariat

The Council of the EU is supported by a Secretariat headed by the Secretary General/High Representative (SG/HR), currently Javier Solana. The Secretariat's main function is to prepare meetings of the Council in its many formations⁸⁴ and its preparatory bodies, such as the COREPER,⁸⁵ the Political and Security Committee (PSC) and the Military Staff (EUMS). As the lubricating oil of the Council machinery, it has considerable influence over policy development. The Deputy Secretary General (an increasingly influential post) looks after the Secretariat, leaving the Secretary General free

to focus on foreign policy.⁸⁶ The Secretariat is divided into nine Directorates-General, one of which deals with External Relations and is further divided into nine directorates for geographic and functional areas.⁸⁷

Desiring to reinforce the civilian aspects of EU conflict management, member states decided in November 2003 to put in place a *Planning and Mission Support Capability* within the Secretariat. Recruitment from member states and reallocation of resources within the Secretariat is ongoing, with a view to establishing a twenty-strong unit by the end of 2004. The staff will be allocated to areas such as police, rule of law, civilian administration, civilian protection (that is, the four key areas identified by the Helsinki Headline Goal) and is to be responsible for lessons learned/best practices and mission support (administrative and logistical planning, start-up, sustaining and liquidation of all civilian conflict management operations). However, despite consultations with the Commission, there are serious doubts about how it will fit with the wide range of Community programs in this area.⁸⁸

Policy Planning and Early Warning Unit

The Policy Unit -- the shortened name for the Policy Planning and Early Warning Unit -- has staff drawn from the member states, the Secretariat and the Commission and reports to the High Representative. It is Solana's eyes and ears, providing him daily policy guidance. Divided into eight task forces,⁸⁹ it has rapidly become an extended personal cabinet. This was undoubtedly necessary given the limited resources at Solana's disposal -- a major reason why the notion of a double-hatted foreign minister, able to call on both Council and (far greater) Commission resources, gained currency.

⁸¹ Article III/223, 1, Constitutional Treaty.

⁸² Presentation by Joanna Macrae, Group Coordinator at the Overseas Development Institute, 8 October 2003, at www.odi.org.

⁸³ The European Agency for Reconstruction was established by Council Regulation (EC) No. 2454/99 of 15 November 1999. Council Regulation (EC) No. 2666/00 of 5 December 2000 created a single legal framework for assistance to Albania, Bosnia and Herzegovina, Croatia, the Federal Republic of Yugoslavia and Macedonia. This new (Community Assistance, Reconstruction, Development and Stabilisation [CARDS]) Regulation was complemented by Council Regulation (EC) No. 2667/00 of 5 December 2000, which confirmed the ongoing activities of the Agency, and by Council Regulation (EC) No. 2415/01 of 10 December 2001, extending the mandate to cover Macedonia.

⁸⁴ The relevant Council formation for foreign policy is the General Affairs and External Relations Council (GAERC).

⁸⁵ COREPER is the committee of the member states' permanent representatives in Brussels (see below).

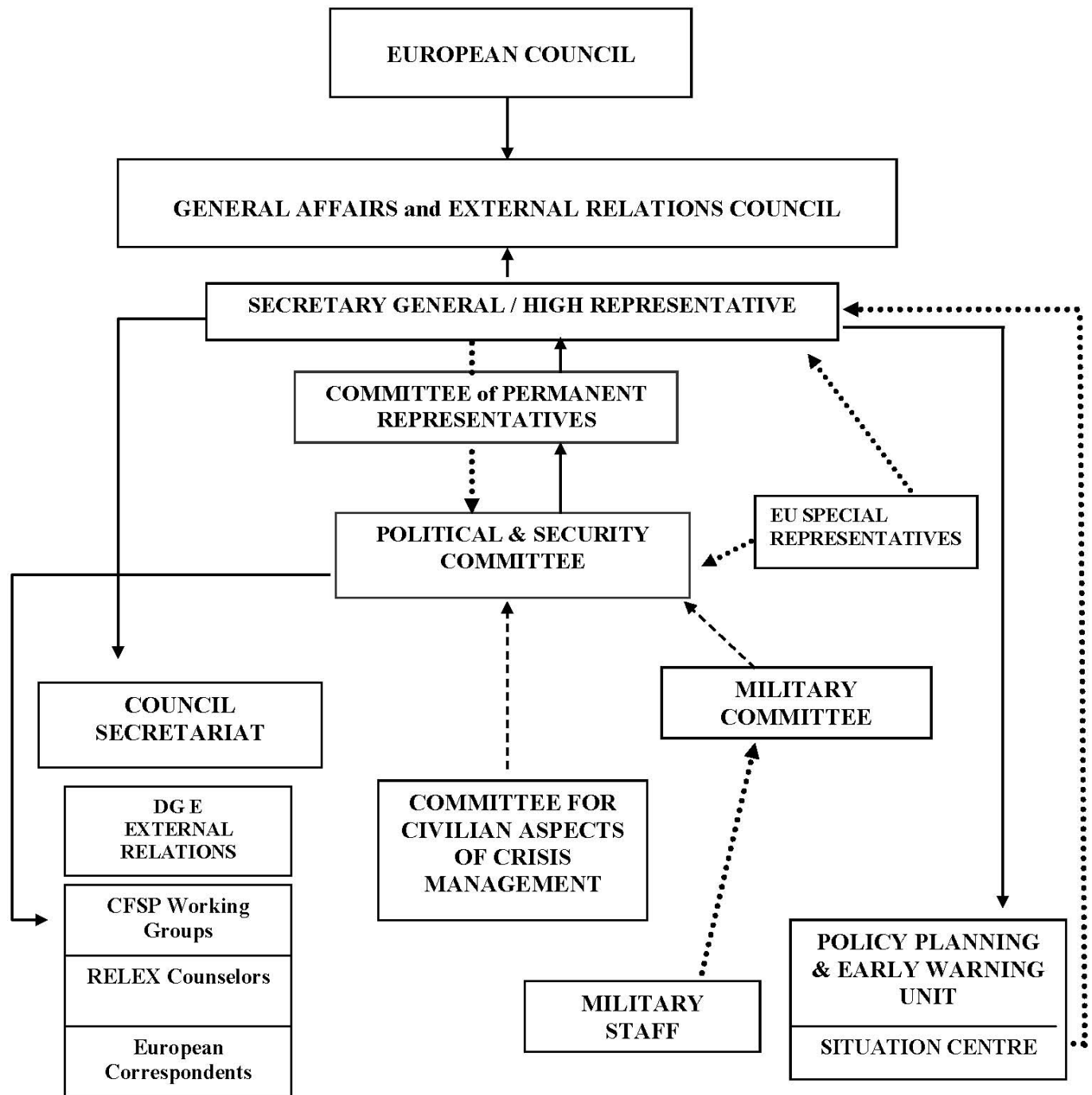
⁸⁶ The Secretary General was also tasked with producing Common Strategies under the Amsterdam Treaty. This ran into a number of problems, to which Solana called attention in 2001. House of Lords European Union Ninth Report, Appendix 5.

⁸⁷ These are: I Enlargement; II Development; III Multilateral Economic Affairs; IV Transatlantic Relations, UN and Human Rights; V Mediterranean Basin, Middle East, Africa, Asia; VI Western Balkans Region, Eastern Europe and Central Asia; VII European Security and Defence Policy; VIII Defence Aspects; IX Civilian Crisis Management and Coordination. As part of the preparations to set up the External Action Service, there seems to be a progressive merger of some DG E staff with the Policy Unit.

⁸⁸ Presidency Report to PSC on planning and mission support capability for civilian crisis management, 17 October 2003.

⁸⁹ These are: European Security and Defence Policy, Western Balkans/Central Europe; Early Warning/Conflict Prevention/Terrorism; Horizontal Questions; Latin America; Russia/Ukraine/Transatlantic/Baltic States; Asia; Mediterranean/Middle East/Africa; and Administration/Security and Situation Centre/ Crisis Cell.

Figure 3: Current CFSP Institutions and Specialised Elements



Legend

- > Presides Over / Directs
-> Reports To
- - - -> Advises

The documents setting up the Policy Unit assigned it an early warning function. Its ability to perform this task is assisted by access to the political reporting from Commission delegations worldwide, as well as information gathered by ECHO personnel.

Since the unit is focused essentially on CFSP/ESDP (second pillar) matters, there is risk of overlooking the dynamics of aid, trade, human rights, justice and democracy policies in the EC budget. In this respect, again, the need for improved consultation between the relevant services of the Council and Commission is clear.

Joint Situation Centre (SITCEN)

The Policy Unit established a Joint Situation Centre (SITCEN), without dividing walls, by joining the (civilian) Policy Unit and the military Situation Centre. The SITCEN opened on 1 January 2003, to coincide with the start of the EU's police mission (EUPM)⁹⁰ in Bosnia. It has recruited intelligence officers to facilitate information exchange with member states and put secure communications networks into place. It combines early warning, situation monitoring and assessment, provides facilities for a crisis task force and serves as an operational point of contact for the High Representative. Its tasks include risk assessment, ad hoc intelligence briefings and urgent reports in the wake of terrorist attacks outside the EU. Reports are distributed to members of the PSC and EUMC. The RELEX Commissioner also receives some information, which does not go beyond his direct staff.

In the aftermath of the terrorist attack in Madrid in March 2004, new attention has been devoted to the SITCEN's potential ability to examine threats within EU borders. At the Justice and Home Affairs Council meeting of 8 June 2004, Solana suggested charging it to produce intelligence analyses to support EU institutions as well as member state national police services. However, its new role on terrorism and intelligence cooperation will be confined to analysing information, with member states retaining final control of operational decisions.

2. General Affairs and External Relations Council (GAERC)

The Council is composed of one representative at the ministerial level from each member state, who is empowered to commit the government and is politically accountable to the national parliament. Ministers for foreign affairs attend Council meetings in the configuration known as the General Affairs and

External Relations Council (GAERC). On certain occasions, they are accompanied by defence ministers. GAERC meets at least monthly and is attended also by the High Representative for CFSP and Commission representatives. The meetings are chaired by the Presidency foreign minister.

When meeting as the General Affairs Council, the foreign ministers discuss general policy and institutional questions and coordinate the work of other Council formations; their meetings as the External Relations Council are dedicated to foreign policy.⁹¹ The agenda is prepared by the Brussels-based Committee of Permanent Representatives (COREPER) and includes both items for approval without debate -- what COREPER has agreed -- and those that must be debated. The external policy discussion leads to joint actions and common positions, the implementation of which is incumbent on the Presidency, aided by the High Representative and Commission.

3. Committee of the Permanent Representatives (COREPER)

COREPER occupies a pivotal point in EU decision-making. Consisting of member state Permanent Representatives (at ambassador level) and responsible for assisting the Council with its agenda, it is at once a forum for dialogue between member states and a body with partial political control over the agenda. The ambassadors cover the full spectrum of EU business and prepare the dossiers for all Council meetings. Since they are very senior national officials with the confidence of their government, they have considerable negotiating flexibility and can inform their political masters if a position cannot be maintained. COREPER meets at least once -- normally more often -- weekly, so the ambassadors have a good idea of what is possible. What they agree is almost always confirmed in the Council.

4. Political and Security Committee (PSC)

The Political and Security Committee was formed in 2001 and has rapidly become the central body in CFSP and ESDP. Responsible for CFSP conflict management (civilian and military) under the direction of the Council, it has seen a steady increase in its workload as EU foreign policy instruments develop. PSC proposes (although it does not determine) overall EU strategy in a crisis situation and its chairman participates in COREPER's work when necessary. Members, like COREPER members, are Brussels-based diplomats of

⁹⁰ The EUPM (European Union Police Mission to Bosnia-Herzegovina) is treated at length in Section V C below.

⁹¹ This division is symbolised by the device of issuing separate press releases for the two Councils' conclusions.

ambassadorial rank. The committee meets twice weekly. Solana does not normally attend -- though his staff does -- but he regularly meets PSC ambassadors for working meals. From January 2005 the European Commission has an ambassador permanently accredited to the PSC.⁹²

PSC ambassadors tend to be close to political directors in member state foreign ministries. As its influence grows, COREPER's wanes somewhat, and relations between the two are partly tinged with rivalry. The PSC is, however, seen as junior to COREPER and is still developing a sense of institutional corporate identity. Like COREPER, much of its effectiveness has depended on the standing of its members with their governments and on an intimate work atmosphere that encourages compromise. Despite initial preoccupations, the formal arrival of ten new colleagues on 1 May 2004 seems not to have impacted work, perhaps because the accession countries have been able to attend and speak (without voting rights) at internal meetings since May 2003.

The PSC and the Secretariat are further supported by a variety of internal structures:

- a network of European Correspondents in all member states and the Commission that coordinates daily CFSP business. Based in capitals, they maintain daily contact via the Correspondance européenne (Coreu) telex network that allows exchange of encrypted messages;
- RELEX Counsellors (including the Commission), who draft CFSP legislation and ensure consistency; and
- CFSP Working Groups composed of national diplomats and RELEX officials, divided along geographical and functional lines.⁹³ These are very important as they provide much of the advice to the Council and are another level of exchange between Commission and member states officials.

5. European Union Military Committee (EUMC)

Set up in 2001, this committee is in charge of all EU military activities. It advises the PSC, from which it receives political directives, and is the forum for military consultation and cooperation among member states in

conflict management.⁹⁴ Composed of permanent representatives of the member states, it normally meets weekly, as well as twice a year at defence chief level. It is presided over for three years by an elected chairman, normally a four-star general, preferably a former defence chief. The current chairman, Italian General Mosca Moschini (who replaced Finnish General Haggland in April 2004), participates in the PSC and attends Council meetings when decisions with military consequences are made. The agenda is prepared by a working group and assisted by the EU Military Staff (EUMS).

EUMC is responsible for all military aspects of current and potential crises, makes financial assessments of operations and exercises, evaluates operational concepts and options and monitors their implementation, but it is not a planning unit.

6. European Union Military Staff (EUMS)

The EUMS, established in January 2001, has over 130 military personnel. Its function is not mission control but to give the Council strategic options, which are, in turn, evaluated by the EUMC. It is in practice, therefore, the EUMC's support body although formally it is a department of the Council Secretariat directly attached to the High Representative. Like the EUMC, it is far from being an incipient EU military headquarters.

In the framework of the EU response to the crisis in Darfur (Sudan) May 2004, an officer from the EU Military Staff participated in the African Union (AU)-led reconnaissance mission to Darfur, which has planned and prepared the ceasefire monitoring mechanism. An officer from the EUMS and EU observers has been temporarily assigned to the AU headquarters to assist in putting into place the logistical arrangements for the ceasefire observer mission and its protection force and to advise on planning the extended AU mission.⁹⁵

As noted above, the deal on operational planning brokered in the December 2003 European Council by the UK, France and Germany foresees establishment of a planning cell within the EU Military Staff with civil and military components.⁹⁶ The rationale is to have an autonomous planning capacity within the Council Secretariat for ESDP operations that are conducted without NATO assets (outside "Berlin Plus"

⁹² In the first instance, former Commission President Romano Prodi's foreign affairs adviser, Stefano Sannino. Crisis Group interview with Sannino, 24 November 2004.

⁹³ Functional working groups cover everything from UN relations, international public law, terrorism and drugs to disarmament and human rights.

⁹⁴ Pursuant to Article 17 of the Maastricht Treaty, the Petersberg tasks.

⁹⁵ EU Fact Sheet on Darfur, Council Press Release, 23 October 2004.

⁹⁶ "European defence: NATO-EU consultation, planning and operations", Council Press Release, 15 December 2003.

arrangements).⁹⁷ This cell should, inter alia, "link work across the EU on anticipating crises, including opportunities for conflict prevention and post-conflict stabilisation; assist in planning and coordinating civilian operations; develop expertise in managing the civilian/military interface; and do strategic planning for joint civil/military operations". It is not yet clear whether it will evolve into a focal point for purely military aspects of ESDP operations.

7. Committee for Civilian Aspects of Crisis Management (CIVCOM)

CIVCOM was established by a Council decision on 22 May 2000 and met for the first time less than a month later. Staffed by member state representatives, it reports formally to COREPER (although it receives guidance from and provides information to the PSC) on issues relating to civilian aspects of crisis response and attempts to coordinate Commission and Council contributions. It was responsible for ensuring that the EU met its four "headline goals" in civilian crisis response in November 2002 though, as discussed below, problems remain.

A Crisis Response Co-ordination Team (CRCT) has been created for inter-service coordination in response to a given crisis.⁹⁸ Unlike CIVCOM, it is not a Council working group or a standing structure but is pulled together from senior officials in the Commission and Council Secretariat during a crisis.⁹⁹ It drafts a Crisis Management Concept (CMC)¹⁰⁰ setting out EU political interests and objectives and options for a comprehensive response.¹⁰¹

As ESDP moves from concept to reality -- with four missions launched in 2003 alone, for example -- CIVCOM is gathering more authority and becoming a

more active body.¹⁰² This process, with the Planning and Mission Support Capability for ESDP civilian operations being set up in the Council Secretariat, may indicate a developing imbalance in management of civilian crises in favour of the Council, with the Commission increasingly confined to financial and administrative roles.

8. European Union Monitoring Mission (EUMM)

The EUMM is tasked with monitoring political and security developments (particularly border monitoring, inter-ethnic issues and refugee return). It provides the Council with information but also can help build confidence in unstable situations. Though it currently operates only in the Balkans,¹⁰³ the EUMM model might be exportable to other peacebuilding situations to contribute to stabilisation while giving the EU an independent source of information. The monitors -- slightly over 100 at present -- are unarmed and wear white civilian clothing. EUMM's chief is appointed by the Council and reports to it through the High Representative. The problem with EUMM, consistently raised by Crisis Group in reporting on the Balkans¹⁰⁴ is its lack of coordination with other CFSP elements. It should be fully integrated into the EU security apparatus in order to fulfil its potential.

F. EUROPEAN PARLIAMENT

While restricted to consultation on CFSP and ESDP,¹⁰⁵ the European Parliament (EP) has used its claim to be the EU's sole democratically representative institution to increase its profile and influence gradually. Its Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy (AFET) is the principal EU public forum for debating issues with foreign policy implications. It is regularly informed by the Presidency, the High Representative and the Commission on CFSP's broad institutional developments as well ESDP

⁹⁷ Presidency Conclusions, Brussels European Council, 12/13 December 2003.

⁹⁸ See Council Document. No. 7116/03, "Suggestions for procedures for coherent, comprehensive EU crisis management", Annex 2, 6 March 2003.

⁹⁹ Its precise composition in each case depends upon the nature of the crisis situation.

¹⁰⁰ See Council Decision No. 7116/03, op. cit., Annex 3. The CMC is an important tool for ensuring the coherence and comprehensiveness of possible EU actions. It is presented to the PSC, which agrees on final form and forwards it to the Council with its opinion. The Commission can also use the CMC as a reference point for initiatives in its area of responsibility.

¹⁰¹ It would also continue to be involved in the planning and in ensuring coherence between the civilian and military aspects of the EU action in the implementation phase.

¹⁰² ISIS Europe, *European Security Review*, February 2004, p. 2.

¹⁰³ The EUMM recently left Croatia but is still active in most of the rest of the former Yugoslavia, with a head office in Sarajevo and other offices in Serbia and Montenegro, Kosovo and Macedonia. Following the "Agreement on the Activities of the EUMM", signed on 28 March 2003, it is also in Albania. Norway and Slovakia were long-term participants in the EUMM and its predecessor, the ECMM, without being EU members.

¹⁰⁴ See, for example, Crisis Group Europe Report N°149, *Macedonia: No Time for Complacency*, 23 October 2003.

¹⁰⁵ According to Article 21 of the TEU, the Presidency is required to consult the European Parliament on the main aspects and the basic choices of CFSP and to ensure that the views of the Parliament are taken into account.

operations. Since 1999 the Council has reported annually to the AFET Committee on the implications of CFSP for the Community budget (for which the EP has co-decision powers).

Since the beginning of the sixth legislature in June 2004, a new Sub-Committee on Security and Defence has assisted AFET on ESDP matters.¹⁰⁶ Its meetings so far have dealt mainly with the state of play of ESDP, the EU operation (Althea) in Bosnia-Herzegovina and European arms exports.

G. MEMBER STATES

Much energy has been expended on the Constitution's so-called loyalty clause, which restates language of the Maastricht Treaty (Art.11.2): "Member states shall actively and unreservedly support the Union's common foreign and security policy in a spirit of loyalty and mutual solidarity and shall comply with the acts adopted by the Union in this area. They shall refrain from action contrary to the Union's interests or likely to impair its effectiveness".

This reflects ambition and hope rather than reality. There is little chance member states would consider themselves bound in all circumstances by something agreed by qualified majority voting (QMV)¹⁰⁷ in the Council that seriously restrained their authority or was inimical to their interests. Even after unanimous Council decisions, there are instances of disagreement over implementation. If member states are eventually to be bound together in an entirely common foreign policy, it will be because they have concluded this is in their interests. A single EU seat in the UN Security Council is presently unrealistic

but member states increasingly act virtually as one on most matters in the General Assembly.¹⁰⁸

Even if their foreign policy interests may be increasingly convergent, member states have different histories, strategic backgrounds and capabilities. Some newer ones are relatively keen to demonstrate their independent foreign policy (and military) capacity. This is not to say that cooperation and integration cannot be expected, but rather that member states are likely to remain the central element of EU external actions, particularly on defence and military matters, for a long time. Since the 1998 Blair-Chirac declaration at Saint-Malo, ESDP has essentially been considered an Anglo-French joint initiative. The concepts of enhanced and structured cooperation, discussed above, are partly recognition of this.

The Iraq debacle dealt a serious blow to the notion that the member states can agree on fundamental questions of war and peace. It sometimes seemed that their most acrimonious comments were reserved for each other. But this failure should not obscure the fact that they engage in a large number of common foreign policy initiatives that inevitably carry greater weight because they are backed by a united Union.

¹⁰⁶ *Rules of Procedure of the European Parliament*, Annex VI (I).

¹⁰⁷ Designed by the Treaty of Rome to be the principal method of reaching decisions in the Council of Ministers, qualified majority voting (QMV) allocates votes to member states in part according to their population, but traditionally is heavily weighted in favour of the smaller states. The threshold for the qualified majority has been 62 votes out of 87 (71 per cent). With the entry into force of the Nice Treaty (1 November 2004), the number of votes allocated to each Member State has been reweighted, in particular for those states with larger populations, to make Council decisions more representative in demographic terms. The new Constitution will revise the system again by defining the qualified majority as 55 per cent of member states (but at least fifteen) representing at least 65 per cent of the EU's population. A blocking minority can be formed by a configuration of as few as four member states.

¹⁰⁸ Permanent membership on the UN Security Council is the strongest strategic card of both the UK and France, and neither wishes to give it up. On coordination of EU Member States in the UN, see Paul Luif, "EU Cohesion in the UN General Assembly", Occasional Paper No. 49, European Union Institute for Security Studies, December 2003.

III. CAPABILITIES

A constant refrain throughout 2003 was the difference between the EU's stated Helsinki Headline Goal¹⁰⁹ -- to be able to deploy 50,000 to 60,000 troops within 60 days and sustain them for a year -- and its true capacities. Variouslly stated as the capabilities or ambition gap, and even at times as the EU's "credibility gap",¹¹⁰ it involves a major political question.

Solana's Security Strategy document recognises that the EU, which during the Cold War was primarily a security "consumer", has increasingly assumed "provider" responsibilities in the changed threat environment Europe now lives in. To fulfil that new role, it needs to acquire greater capabilities -- whether at the level of the Union per se or of the Member States' combined military capacity. There has also, of course, been recognition that the nature of the security capabilities primarily required after the Soviet Union's collapse has shifted, from large to more rapidly deployable, technologically-equipped, and intelligence-based forces that can perform a wide range of tasks. Priorities, which were already shifting in the 1990s from territorial defence to humanitarian intervention are now widely seen to include the need to be able to deal with the nexus of threats constituted by failed states, WMD proliferation¹¹¹ and terrorism.

The transatlantic relationship has been another factor driving the argument about European capabilities -- specifically the long-standing U.S. concern about European military shortfalls, coupled with suspicion that such moves as might be made to strengthen the EU in this area could lead to NATO's gradual disintegration. The relationship of the EU's evolving structures with NATO is often viewed almost as a theological matter. U.S. Ambassador to NATO Nicholas Burns in late 2003 described EU defence plans as "one of the greatest dangers to the transatlantic relationship",¹¹² while Belgian Prime Minister Guy Verhofstadt argued that a stronger and more united European defence would help

NATO regain influence within the framework of a "new atlanticism".¹¹³

In practical terms, however, the EU and NATO are working together -- both in Brussels, where there has been an increase in bilateral meetings, and on the ground in the Balkans. The two great institutions that a U.S. ambassador in the previous decade described as "divided by a common city" undertook their first joint conflict management exercise in November 2003.¹¹⁴ Memberships are converging, with nineteen of the 25 EU states also part of NATO, including several Central European countries that are markedly more cautious than some in Western Europe about the risks of weakening the transatlantic security architecture.

A significant development since the 2001 Crisis Group report has been agreement on the "Berlin Plus" arrangements for EU military missions to use NATO assets. It is unlikely that any mission larger than that conducted in the Congo (DRC) -- Operation Artemis -- could be carried out without NATO assets in the next few years. Speaking in the wake of presidential elections in Georgia in January 2004,¹¹⁵ Solana suggested that the EU might provide peacekeepers if that state's dispute with the breakaway region of Abkhazia were resolved. Nonetheless, it seems clear that, for both military and political reasons,¹¹⁶ this would be difficult without NATO. The EUFOR mission in Bosnia, which replaced NATO's SFOR on 2 December 2004, is managed under the Berlin Plus umbrella.

There are signs of EU political will to address the capabilities shortfall. The decision in July 2004 to establish a European Defence Agency is expected to have a great impact on the way countries think about defence procurement.¹¹⁷ It suggests that a readiness to conduct common European operations may ultimately

¹⁰⁹ The December 1999 Helsinki European Council set the target of reaching this capability by late 2003.

¹¹⁰ European Liberal Democrats sponsored a "Closing the Credibility Gap" hearing at the European Parliament in November 2003 that made this point.

¹¹¹ The December 2003 European Council adopted an EU Strategy against the Proliferation of Weapons of Mass Destruction (WMD), as part of the implementation of the European Security Strategy, Doc DGE WMD 15656/03.

¹¹² *Financial Times*, 16 October 2003.

¹¹³ Notre Europe Foundation, "European attitudes towards transatlantic relations 2000-2003: An Analytical Survey", Research and European Issue No. 6, May 2003

¹¹⁴ CME/CMX 03, or Operation Atlantia. See *ISIS Europe, European Security Review*, no. 20, December 2003. The exercise was a test of processes and did not involve troop deployment. It was a success and served to validate the Berlin Plus mechanisms but some considered it a not particularly challenging exercise, not least because so much had been planned in advance.

¹¹⁵ Solana paid a visit to newly elected President Saakashvili in Tbilisi on 15 January 2004.

¹¹⁶ The U.S. has been closely involved with the Georgian army, running a train and equip program there from May 2002 to April 2004, and would likely want to be militarily involved in any future international peacekeeping mission.

¹¹⁷ See Section III B below.

spring from a habit of thinking through similar strategies at the procurement level.

Further prospects are offered by recent developments concerning the "battle group" concept, which began as an Anglo-French-German proposal and has since garnered strong EU-wide support.¹¹⁸ The planned units of up to 1,500 troops each are meant to be deployable within ten days, sustainable for at least 30 (120 with rotation), and combat-capable in distant crisis areas and difficult geography. An informal meeting of defence ministers in September 2004 in Noordwijk (The Netherlands) agreed to create up to nine battle groups, with initial operational capability in 2005 and full capability in 2007, and on the need to harmonise the concept with the NATO Response Force. The Brussels Military Capability Commitment Conference on 22 November 2004 took the concept further, increasing the pledge to thirteen formations, with France, the UK¹¹⁹ and Italy each responsible for one to become operational in 2005. The other ten battle groups are to be collaborative ventures of several member states.¹²⁰ The Battle Groups are envisaged as possibly serving under a UN mandate, though not necessarily exclusively, and as able to prepare the ground for a larger EU peacekeeping contingent. The initiative is viewed as producing new capabilities, not merely reorganising existing ones.¹²¹

Another product of the Noordwijk meeting was signature of a declaration of intent by Spain, France, Italy, the Netherlands and Portugal to create a 3,000-strong European Gendarmerie Force (EGF), to become operational in 2005, deployable within 30 days, and equipped for three kinds of interventions: conflict prevention, support for a military intervention, and post-conflict stabilisation after a military intervention. The Gendarmerie might serve under the UN, OSCE and NATO and under either military or civilian command. Its hybrid nature would have the advantage of bridging

the gap between military forces and civilian police. It is to be open to all EU countries willing to participate; up till now, Belgium has expressed some interest.¹²²

The Council adopted in December 2004 a program for 2007-2005, which offers guidelines to standardise ESDP training, including for civilian and military, and operational and strategic, planning aspects.¹²³ In time, an official training program is to be developed for use in existing training facilities at national and EU level. As always, the test of the concept will be its implementation but it appears to indicate a growing awareness that for future ESDP operations to work, there should be more standardisation and coordination between member states on the one hand, and between the civilian and military resources they put at the disposal of ESDP missions on the other.

The emphasis thus far has been mostly on the specifically military shortfalls but there is no appetite for emulating the U.S. military model -- to attempt this would be futile. A European capability geared more toward post-conflict situations seems the likeliest way forward,¹²⁴ with an emphasis, by design or default, on the EU's ability to respond to crisis situations and prevent conflicts more through its "soft power".¹²⁵

However, the EU's civilian toolbox also needs to be improved, its financing increased and budget lines simplified. For the moment, this is lower on the political agenda, partly because of the changed security situation, partly because there are fewer technical barriers to increasing civilian capabilities, though these sometimes appear to be the poor relative of their more capital-intensive military counterparts. Their role in EU conflict prevention and management -- particularly in post-conflict stabilisation -- should be taken seriously and form part of a comprehensive approach.

¹¹⁸ See Section II C 1 above.

¹¹⁹ UK Prime Minister Tony Blair, during a recent visit to Ethiopia, said an EU battle group could become available to tackle crises in Africa. "Blair orders 'battle groups' to stop African genocides", TimesOnline, 8 October 2004.

¹²⁰ For example, the "Nordic Battle Group" is to include 900 Swedish and 300 Finnish soldiers as well as a possible contribution from Norway, a non-EU member, which has indicated it has important niche capabilities that would add value to the unit. Italy is exploring the possibility of setting up a battle group with Spain, Portugal and Greece that should be deployable by the first half of 2006. Germany and The Netherlands signed an agreement for a joint battle group at the Noordwijk meeting.

¹²¹ On this point, see ISIS Europe, "Battle Groups to strengthen EU military crisis management", *European Security Review*, April 2004.

¹²² "CFSP and ESDP State of Play under the Dutch Presidency", *European Security Review*, No. 24, October 2004. Belgium has expressed some interest in joining.

¹²³ The GAERC of 13 December 2004, Council Document 15959/04.

¹²⁴ See Centre for European Reform "A European Way of War", May 2004.

¹²⁵ What is meant by this is essentially the EU ability to influence crisis situations and pre-conflict situations through such non-military mechanisms as its development budget and trade policy.

A. HEADLINE GOALS, ECAP AND THE MISSING CAPABILITIES

The force aimed at in the Helsinki Headline Goal is meant to be able to conduct the full range of so-called Petersberg tasks laid out in the Amsterdam Treaty: "humanitarian and rescue tasks, peacekeeping tasks and tasks of combat forces in crisis management, including peacemaking".¹²⁶ A capabilities conference in 2000 in Brussels identified 38 shortfalls in the Helsinki Progress Catalogue, of which 21 were significant. At the Laeken European Council in December 2001, a European Capabilities Action Plan (ECAP)¹²⁷ was launched to address these, and nineteen panels were set up. Commitment was a part of the problem -- the material was in national inventories but had not been pledged at the European level. The resources of the ten newest members may improve some capabilities.¹²⁸ But other shortfalls can only be addressed by a procurement program that recognises the problems are as much about interoperability as about quantity or quality.

The Headline Goal was not achieved as planned by the end of 2003. While member states, on paper, have approximately 1.5 million troops and are far and away the largest spenders on defence in the world after the U.S., deploying 60,000 rapidly and sustaining them remains a problem. In reality, 180,000 troops would have to be available, as the normal planning concept includes three rotations in a year. The EU is a long way from having such a force, much less being able to project it the approximately 4,000 km. from Brussels that is its aim.¹²⁹ Operation Artemis went 6,500 km. but it was small and used other countries' strategic air-lift.

A capabilities conference in Brussels on 19 May 2003 stated that "based on the Forces contributed to the Helsinki Force Catalogue 2003, the current military

assessment of EU military capabilities is that the EU now has operational capacity across the full range of Petersberg Tasks". However, a strong caveat was added that the capacity was "limited and constrained by recognised shortfalls".¹³⁰

The most obvious constraint is with respect to high-intensity actions at the sharp end of the Petersberg tasks. A scenario in which one or more parties had not consented to the intervention would require substantial increases in assets such as suppression of enemy air defence (SEAD), air support, battlefield command and control, electronic warfare capabilities and all-weather strike capabilities.

EU foreign and defence ministers accepted in October 2003¹³¹ that 2003-2010 was the time-frame within which the Union could reasonably obtain the capacity to carry out Petersberg tasks in all circumstances. However, the opportunities for slippage seem considerable, and for the foreseeable future, some missions, even in Europe, would probably be better undertaken by NATO.¹³² Already in November 2003, defence ministers agreed to revisit the Petersberg tasks in 2004 under a new Headline Goal, to be met by 2010, on the basis of Solana's recommendations.

That new Headline Goal involves being able to respond by 2010 rapidly and decisively across the entire spectrum of crisis response operations. It is meant to translate the Security Strategy into concrete military objectives, such as an operational European Defence Agency, implementation by 2005 of EU strategic lift joint coordination, complete development of rapidly deployable battle groups by 2007, and availability of an aircraft carrier and associated air wing and escort by 2008. The range of Petersberg tasks has been upgraded by inclusion of joint disarmament operations and support for third countries in combating terrorism and security sector reform.¹³³

Fundamental to the question of capabilities is the political question of how one decides to improve them as well as the context and framework within which they would ultimately be used. The Prague Capabilities Commitment (PCC) agreed upon at the NATO summit

¹²⁶ Title V, Article 17.2 of the TEU.(consolidated text).

¹²⁷ Devised in consultation with NATO through the joint Working Group on Capabilities.

¹²⁸ Poland has demonstrated its military competence in Iraq with NATO support. But this is not just a question of willingness and size. The Baltic States are proficient in disposal of explosive ordinance and maintain BALTBAT, a specialised peacekeeping force. The Czech Republic has a highly modernised defence force.

¹²⁹ This basically encompasses North Africa, the Balkans and the Caucasus. Also, a source notes, "this hypothetical range derives from the technical capabilities of the future A400M transport aircraft which can fly between 2,500 nautical miles [approximately 4,600 km.] at maximum payload and 4,900 nm with a 20 ton payload". Jolyon Howorth, "Saint Malo Plus Five: An interim assessment of ESDP", Groupe d'études et de recherches, Notre Europe, November 2003.

¹³⁰ "Declaration on EU Military Capabilities", 19 May 2003, p. 2.

¹³¹ Informal meeting in Rome, 3-4 October 2003.

¹³² "Compelling Times for European Union", *Defense News*, 22 December 2003. France and Italy continue to insist on the timetable though others are sceptical.

¹³³ GAERC and Defence Ministers Council Conclusions, 17-18 May 2004. ESDP Presidency Report, Brussels, 9 December 2003.

in November 2001, working concurrently with ECAP, should increase the capabilities of EU member states: "Our efforts to improve capabilities through the PCC and those of the EU to enhance European capabilities through the European Capabilities Action Plan should be mutually reinforcing, while respecting the autonomy of both organisations, and in a spirit of openness".¹³⁴ In other words, even if member states do dramatically increase their capabilities, a question would remain whether those capabilities would necessarily become part of a commitment to the EU through the ECAP.

This highlights two inter-connected, long-term problems with the Headline Goal and ECAP. First, they depend on a "bottom up" commitment of member states.¹³⁵ Secondly, without someone in the driver's seat for defence issues, it is difficult to bring countries to increase their defence spending or at least to set agreed minimums -- and in the absence of these, it will be hard to persuade those countries that already spend much more and have greater capabilities (France and the UK) to be totally committed to a European system they will not fully control.¹³⁶

The first point may be in the process of being addressed by the new European Defence Agency, discussed below, which will give top-down impetus to force coordination and capability improvement. One way it could help improve member state commitment to ECAP might be by naming and shaming -- publishing annually progress or lack thereof toward stated objectives. The recent Military Capability Commitment Conference in Brussels took a step in the right direction, expressing the new agency's involvement in ECAP in terms of a "focus on

the general performance of member states in the field of EU capability improvement". The EDA, by providing more top-down guidance and reorganising the above-mentioned ECAP Project Groups, "offers opportunities to reinvigorate the ECAP process".¹³⁷

The second point comes back to political will. France spent approximately €40 billion in 2003 on defence and the UK approximately £26 billion.¹³⁸ These figures are some 2.6 per cent and 2.4 per cent of GDP respectively, and are the highest for members of both NATO and the EU, save Greece,¹³⁹ but they do not illustrate the full discrepancy. Italy's defence budget is estimated at 1.9 per cent of GDP, The Netherlands' at 1.6 per cent, Germany's at 1.4 per cent, and Spain's at 1.2 per cent. Last is Luxembourg at 0.9 per cent. The UK has undertaken considerable force modernisation and has a procurement and research budget far beyond even that of France.¹⁴⁰ Germany, which spent over €30 billion on defence in 2003, announced defence reforms in 2004 -- Struktur 2010 -- which have been considered poor camouflage for a spending cut.¹⁴¹

Even if ECAP is ultimately fulfilled (and progress is slow), the discrepancy of capabilities within member states will be a problem. In other words, the Headline Goal and ECAP could still fail on the political side even if they are met technically. "Structured cooperation" -- allowing deeper cooperation, still within the EU framework, for some EU members depending on their capabilities -- is in part meant as a way around this issue.

Without attempting to be comprehensive or overly technical, the EU needs to improve in three broad categories.

Deployability. The EU should build a strategic transport capability both independent of and interoperable with its partners -- principally the U.S. The problem of airlift is not new. One defence paper explains that "strategic lift has been identified several times as an area of deficiency for the fledgling ESD capability. To date, Europeans

¹³⁴ Prague Summit Declaration issued by the North Atlantic Council, 21 November 2002.

¹³⁵ This was remedied to an extent by creation of ECAP Project Groups, which attempt to give greater direction to the capabilities improvement process. At the 2003 capabilities conference, defence ministers welcomed further commitments in air-to-air refuelling, headquarters, nuclear, biological and chemical protection, theatre ballistic missile defence, unmanned aerial vehicles, and space-based assets. They set up project groups in ten areas, each with a lead nation: air-to-air refuelling (Spain), Combat Search and Rescue (Germany), Headquarters (UK), Nuclear and Biological Protection (Italy), Special Operations Forces (Portugal), Theatre Ballistic Missile Defence (The Netherlands), Unmanned Aerial Vehicles (France), Strategic Airlift (Germany), Space-based assets (France) and Interoperability Issues and Working Procedures for Evacuation and Humanitarian Operations (Belgium).

¹³⁶ France and the UK, since their 1998 Saint-Malo summit, have been the principal drivers of military cooperation. This has been at least partly predicated on the notion that they will control the process, or that the process will equalise expenditures. They are unlikely to pay for European defence without reaping political benefits, within Europe or outside.

¹³⁷ "Declaration on European Military Capabilities", Military Capability Commitment Conference, Brussels, 22 November 2004.

¹³⁸ NATO estimates available at <http://www.nato.int/docu/pr/2003/table1.pdf>.

¹³⁹ The 2003 forecast for Greek defence spending was 4.2 per cent of GDP.

¹⁴⁰ Both countries spent over 12 per cent of their total defence budget on research and development.

¹⁴¹ "Einsatzgebiete in der ganzen Welt", *Frankfurter Allgemeine Zeitung*, 14 January 2004. The plan aims to cut defence spending to €26 billion and shave 35,000 troops from the 285,000 force, but double the standing response capability of the army from 7,000 to 14,000.

have been dependent on purchased or leased foreign equipment -- mostly American, Russian and Ukrainian -- particularly for large or outsize loads, since European strategic capabilities are often insufficient, obsolete, unproductive, too light or unavailable when needed".¹⁴² This capability is crucially important for the battle group concept.

Attempts are being made to remedy the problem through construction of the A400M military transport.¹⁴³ Planning has been underway since 1984 but deliveries of an envisaged 180 aircraft are to be spread out between 2007 and 2020.¹⁴⁴ It is proposed they be complemented in the meantime by further purchases of heavy-lift aircraft from the U.S. (ten EU members presently have U.S.-built C130s).

The UK's order of six roll-on, roll-off (ro-ro) ferries was filled twenty months ahead of schedule in 2003, allowing them to be used to supply troops in Iraq. This increased sealift capacity also adds to the EU's deployment potential. Another deployment weakness, air-to-air refuelling, remains unaddressed.

Standardisation and interoperability. Standardisation of weaponry and communications systems is a key to EU ability to conduct high-end operations. It would have major cost and logistics benefits and make multinational corps more efficient. Most European military missions will be multinational, whether under a UN mandate, within a NATO mission, or as a strictly EU operation. The concept of standardisation and interoperability is not controversial but implementing it is not easy. It depends in part upon common procurement policies, in part on a European defence market and in part on the political will to update force capacity and technology.¹⁴⁵ ECAP project groups were a first step toward interoperability, which the European Defence Agency potentially takes much further. If forces can be pooled, smaller countries are more likely to be able to

contribute to major technological initiatives they cannot fund on their own.

Strategic Intelligence. Peace-enforcement operations would require the EU to generate and assess timely and accurate intelligence, both human and technical. As mentioned, it already has bodies with the potential to coordinate assessment and dissemination of intelligence. However, the lack of a joint human intelligence gathering body and the potential for member states to wash intelligence before it reaches the Union level are serious brakes. Indeed, intelligence is one of the most sensitive areas for cooperation, risking challenges to long-term relationships (such as UK-U.S.) and touching the core of national interests. Better coordination here arguably might have helped the EU identify a common position in advance of the Iraq war. At present, however, an EU operation must rely on voluntary pooling (from the SitCen in the Council Secretariat) or national intelligence from a lead nation, or generate its own low-level capacity (for example, via the EUMM and political reporting by Commission delegations). The new EU counter-terrorism coordinator, Gijs de Vries, has been vocal about the need for member states to improve intelligence-sharing and work with the relevant EU bodies more effectively.¹⁴⁶

A peace-enforcement operation would require access to virtually real-time imagery. Since 1998, the EU has been developing its Global Monitoring of Environment and Security (GMES) initiative, which is intended to be brought gradually into operation by 2008.¹⁴⁷ The EU Satellite Centre (SATCEN) has been operative since 2001.¹⁴⁸ The Commission adopted a Space Action Plan

¹⁴² Katia Vlachos-Dengler, "Getting There: Building Strategic Mobility into ESDP", Institute for Security Studies Occasional Paper No. 38, November 2002.

¹⁴³ The A400M will be able to lift helicopters, artillery and other outsized equipment and deploy troops, equipment or aid.

¹⁴⁴ The participating and purchasing countries are Germany (60), France (50), Spain (27), United Kingdom (25), Turkey (10), Belgium (7), Luxembourg (1). Italy withdrew.

¹⁴⁵ As technology becomes more complex and more central to how armies operate, standardisation and interoperability becomes increasingly important. To take a recent example, the U.S. and UK forces fought in different geographic zones in Iraq in 2003 partly because their battlefield communications technologies could not be geographically integrated. If not properly handled, force modernisation can actually reduce the ability to integrate, not increase it.

¹⁴⁶ Joint press briefing with Javier Solana, 30 March 2004.

¹⁴⁷ GMES is a joint initiative of the Commission and the European Space Agency (ESA). It was launched in May 1998 and adopted by ESA and the EU Council in June and November 2001 respectively. It aims to bring data providers together with users, such as ground-based organisations and institutions working in environmental, humanitarian aid or political crisis management, in addition to creating a "European Shared Information System" as an information platform much like Internet allowing easy access to data. Construction is planned over an initial period (2002-2003) and an implementation period (2004-2008). For more information, see the GMES website: http://www.gmes.info/what_is/index.html.

¹⁴⁸ The European Union Satellite Centre (SATCEN) is a specialised EU agency under the political supervision of the Political and Security Committee. Located in Torrejón (near Madrid), it is dedicated to exploitation and production of information derived primarily from the analysis of earth observation space imagery in support of CFSP. It also trains personnel in digital geographic information systems and imagery analysis.

on 11 November 2003,¹⁴⁹ which is meant to lead to a multiple-use European space capability that could gather intelligence and monitor crisis situations. The White Paper states, "GMES could contribute to humanitarian and rescue tasks, peacekeeping and supporting combat forces in crisis management tasks, including peace-keeping" -- that is to say, the Petersberg tasks. It might also contribute to monitoring of WMD proliferation and electromagnetic activity.

The EU also must become better at managing its own secure communications. For example, NATO raids in Bosnia in 2000, 2001 and 2003 demonstrated that both Serbian and Croatian intelligence actively monitored electronic communications, including e-mail and mobile telephones. Future EU conflict management missions will also likely operate in areas where they will be targeted by intelligence services.

B. THE EUROPEAN DEFENCE AGENCY (EDA)

The European Defence Agency, which was established on 12 July 2004,¹⁵⁰ has been a long time coming. It must replace a profusion of organisations, while taking the best aspects of all.¹⁵¹ It has the potential to change how European defence procurement works -- and with it to help the EU improve both the quality and quantity of its capabilities.¹⁵² It may ultimately prove a motor for a common defence and foreign policy but it needs to establish its own profile quickly and show that it can do more than merely coordinate existing programs.

European defence procurement has suffered from the absence of a common market in defence. Article 296 of the TEU specifically excludes arms, munitions and war

material from EU competition rules.¹⁵³ Most member states have been concerned with keeping the widest range of technological capacities at home, to protect jobs and, in principle at least, to maximise benefits from spin-offs of defence-related research and production. The result has been duplication and lack of interoperability. When they have combined on defence projects, they have at times been hampered by the practice of awarding contracts on the basis of anticipated ultimate national purchases,¹⁵⁴ involvement of only a few countries, and the disconcerting proclivity of national procurement agencies to change their minds.¹⁵⁵ Nevertheless, there are a number of projects, in addition to the A400M that demonstrate a tendency for increasing cooperation and interdependence between the main players.¹⁵⁶

The EDA aims to enhance European armaments cooperation by taking a leading role in both "promoting and proposing new multilateral cooperative projects to meet ESDP capabilities requirements" and "working for coordination of existing programs implemented by Member States".¹⁵⁷ The question, ultimately, will be the

¹⁴⁹ "Space: A new European Frontier for an Expanding Union -- An Action Plan for Implementing the European Space Policy", European Commission White Paper, 21 November 2003; at http://europa.eu.int/comm/space/whitepaper/pdf/spwhpap_en.pdf.

¹⁵⁰ Council Joint Action 2004/551/CFSP.

¹⁵¹ For an in-depth look at EU defence procurement, see Burkard Schmitt, "The European Union and Armaments: Getting a Bigger Bang for the Euro", Chaillot Paper No. 63, Institute for Security Studies, August 2003.

¹⁵² EDA's goals are defined as: "developing defence capabilities in the field of crisis management, promoting and enhancing European armaments cooperation, strengthening the European defence industrial and technological base (DTIB) and creating a competitive European defence equipment market, as well as promoting...research aimed at leadership in strategic technologies for future defence and security capabilities, thereby strengthening Europe's industrial potential in this domain". Council Joint Action 2004/551/CFSP.

¹⁵³ The article reads: "1. The provisions of this Treaty shall not preclude the application of the following rules: "National security a) no Member State shall be obliged to supply information the disclosure of which it considers contrary to the essential interests of its security; "Arms and war material - no distortion of competition in civil sphere b) any Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and war material; such measures shall not adversely affect the conditions of competition in the common market regarding products which are not intended for specifically military purposes".

¹⁵⁴ The principle of *juste retour*, whereby, for example, radar, engine, fuselage, wing and other contracts that go to the development and production of an aircraft would be awarded to participating countries in proportion to expected purchases.

¹⁵⁵ The EDA has been pushed by the European defence industry not least because it should allow emergence of simpler structures for genuinely European defence companies that may be able to compete with the U.S. giants. At the annual conference of the European Aeronautic Defence and Space Company in Paris in 2003, CEO, Philippe Camus called a European procurement agency "crucial". *Financial Times*, 5 November 2003. The European Defence Industries Group has long advocated a European Defence Equipment Market, *ibid*.

¹⁵⁶ For example, the UK (BAE) and France (Thales) are cooperating closely to build three conventionally powered aircraft-carriers; the essentially Franco-German Eurocopter Group produces the popular Puma, NH-90 and Cougar helicopters; and MBDA, a French-British-Italian partnership, has developed the long range Storm-Shadow/Scalp EG air-to-ground missile.

¹⁵⁷ Council Joint Action 2004/551/CFSP. Some of these projects -- "flagship endeavours" -- were announced on 22 November 2004 as part of the EDA's 2005 work program,

extent to which simple coordination can be converted into genuinely European programs, as well as how far the EDA will be able to move toward common European needs assessments and commitments to basic defence spending levels. EDA effectiveness will also depend crucially on its leader. If the squabble that France and the UK engaged in over this appointment is an indication of the importance they accord to the position, it would be a positive sign.¹⁵⁸ Ultimately Solana adjudicated in favour of Nick Witney, head of international security policy at the UK Ministry of Defence. As a compromise, the six-year term will be divided, with a French candidate filling the second half.¹⁵⁹

Politically, the EDA will "act under the Council's authority ... within the single institutional framework of the European Union",¹⁶⁰ that is, under firmly intergovernmental arrangements. The PSC will advise the Council on guidelines for the EDA. The decision-making body of the agency will be a Steering Board chaired by Solana and made up of national ministers of defence and a Commission representative.

Some armaments directors already meet every six months within the Western European Armaments Group (WEAG).¹⁶¹ What is new is the institutionalisation of cooperation and meetings within a specifically EU framework. There is a natural question about the fate of existing organisations -- particularly when, as in the case of WEAG, they include non-EU members (and EU neutrals such as Finland and Sweden). At least one non-EU member of NATO (Norway) has expressed interest in the EDA.¹⁶²

In June 2004 EU Foreign Ministers approved a Joint Action to start recruiting EDA staff from member states

Brussels. Two stand out: an initiative to "find solutions to current ESDP operational shortfalls, and to develop capacity and interoperability for the future" in the vital area of command, control and communications (C3); and "development of proposals for collaborative technology development and/or procurement programs, potentially facilitating industrial restructuring", in armoured fighting vehicles.

¹⁵⁸ *Le Figaro*, 20 January 2004. The two expressed strong support for the EDA at a bilateral summit on 24 November 2003.

¹⁵⁹ A deputy chief executive and the four agency directors for capability, research and technology, armaments, and industry and market have also been appointed.

¹⁶⁰ Council Joint Action 2004/551/CFSP.

¹⁶¹ The WEAG is a body of the now largely defunct Western European Union. Its members are Austria, Belgium, the Czech Republic, Denmark, Finland, France, Germany, Greece, Hungary, Italy, Luxembourg, The Netherlands, Norway, Poland, Portugal, Spain, Sweden, Turkey and the UK.

¹⁶² "Norway wants role in EU arms agency", *EU Observer*, 19 November 2003.

and EU institutions, with a view to having approximately 25 personnel in place by the end of 2004, and around 80 in 2005. The EDA general budget will be essentially funded by participating member states. The 2004 budget, mainly staff-related costs, was projected to be under €2 million. The second meeting of the EDA's Steering Board approved a 2005 budget of "some €20 million" and increased staff to 77, to be reached by mid-2005.¹⁶³

Only time will tell whether the EDA can lead the debate in member states but some related developments appear to be positive. The Commission is pushing strongly to drop the distinction between civilian and military research. The former Research and Enterprise Commissioners, Philippe Busquin and Erkki Liikanen respectively, set up a Group of Personalities for Security Research (GoP) to explore the possibility of a European security research program (ESRP) by 2007. In its March 2004 report, that body advocated the development of a Community-funded ESRP and called on the Commission and Council to ensure effective liaison between it and the EDA.¹⁶⁴ The Commission also launched a "Preparatory Action on the enhancement of the European industrial potential in the field of Security Research" (PASR 2004), to serve as a pilot phase for ESRP, with a three-year €65 million budget.¹⁶⁵

The emphasis the EDA places on liberalising defence procurement is also strengthening the case for further change. In September 2004 the Commission published a Green Paper that proposes liberalisation of non-sensitive sectors of the defence industry by clarifying which areas of production should continue to be exempted from EU competition rules and which not.¹⁶⁶ If the goal truly is to create an internationally competitive EU defence industry and more efficient defence procurement by member states, the obvious next step should be to scrap Article 296 altogether.

C. THE EU-NATO RELATIONSHIP

The relationship of EU defence ambitions to NATO and by extension to Europe-U.S. ties has been a long-running theme of the security debate, in which even relatively small measures of European autonomy often

¹⁶³ "Second Meeting of the European Defence Agency's Steering Board", Council Press Release, 22 November 2004.

¹⁶⁴ "Research for a Secure Europe", available at: http://europa.eu.int/comm/research/security/pdf/gop_en.pdf.

¹⁶⁵ On 31 March 2004, the Commission published the first call for proposals for projects and supporting activities under PASR 2004; for further information, see http://europa.eu.int/comm/research/security/news/article_765_en.html.

¹⁶⁶ Commission Green Paper on Defence Procurement, 23 September 2004, COM 608/2004.

raise temperatures. Whatever the polemics and the tensions that tend to develop as manifestations of disputes with Washington over specific policy stances, however, that relationship is basically strong and driven by a pragmatism that operates to keep the two organisations together. Solana, himself a former NATO Secretary General, has said that within the web of international regimes, treaties and organisations that protects the EU, "NATO will remain key to safeguarding our security, not as a competitor but as a strategic partner. We have seen in practice how this partnership can generate results in terms of peace and stability".¹⁶⁷ The European Security and Defence Identity, based on the principle of cooperation with the EU, has been part of NATO since 1996. The organisations are careful to accommodate each other.

The EU clearly wants to take over some security tasks from NATO. The June 2004 NATO Istanbul Summit decided to end the SFOR mission in Bosnia and transfer primary responsibility to the EU by the end of the year, a step that allows more concentration on its new mission in Afghanistan and perhaps eventually on a larger one in Iraq. In other words, NATO and the EU can be complementary rather than competing. Unrealistic ideas on a neat geographical or functional division between the two organizations have been overtaken by an approach that emphasises considerable inter-institutional cooperation,¹⁶⁸ reflected in regular meetings at all levels.¹⁶⁹

There is good reason to believe this cooperative evolution is likely to continue. For one thing, their

memberships are expanding at the same time and in the same direction. Again, the Capabilities Commitment reached at NATO's Prague Summit in 2002 identified many of the same capacity shortfalls as the EU's Capabilities Action Plan and was specifically designed to be "mutually reinforcing".¹⁷⁰

NATO and the EU finally concluded their "Berlin plus" arrangements in December 2002, which provide a framework within which NATO's military infrastructure is at the EU's disposal.¹⁷¹ The package has four main elements. First, the EU should have unfettered access to NATO operational planning for an ESDP mission. Secondly, EU military planning should be based on the presumption of availability of NATO capabilities and common assets. Thirdly, it should have access to NATO European command options, including D-SACEUR (Deputy Supreme Allied Command Europe; a European), for undertaking EU operations. Finally, the NATO defence planning system should incorporate availability of forces for EU operations. The implicit agreement was that EU operations would only be undertaken when NATO as whole was not involved, and the EU would only develop *in extremis* the capacity to run operations completely autonomously of NATO. In turn, NATO was recognised as the linchpin of ESDP, which would receive the resources and headquarters necessary to become seriously operational. Much will depend, of course, upon how "Berlin plus" is implemented. The determinant will be political will since, as a NATO official pointed out, "Berlin Plus" itself is "a technical manual not...a political tool".¹⁷²

Less positive has been the long-running dispute over headquarters. As noted, Germany, France, Belgium and Luxembourg in April 2003 appeared to indicate interest in an EU operational HQ entirely separate from NATO. The U.S. launched a strong diplomatic campaign against this, claiming it was an attempt to undermine "Berlin plus" and the "dangerous" tip of an iceberg. The argument has, however, calmed. The UK softened its opposition to an autonomous European planning capacity and attempted to allay U.S. concerns by involving itself in the project. Subsequently, as described above, agreement was

¹⁶⁷ "The European Union Security Strategy: Implications for Europe's role in a Changing World", speech delivered by Javier Solana in Berlin, 12 November 2003. A similar point was made by the European Council the following month.

¹⁶⁸ Suggestions that NATO focus on "hard" military tasks and the EU use exclusively "soft" power, or that the EU confine itself to Europe and Africa while NATO operates in other parts of the world, have been consistently rejected by officials of both organisations. A NATO deputy assistant secretary general, for example, made it clear in a video lecture on 12 February 2004, that he disagreed with those who think "there should be a functional division of labour" and "say the best way to avoid any clashes or competition between NATO and the EU would be sort of to divide up the world into zones.... there is nothing to stop either organisation being involved anywhere in the world", and there is no reason why, as CFSP "gives the EU hard-core capabilities in the future...[it] should not do demanding military tasks supported by NATO". <http://www.nato.int/docu/speech/2004/s040210a.htm>.

¹⁶⁹ For example, the PSC meets regularly with the North Atlantic Council (NATO ambassadors). The pace of both military and political consultations increases, of course, during the planning and execution of ESDP operations under Berlin Plus.

¹⁷⁰ Prague Summit Declaration, op. cit. See Section III A above.

¹⁷¹ Unlike the EU's other non-NATO members (Ireland, Austria, Finland, Sweden and Malta), , Cyprus does not participate in ESDP military missions under Berlin Plus (using NATO assets), because of Turkish objections, although it can and does participate actively in purely EU civilian and military operations.

¹⁷² At the "Closing the Credibility Gap" conference, 14 October 2003.

reached for a small autonomous EU capacity based at NATO's SHAPE headquarters for EU operations using NATO's assets, and member states decided to set up a skeleton unit in the Council Secretariat with the responsibility for purely EU operations.¹⁷³

NATO and the EU are on the ground together in the Balkans. There have been reports of mutual recrimination in Macedonia where the two have not yet worked out completely how to fit together operationally but this appears to be little more than a teething problem. There are likely to be relatively few future cases where both have security missions in the same theatre.¹⁷⁴ The most important coordination will need to be carried out at the politico-administrative level, on which the NATO-EU conflict management exercise in November 2003 focused.

D. CIVILIAN CAPABILITIES

The new focus on military capabilities, security strategies and a common European Defence Agency has led some to question whether the EU has forgotten about "soft power" and its commitment to civilian capabilities. At the Feira European Council in June 2000, member states pledged to provide by 2003:

- policing: a minimum of 5,000 officers, 1,000 of whom can be deployed within 30 days;
- rule of law: 200 experts, including prosecutors, lawyers and judges and a rapid response group capable of deployment within 30 days;
- civilian administration: a pool of experts; and
- civil protection: two or three assessment teams of ten experts each, capable of dispatch within hours of a disaster, with a 2,000-strong civil protection intervention contingent available for later deployment.

The EU has done a fair job in meeting these goals, at least in principle.¹⁷⁵ Proxima in Macedonia and the EUPM in Bosnia are police missions, though prepared over longer periods, not rapid reaction forces. As early as November 2001, the Belgian Presidency claimed member states could deploy 1,400 police within 30 days. A 2002 crisis response exercise supposedly demonstrated the ability to bring both civilian and military response capabilities to bear in a crisis. Until those capabilities have been tested in real life, however,

there will be doubts at least as to how much can be quickly deployed. There does not appear to have been meaningful change since a Commission official, with some understatement, told a UK parliamentary committee that with respect to the rule of law commitment, "we [the European Union] cannot quite yet mobilise 300 prosecutors ... at the press of a button".¹⁷⁶

The relative lack of attention to civilian capabilities is odd, not least because civilian ESDP missions are more likely than high-end military ones. The Council has recently decided to send an ESDP police mission to the Democratic Republic of Congo (EUPOL "Kinshasa"),¹⁷⁷ and in response to an invitation from Georgia, decided in June 2004¹⁷⁸ to send the EU's first ever ESDP Rule of Law Mission (Themis) to Tbilisi for one year until July 2005. Its leader, Ms. Sylvie Pantz, reports to Solana through the EU Special Representative for the Southern Caucasus, Heikki Talvitie. The mission has a €2 million budget and eight senior prosecutors and judges from eight member states.¹⁷⁹ Its objectives are to help Georgia devise and implement reform of its criminal judicial system.¹⁸⁰ The first phase of Themis -- to assess the state of the judiciary -- was completed in October 2004, and the findings are being pursued by a high level government working group.¹⁸¹ In December 2004, the European Council asked the incoming Luxembourg Presidency and Solana to prepare for the possibility of an "integrated police, rule of law and civilian administration mission for Iraq, which is expected to start after the January 2005 elections".¹⁸²

¹⁷⁶ House of Lords, "EU -- Effective in a Crisis?", *op. cit.*, p.16.

¹⁷⁷ Council Decision 15070/04 (6 December 2004). For more on this, see Section V. A below.

¹⁷⁸ By Joint Action 2004/523/CFSP (28 June 2004) on the European Union Rule of Law Mission in Georgia, EUJUST THEMIS.

¹⁷⁹ They are Italy, Latvia, Lithuania, Sweden, Germany, Netherlands, Poland and Denmark.

¹⁸⁰ Press Briefing on 26 October 2004 in Press Office of the EU Council, "EU Rule of Law Mission to Georgia".

¹⁸¹ This working group, established by President Saakashvili on 19 October 2004 and headed by the justice minister, reflects commitment by the Georgian government to the reform process. Awareness of the mission has not yet penetrated all sectors of the Georgian system, however. Valerii Grigalashvili, the city prosecutor in Tbilisi, seemed uninformed about Themis when he held his first meeting with it in August, while it took three weeks to arrange an initial session with the interior ministry. "Uphill struggle for EU 'rule of law' mission in Georgia", *European Voice*, 28 October 2004.

¹⁸² European Council Conclusions, 16-17 December 2004.

¹⁷³ See Section II C above.

¹⁷⁴ Though this will be the case in Bosnia for some time.

¹⁷⁵ The Danish Presidency declared the four headline goals met in November 2002.

In the longer term, the EU's added value in conflict management should be its ability to deploy mixed civilian and military missions rapidly. But just as this requires new thinking about the function of armed forces, it also requires new seriousness about civilian capabilities as, in many situations, at least an equal complement to military capabilities.

To date, the EU has trained over 200 people for possible civilian deployment. As this has been mainly done at the national level, it is crucial to ensure more coherence in national training programs, so that personnel deployed from different member states can work together effectively from day one. There is currently no link between training courses and deployment, and mechanisms need to be introduced to ensure that those trained are also willing and able to take part in EU operations.¹⁸³ Recruitment -- the responsibility of member states -- is procedurally diverse, which makes it quite difficult to identify qualified personnel to deploy at short notice. The newly adopted standard EU training concept in ESDP has the potential to improve interoperability between civilian officials from different member states and spread a common ESDP culture based on lessons learned from past operations.¹⁸⁴

The Civilian Capabilities Commitment Conference on 22 November 2004 declared that member states have volunteered 5,761 police, 631 rule of law specialists, 562 civilian administrators and 4,988 civil protection personnel.¹⁸⁵ However, it is clear that EU civilian capabilities have not yet come near their potential. The problem is one of coordination between both political priorities and Council and Commission competencies. Civilian capabilities get fewer headlines than their military counterparts but the EU needs to "get hard about its soft power".¹⁸⁶ To do so, it must also ask the right questions. As an EU official pointed out, policy needs to be driven more by "what is needed" than by "what can we provide".¹⁸⁷

Some have asked why, if there is to be a European Defence Agency, there is no parallel agency for improvement of EU civilian capabilities that could answer both questions. A European Peacebuilding Agency, it is argued, could coordinate recruitment and

training of qualified civilian personnel for peace missions under EU auspices.¹⁸⁸ The current system has indeed proved slow and sometimes inadequate in getting the right people on the ground. Governments are often reluctant to send their best civil servants, and recruitment of private experts is at an early stage. However, there is reason for scepticism about adding yet another body to the extensive CFSP apparatus, which is probably why the new ESDP training concept is based on the assumption that a network of existing institutions will provide the organisational background for implementing standardised training.

The problem of adequate staffing and training is not new. The 2001 Gothenburg Council conclusions cited the need for "agreed standards for selection, training and equipment of officials". Both the Commission and Council have attempted to encourage the development of specific training courses to improve the quality and quantity of those available for civilian missions. In November 2003, the Committee for Civilian Aspects of Crisis Management established an EU label for accreditation of training courses and agreed to improve coordination and interoperability of related training courses throughout the Union.¹⁸⁹ To implement this, an informal EU Group on Training was formed, composed of project partners from Austria, Belgium, Denmark, Finland, France and Germany. Financed through the Community budget, it relies on the experience of national training agencies.¹⁹⁰ These will eventually implement the EU Training Program, which is to develop from the above mentioned embryonic Training Concept.

Still others have argued for a European Civil Peace Corps (ECPC), a promising concept first advanced by the European Parliament in 1999. According to a recent study, its prospective mission would be "the co-ordination, at a European level, of the training and deployment of civilian specialists" who could arbitrate, mediate, distribute non-partisan information, and assist with post-conflict trauma and confidence building

¹⁸³ ISIS, "Developing Civilian Crisis Management Capabilities", *European Security Review*, No. 20, December 2003.

¹⁸⁴ See Section III above.

¹⁸⁵ Ministerial Declaration, Civilian Capabilities Commitment Conference, Brussels, 22 November 2004.

¹⁸⁶ Catriona Gourlay of ISIS-Europe, speaking at a conflict prevention conference at the European Parliament, December 2003.

¹⁸⁷ Crisis Group interview, September 2003.

¹⁸⁸ European Peacebuilding Liaison Office (EPLO), "Resolution for a European Peacebuilding Agency", February 2004. Compares the proposal for a Peacebuilding Commission at the global level, established as a subsidiary organ of the UN Security Council, recommended by the UN Secretary General's High Level Panel on Threats, Challenges and Change in its report *A More Secure World: Our Shared Responsibility*, published December 2004, www.un.org/secureworld.

¹⁸⁹ "Common Criteria for Training for EU Civilian Aspects of Crisis Management", Council of the European Union, 25 November 2003.

¹⁹⁰ For instance, the Swedish Folke Bernadotte Academy, the Italian Collegio di Sant'Anna, the Austrian Study Centre for Peace and Conflict Resolution and the German Zentrum für Internationale Friedenseinsätze.

between the warring parties, as well as work on various reconstruction, rehabilitation, education and human rights related projects.¹⁹¹

Most of the effort to build consensus behind some kind of civilian partner to the EDA or a Civil Peace Corps comes from NGOs, however. Member states are yet to be persuaded of the viability or desirability of this proposal.

E. THIRD-COUNTRY CONTRIBUTIONS

Where the EU has inadequate capabilities, in strategic airlift for example, a frequent solution has been to rely on third-country contributions.¹⁹² All ESDP operations have involved the participation of third states.¹⁹³ From the Union's perspective, such contributions have three major positive aspects. They demonstrate that the operation is genuinely multilateral; they facilitate the mission; and they represent a sharing of burdens.

Agreements governing third-state participation have been reached ad hoc, which complicates and delays an operation. However, the EU recently developed "framework participation agreements" and "model participation agreements",¹⁹⁴ which are meant to save time in a crisis situation.¹⁹⁵ The former, with a five-year duration, are aimed at states likely to be relatively frequent and important contributors, such as Norway, Iceland, Bulgaria, Romania, Turkey, Canada, Russia and Ukraine. The latter are meant to facilitate case-by-case negotiations with states likely to join EU missions only occasionally, such as South Africa, which was part of Artemis.¹⁹⁶

The framework agreement provides that personnel seconded by a third state to a civilian or military crisis response operation remain under the general command of their national authorities, while operational control is transferred to the EU Head of Mission (in civilian missions) or the EU Operation Commander (in military operations). It covers financial aspects, clarifying the conditions under which the third state would contribute to the operational budget (in civilian crisis response) or to common costs¹⁹⁷ (in military operations).¹⁹⁸ The model participation agreement covers participation in the same or similar terms.¹⁹⁹ These agreements should help improve EU response time to crises. The clarification regarding the financial burden-sharing is particularly welcome.²⁰⁰

An additional important aspect of third-country participation is involvement in the daily management of EU operations alongside contributing member states.²⁰¹ This occurs through the Committee of Contributors (CoC), which in both military and civilian operations provides opinions and recommendations on operational planning, including possible adjustments of objectives,

in a given mission. If it chose to do so, the agreement would be activated by an exchange of letters with the EU Presidency. A Council decision would remain necessary to bring into force a participation agreement with any other state.

¹⁹⁷ On the definition of common costs, see "Council Decision establishing a mechanism to administer the financing of the common costs of EU operations having military or defence implications", Document No. 197/04, 23 February 2004.

¹⁹⁸ A third state is to bear the costs of its own participation and, unless the EU decides otherwise, also to contribute to the common costs. The latter is to be calculated by the ratio of the country's per capita GNP to that of contributing member states or the ratio of its personnel to those of participating member states, whichever is lower. In the case of countries with a GNP lower than that of any member state or which provides vital equipment, such as heavy lift aircraft, no contribution to common costs is required. See Council Decision No. 25326/04.

¹⁹⁹ For details, see Council Decision No. 25507/04.

²⁰⁰ A third-state participant in a mission can take part in discussion but not vote in the special committee determining the financing of common costs. It is reasonable, therefore, to regulate its contribution clearly in advance. A separate Council decision (12047/04 of 3 September 2004), which is not available to the public, has devised two model agreements -- one for civilian, the other for military operations -- for the participation of non-EU states. This document presumably includes financial frameworks for third-country contributions to operational costs. See discussion of the "Athena" financial mechanism for EU military operations in Section II C. 3 above.

²⁰¹ See "Consultations and Modalities for the Contribution of non-EU States to EU Civilian Crisis Management", Council Document No. 15203/02 of 3 December 2002; also, "Suggestions for procedures for coherent, comprehensive EU crisis management", Council Document No. 7116/03 of 6 March 2003.

¹⁹¹ "Feasibility Study on the European Civil Peace Corps", Berghof Research Centre for Constructive Conflict Management (Berlin) and the International Security Information Service, January 2004. See also Catriona Gourlay, "Feasibility Study on the European Civil Peace Corps (ECPC)", study for the European Parliament, January 2004.

¹⁹² Article 24 of the TEU provides for the conclusion of agreements with third states when necessary for CFSP implementation.

¹⁹³ See Section V below.

¹⁹⁴ See House of Commons Select Committee on European Scrutiny, Section 9, Tenth Report, and Section 8, Seventeenth Report, 3 March 2004 and 7 May 2004, respectively, available at <http://www.publications.parliament.uk/pa/cm/cmeuleg.htm>.

¹⁹⁵ The time saved would not necessarily be primarily with the third country. The templates should also reduce the time that has been necessary for member states to agree among themselves on the nature of an ad hoc arrangement with a third country.

¹⁹⁶ A state that had signed a framework agreement with the EU would remain free, of course, to decide whether to participate

which may affect deployed personnel. It receives detailed information regarding the operation from the EU Head of Mission or Operation Commander.²⁰²

The Committee of Contributors has only a consultative role, however. Actual decisions are taken through the EU structures, in which third countries are not represented. This raises potential problems of accountability: how, for instance, would Canadian or Turkish politicians react if their troops were put in harm's way by decisions made in the PSC, on which they were not represented?

IV. PRACTICES AND POLICIES

A. CONFLICT PREVENTION

1. International Peacebuilding Regimes

The EU has shown considerable capacity to use international peacebuilding regimes²⁰³ in the service of long-term structural conflict prevention. However, for understandable reasons, these have been primarily in the economic sphere and in regions close to the Union's territory.

Enlargement of the European Union

Perhaps its most important tool has been the offer of membership in the EU itself. The prospect of membership stimulates the candidate state to make significant structural adjustments in areas identified by the EU as important to conflict prevention, notably rule of law and democratic institutions. As former Commissioner Chris Patten said, "over the past decade, the Union's most successful foreign policy instrument has undeniably been the promise of EU membership"²⁰⁴

The Turkish case is a good example. Its political leadership did much in recent years to bring the country closer to European standards in such areas as human rights and minority protection, and it is expected that this process will continue during the decade or more that accession negotiations may last. The same European Council session that agreed to be in negotiations with Turkey also gave Croatia a date for the beginning of negotiations -- 17 March 2005 -- on condition that it cooperates fully with The Hague War Crimes Tribunal.²⁰⁵

Negotiations for several additional members are possible in the near future, as applications have been received, or are anticipated in the next few years, from countries in the Western Balkans.²⁰⁶ The fact that aspirations for membership are not directly rejected, even for countries for which this is at best a long-term strategic goal, strengthens the EU's ability to encourage significant reforms.²⁰⁷

The ten countries which joined the EU in 2004 did so eleven years after the criteria for membership were laid

²⁰² Member state representation on the committee for military operations may include both PSC and EUMC representatives. For civilian operations, the only representative is from the PSC. The Commission is represented only for civilian operations.

²⁰³ On international peacebuilding regimes, see fn. 14 above.

²⁰⁴ On the occasion of the launch of the "Wider Europe" Commission Communication, March 2003.

²⁰⁵ European Council Conclusions, 16-17 December 2004.

²⁰⁶ Macedonia applied for membership on 22 March 2004.

²⁰⁷ Georgia and Ukraine are examples.

down by the Copenhagen Council.²⁰⁸ These include compliance with democratic principles, human rights and the rule of law, respect for protection of minorities, and a functioning market economy. The new Constitution says explicitly that the EU remains open to new members and notes the values on which membership is based²⁰⁹

Though events in Northern Ireland, Corsica and the Basque country have demonstrated that membership is not an absolute guarantee of domestic peace, enlargement is a forward-looking exercise in conflict-prevention that has generated Europe-wide norms of negotiation and behaviour while integrating economies and politics. This is in keeping with the intentions of the founders of the European Economic Community in 1957 and indeed of the earlier Coal and Steel Community

The EU has taken a strategic approach to conflict prevention in the Western Balkans since 1999, when it put into place the Stabilisation and Association process, pursuant to which membership becomes a possibility after negotiation and implementation of a Stabilisation and Association Agreement (SAA) tailored for the country in question²¹⁰ These agreements -- modelled after the Europe Agreements used to prepare the new Central and Eastern European members -- are contractual relationships with long-term political and economic objectives and a strong emphasis on cooperation with neighbours. Croatia and Macedonia signed SAAs in 2001 and 2002 respectively, and both have now applied for EU membership; Albania has been negotiating for its SAA since early 2003. Bosnia is in the process of undergoing a feasibility study on whether it is ready to negotiate an SAA. Progress for Serbia and Montenegro along this track was blocked for some time by the difficulties of implementing the economic harmonisation between the states' two constituent republics demanded by the European Commission in the context of the 2002 Belgrade Agreement; but in September 2004 the Commission dropped this demand, and a feasibility study seems likely. The Stabilisation and Association Process since 2003 also includes European Partnerships, broadly analogous to Association

Partnerships with formal candidate countries, that set interim goals and are reviewed every couple of years. The first set of Partnerships was approved by the Commission on 30 March 2004.

Wider Europe and New Neighbourhood

While the EU has attempted to remove the East-West division in Europe and create an area of common security and prosperity since the end of the Cold War primarily through enlargement, that enterprise is nearing its natural end. There are relatively few countries on whose candidacy a consensus is likely to be reached within the EU-25. A new set of questions is emerging centred around how to expand this peace belt to a further group of countries on the periphery of the Union, including troubled areas such as the South Caucasus. This helps to explain the Commission's Wider Europe/New Neighbourhood initiative,²¹¹ which the Thessaloniki Summit endorsed in June 2003. It is predicated on two facts: that enlargement is not anticipated for these countries, many of which are not in, or seen as being in, Europe²¹² but that the EU has strong interest in creating a framework within which to export much the same peacebuilding effect that enlargement has produced²¹³

Consensus seems to be growing to use the name "European Neighbourhood Policy" (ENP) and aim at increased cooperation intended to lead to common

²⁰⁸ For the ten states which became members on 1 May 2004, see Section II A above. Romania and Bulgaria are anticipated to join in 2007.

²⁰⁹ Article 1.2 of the Constitutional Treaty states that the "Union shall be open to all European States which respect its values and are committed to promoting them together". This is already stated in Article 49 of the TEU. Article 2 of the Constitution adds "the Union is founded on the values of respect for human dignity, liberty, democracy, equality, the rule of law and respect of human rights".

²¹⁰ As announced at the Feira European Council in June 2000.

²¹¹ Commission Communication on "Wider Europe -- Neighbourhood: A New Framework for Relations with our Eastern and Southern Neighbours", 11 March 2003. The countries initially covered were Belarus, Moldova, Russia, Ukraine, Algeria, Egypt, Israel, Jordan, Lebanon, Libya, Morocco, Syria and Tunisia, as well as the Palestinian Authority. Armenia, Azerbaijan and Georgia have been added (see below).

²¹² In the words of Commissioner Ferrero-Waldner, "the ENP is not an enlargement policy. It does not close any doors to European countries that may at some future point wish to apply for membership, but it does not provide a specific accession perspective either". Speech delivered in Brussels, 9 December 2004.

²¹³ The EU already has certain types of agreements with countries on its old and new (post-May 2004) borders. Since 1995, the so-called Barcelona process frames EU relations with the Mediterranean region; Partnership and Cooperation Agreements have been signed with Russia, Ukraine, Moldova, Georgia and Armenia. What is novel is the concept that, despite differentiated approaches, the Union's relations with all its neighbours or near-neighbours can be fitted into a common framework that will supplement -- not necessarily replace -- existing contractual arrangements. According to Michael Emerson, "The Wider Europe Matrix", CEPS Working Paper, 2004, "Wider Europe" is Eastern Europe, while the "neighbourhood" is the Greater Middle East.

spaces of prosperity and security, differentiated, however, by country depending on individual circumstances and ability to meet certain benchmarks. In practice, this means there will not be a standard text for all partners, but an individual mutually negotiated action plan based on joint ownership and the EU conviction that political and economic reforms cannot be imposed²¹⁴ The intention is to give neighbours a stake in the EU while promoting "Europeanisation" through preferential trade arrangements, cooperation on judicial questions and similar measures²¹⁵ The most far reaching proposal is the offer of a place in the EU internal market, in fact "everything but accession"²¹⁶

A strategy paper published on 12 May 2004 proposes creating a European Neighbourhood Instrument (ENI) as one of six financial instruments to operate under the financial perspectives for 2007-2013. It also proposes, though without specific figures, that "existing funds or their successors be increased significantly under the new financial perspectives, in keeping with the priority given by the EU to the ENP". A first set of Country Reports on Morocco, Tunisia, Jordan, Israel, Palestine, Ukraine and Moldova -- preliminary Commission assessments prior to negotiation of the Action Plans -- was published in May 2004. The Action Plans with these partners, presented by Commissioner Ferrero-Waldner on 9 December 2004, set out precise steps agreed with each for the next three to five years.²¹⁷

²¹⁴ Speech of Commissioner Nielson to the European Parliament, Strasbourg, 4 May 2004.

²¹⁵ Commission Communication, "Wider Europe -- Neighbourhood", op. cit.

²¹⁶ Some possibilities and problems are discussed in Bruno Coppieters, Michel Huysseune, Michael Emerson, Nathalie Tocci and Marius Vahl, "European Institutional Models as Instruments of Conflict Resolution in the Divided States of the European Periphery", CEPS Working Document No. 195, July 2003, using the case-studies (not all yet included in Wider Europe) of Cyprus, Serbia and Montenegro, Moldova-Transnistria and Georgia-Abkhazia. As they put it: "Inclusion in the EU is not a *deus ex machina* solution to conflicts. For countries that have no accession prospects, there may even be a negative effect from the possible exclusion of their citizens from the Schengen space. Those parts of society that might want to struggle in favour of democratic reforms could be demoralised and discouraged. Should this negative effect of Europeanisation be a reality or even a real risk, the onus is placed back on the EU to devise and offer sufficiently attractive incentives, even for the states or entities that are accession candidates. This is effectively the challenge of the 'Wider Europe policy'....".

²¹⁷ The Commission intends to present Country Reports on the remaining ENP beneficiaries (Egypt, Lebanon, Georgia, Armenia and Azerbaijan) to the European Council in March 2005.

The ENP, like enlargement, promotes peacebuilding indirectly, by promoting standards and values seen as contributory to conflict prevention and stabilisation: rule of law, prosperity, democracy and respect of human rights. But its crisis and conflict-related dimensions are more direct in two ways. First, the Commission recommends increased EU political involvement in conflict prevention and management -- mostly with diplomatic peacemaking, but also with the range of EU civilian crisis response and post-conflict reconstruction tools. Secondly, ENP is meant to stimulate increased mutual assistance on organised crime and terrorism.

EU foreign ministers on 14-15 June 2004 accepted a Commission proposal to include Armenia, Azerbaijan and Georgia in the ENP. EU clout in the South Caucasus is significantly less than that of the U.S. and Russia but it has a considerable interest in stability and the means to help in development.²¹⁸ In the wake of Georgia's "Rose Revolution" in November 2003 and its presidential election in January 2004, it may well look to assist in resolving some of the region's so-called frozen conflicts.²¹⁹

The ENP has the potential to rival the transatlantic as the Union's defining set of foreign policy relationships for years to come. Whether this happens depends upon whether member states match the Commission's obvious enthusiasm with a major financial and political commitment.

The Cotonou Agreement

The Cotonou Agreement governs ties between the EU and 71 African, Caribbean and Pacific countries. Signed in Benin in June 2000,²²⁰ it includes a new political dimension structured around dialogue, good governance, democracy and respect for human rights as well as a specific reference to aims of peacebuilding, conflict prevention and conflict resolution²²¹ It replaced the Lomé Convention, which, in various incarnations, had regulated development assistance since 1975. The new dimension entered the text largely in response to

²¹⁸ GAERC Conclusions, 26 January 2004, p. 11.

²¹⁹ The Southern Caucasus continues to be destabilised by the situations in Nagorno-Karabakh, South Ossetia and Abkhazia.

²²⁰ It entered into force on 1 April 2003.

²²¹ Title II, Article 11.1: "The Parties shall pursue an active, comprehensive and integrated policy of peacebuilding and conflict prevention and resolution within the framework of the Partnership. This policy shall be based on the principle of ownership. It shall in particular focus on building regional, sub-regional and national capacities and on preventing violent conflicts at an early stage by addressing their root-causes in a targeted manner, and with an adequate combination of all available instruments".

evaluations of the Lomé in 1999 and 2000, which concluded that EU strategies took "insufficient account ... of the institutional and policy context in the partner country".²²²

The political framework is meant to address issues previously dealt with outside the development agenda such as arms and drugs trafficking, excessive military expenditure, organised crime and religious or ethnic discrimination. Assistance projects are expected to be designed with peacebuilding or conflict-mitigating aims in mind. This is a step forward since Lomé offered little scope for political involvement with the internal affairs of recipient countries: Aid could not be modulated in differentiated response to a crisis -- only maintained or removed entirely. The more nuanced approach under Cotonou has already been used, though not to great effect, with Sudan and Zimbabwe: There is no satisfactory means as yet to bring into the Cotonou political dialogue non-state actors, who are sometimes at least as relevant as a government to a situation.

Since 2001, the EU has affirmed its willingness to engage actively in crisis prevention and management in Africa in particular through enhanced dialogue with and support for the new African Union (AU), other sub-regional organisations and initiatives and civil society. The latest Common Position on conflict prevention, management and resolution in Africa²²³ identifies a need for a longer term, more integrated approach to conflict prevention. It stresses mainstreaming conflict prevention perspectives in particular within development and trade policies to reduce the risk of fuelling conflicts and to maximise impact on peacebuilding.

Other international organisations

The specifically EU-led peacebuilding regimes of enlargement, Wider Europe and Cotonou are not the sum of Union contributions to international peacebuilding regimes. EU support for NATO, OSCE and UN activities are also important. The NATO relationship has been discussed above. The OSCE, often seen as a civil partner to the EU in the way that NATO is its natural military partner, is active in many of the same areas as the EU, in particular the Balkans and Caucasus. The EU contributes to much of its work, including election monitoring and democratisation projects.

The UN Charter is a defining authority for EU external action²²⁴ EU Member states, in aggregate, are the largest contributors to the regular UN budget and UN peacekeeping operations. The December 2003 European Council welcomed the EU-UN "Declaration on Cooperation in Crisis Management" (24 September 2003). Clearly, one of the goals of the effort to develop standardised ESDP training mechanisms is to allow EU forces to make meaningful and efficient contributions to UN operations.

The necessity to support other international peacebuilding regimes and organisations has been recognised for some time. The EU has a strong interest in promoting these at both the regional and sub-regional level, such as ASEAN, the OAS, the Community of Andean Nations, and Mercosur. In addition to the previously cited support for the African Union, the EU also works on that continent with ECOWAS (West Africa), SADC (Southern Africa) and IGAD (the Horn).²²⁵ Where it cannot offer a perspective of enlargement or even the Wider Europe partnership, its own peacebuilding experience can nevertheless provide lessons for other regions.

Perhaps the EU's most ambitious support initiative for a regional organisation is its African Peace Facility (APF), established on 19 April 2004 in response to a request from the AU's Maputo Summit. It makes €250 million available from the European Development Fund (EDF) to promote African solutions to African crises by giving the AU financial muscle to back up its political resolve.²²⁶ This money will help pay for African-led, operated and staffed peacekeeping initiatives, though these need not be exclusively military; indeed APF money cannot be used to buy arms. On 11 June 2004, member states agreed on the Commission's proposal to allocate €12 million from the APF to support rapid deployment to the Darfur region of Sudan and operations there of an AU-led ceasefire monitoring mission. In consequence of the deteriorating humanitarian situation

²²⁴ The new Constitution, for example, states at Title I, Definition and Objectives of the Union, Article 3.4, that, "in its relations with the wider world, the Union shall uphold peace, security ... strict observance and development of international law, including respect for the principles of the United Nations Charter".

²²⁵ ECOWAS is the Economic Community of West African States; SADC is the Southern African Development Community; and IGAD is the Intergovernmental Authority on Development.

²²⁶ *Rapid* (EC News), 11 June 2004. African countries have donated 1.5 per cent of their allocations under the 9th European Development Fund to the Peace Facility and are thereby significantly contributing to assuring the financial muscle of the new security structure.

²²² R. Grynberg and D. Forsyth, "Evaluating the Impact of Lomé Convention Aid to Pacific ACP States" ECDPM Working Paper No. 54, 1998, available at www.ecdpm.org.

²²³ "Council Common Position concerning conflict prevention, management and resolution in Africa and repealing Common Position 2001/374/CFSP", 26 January 2004.

in Darfur and in response to UN Security Council recommendations, the AU decided on 20 October 2004 to expand the ceasefire observation mission and requested a further €80 million from the APF. The EU has responded positively and will also provide the AU force with technical expertise and personnel.²²⁷

2. In-country peacebuilding

The Commission's seminal 2001 document on conflict prevention²²⁸ recognised foreign aid as one of the most powerful instruments at the EU's disposal "for treating the root causes of conflict". The European Union (with its member states) represents more than 50 per cent of the world's Official Development Assistance (ODA), contributing 0.35 per cent of Gross National Income in 2003²²⁹ in pursuit of economic development and institution building to make states viable and peaceful. The Commission itself accounts for 10 per cent of world ODA and in 2003 committed nearly €12 billion to new assistance programs worldwide.²³⁰

The majority of EU external assistance is delivered through long-term instruments²³¹ and intended to support structural conflict prevention and peaceful resolution of disputes through targeted programs that promote the rule of law, good governance and poverty reduction.²³² Humanitarian aid delivered through ECHO can also help mitigate crises or prevent conflicts. Examples are recent ECHO decisions to provide humanitarian assistance to the Congo (DRC) and Liberia, which are trying to stabilise a fragile peace, and to the displaced and refugee populations victimised by the brutal counter-insurgency

campaign waged by the Sudanese government in Darfur.²³³ As discussed above, however, ECHO seeks to insulate its humanitarian mission from the political decisions and policies pursued by other elements of the EU and by its member states.²³⁴

Critics have suggested that highly developed participants in the global economy such as the EU and the U.S. could provide substantially more benefits to many underdeveloped countries by eliminating trade subsidies, particularly in agriculture, than they do through foreign aid²³⁵ and that this may be the "missing link" in conflict prevention.²³⁶

In some cases the EU has been able to use trade as a tool of conflict prevention -- notably by supporting the Kimberley process for preventing the export of conflict diamonds. The extent to which trade instruments could be used for preventing specific conflicts is open to question, however. Indeed, trade agreements can at times be disruptive of local political and social structures in the short term, even if the long-term contributions of balanced trade liberalisation to prosperity and peace are largely beyond doubt.²³⁷

²²⁷ EU Fact Sheet: "EU response to the Crisis in Darfur", Council Press Release, 23 October 2004.

²²⁸ Communication from the Commission on Conflict Prevention, COM (2000), 11 April 2001.

²²⁹ OECD preliminary data for 2003 available at <http://www.oecd.org/dataoecd/42/61/31504039.pdf>. This compares favourably to 0.11 per cent of Gross National Income (GNI) from the United States, but is still a long way from the 0.7 per cent of GNP agreed at the 1970 UN General Assembly for developed countries.

²³⁰ European Commission, "External Assistance Reform: Four Years on 2000-2004", available at http://europa.eu.int/comm/development/body/publications/descript/pub7_13_en.cfm.

²³¹ These are the Cotonou Agreement for the ACP countries, ALA for Asia and Latin America, TACIS for Eastern Europe and Central Asia, MEDA for the countries of the Mediterranean and CARDS for South Eastern Europe.

²³² Crisis Group has noted that too frequently the international community is overly optimistic about the time needed for post-conflict peacebuilding. Crisis Group Africa Report N°87, *Liberia and Sierra Leone: Rebuilding Failed States*, 8 December 2004, argued for commitments and planning timeframes of up to 25 years.

²³³ At the end of 2003, for example, ECHO authorised €5 million to help rebuild the Ituri district, as well as a further €4 million for basic services in Liberia, €2 million for internally displaced persons in Darfur, and €2 million for Darfur refugees. For information on the political and humanitarian situation in Darfur, see Crisis Group Africa Report N°76, *Darfur Rising; Sudan's New Crisis*, 25 March 2004; Crisis Group Africa Report N°80, *Sudan: Now or Never in Darfur*, 23 May 2004; Crisis Group Africa Report N°83, *Darfur Deadline: A New International Action Plan*, 23 August 2004; and Crisis Group Africa Briefing, *Sudan's Dual Crises: Refocusing on IGAD*, 5 October 2004.

²³⁴ Concerning the tension this sometimes results in, see Section II D 3 above and Crisis Group Briefing, *The European Humanitarian Aid Office*, op. cit.

²³⁵ See James S. Shikwati, "African Aid", *European Voice*, 8 May 2003. Others argue that the greatest trade barriers to economic growth are those between poor countries themselves. See World Bank, "Global Economic Prospects: Realizing the Promise of the Doha Agenda, 2004".

²³⁶ The Doha Round of the World Trade Organisation (WTO), billed as the "development" round, appeared to be in serious jeopardy when the Cancún Ministerial Conference in September 2003 failed to reach any agreement. The deal agreed to in Geneva on 31 July 2004 (the "July package"), however, has become the new starting point for global trade negotiations. The richest countries have agreed to start abolishing all forms of trade distorting agricultural export subsidies though there is as yet a lack of clear deadlines and commitments. The next Ministerial Conference is scheduled for December 2005.

²³⁷ Where trade agreements are liable to produce such a disruptive effect, compensatory projects such as retraining,

Since Crisis Group's 2001 report observed that a number of internal reforms needed to be carried forward if the EU's development cooperation programs were to achieve their full conflict prevention potential, there has been at least substantial bureaucratic progress. As noted, in 2001 both the Commission Communication and the Gothenburg Summit's "Program for the Prevention of Violent Conflicts" expanded structural crisis response mechanisms within EU machinery. The Irish Presidency in 2004 reported on implementation of the Gothenburg Program, and its conclusions were endorsed at the European Council in June of that year. The reform of EU external assistance that began in 2000²³⁸ aimed to establish a closer match between development cooperation and the political commitment to address the root causes of conflict, while ensuring high quality standards were met. A main focus of the reform is the actual programming of assistance, which is supposed to "lead to greater coherence between the EU's strategic priorities and to the right 'policy mix' for each country or region".²³⁹ As early as March 2002, the Commission claimed that it "has delivered" on its commitment,²⁴⁰ a judgment with which several significant external observers have agreed.²⁴¹

The results on several key fronts will determine the quality, efficacy and impact of EU structural peacebuilding. First order issues are whether political commitment can be sustained beyond the mere development of the present set of internal workplans, and Commission and Council activities can be coordinated to deliver more coherent crisis response. Others include building evaluation mechanisms into both institutions, which currently lack flexibility to feed field perspectives and experience systematically into real-time

policy planning, and improving the limited member state-Union cooperation in these matters.²⁴²

The EU might also usefully consider setting up a Best Practice Unit, on the model of the UN's Peacekeeping Best Practice Unit (PBPU),²⁴³ which provides research and analytical support to the Department of Peacekeeping Operations (DPKO), and identifies lessons learned and best practices to assist in improving the planning, conduct, management and support of peacekeeping operations. Such a unit for ESDP civilian and military operations might be placed within the External Action Service under the authority of the new EU Foreign Minister.

Mainstreaming conflict prevention

The Commission. Its efforts to "mainstream" conflict prevention into EU external assistance and development cooperation policies centre on the Conflict Prevention Unit²⁴⁴ Country Strategy Papers (CSPs), while far from being particularly sophisticated or comprehensive in outlining policies, are increasingly reworked to accommodate conflict prevention concerns. Conflict indicators²⁴⁵ are now routinely used to help draft the political analysis sections of Country and Regional Strategy Papers. On the basis of these reports, assistance can be reoriented to support democratic institutions, the development of civil society, security sector reform or rule of law issues in countries at risk of violent conflict. A further step involves the inter-service Quality Support Group, which monitors the consistence and quality of CSPs and the Country Conflict Assessments that are produced either alongside a CSP or as stand-alone analysis meant to lead to concrete action proposals. They are completed annually by desk officers and delegations and form the basis of the watch list prepared by the Conflict Prevention Unit.

resettlement, and small business loans should be put in place to prevent major dislocations.

²³⁸ Commission Communication on the "Reform of the Management of External Assistance", 16 May 2000. An important instrument of this reform is the inter-service Quality Support Group (iQSG), which harmonises guidelines and assures the quality and consistency of programming documents, i.e. Country Strategy Papers (CSPs, see below).

²³⁹ "Programming, Evaluation & Comitology", at http://europa.eu.int/comm/external_relations/reform/intro/prog_en.htm.

²⁴⁰ "One Year On: The Commission's Conflict Prevention Policy", March 2002.

²⁴¹ See, for example, "Report of the OECD Development Assistance Committee (DAC) High Level Meeting", 15-16 April 2004; and the UK House of Lords European Union Committee, "EU Development Aid in Transition", 29 April 2004.

²⁴² Despite the injunction of the Gothenburg Program, few, if any, member states have been prepared to exchange Country Strategy Papers or equivalent documents, or to share national strategies with each other or the Commission.

²⁴³ For more information see <http://www.peacekeepingbestpractices.unlb.org>.

²⁴⁴ See Section II D 3 above. In EU jargon, "mainstreaming" conflict prevention in policies and strategy refers to the efforts of the Commission, and its Conflict Prevention Unit in particular, to review Country Strategy Papers from a conflict prevention angle in order to include conflict prevention concerns in EU development assistance programming.

²⁴⁵ For example, ethnic tensions, economic instability and economic imbalance. The idea is to provide a checklist to help the Commission decide when certain situations need to be brought to the attention of the General Affairs Council.

A remaining challenge for the Commission is to ensure that the mainstreaming of conflict prevention extends to trade and environmental policies. A step forward was the introduction of a Framework for Country Strategy Papers in 2000.²⁴⁶ It set standardised guidelines for the CSPs, in order to improve the overall effectiveness, impact and relevance of Community assistance, and ensure better complementarity with member states.

It has been proposed that Peace and Conflict Impact Assessments (PCIA)²⁴⁷ should be progressively integrated into all elements of EU external action²⁴⁸ The European Parliament supported this on the basis of an in-house report in 2001,²⁴⁹ and some parliamentarians have expressed unhappiness that it has not yet been implemented. Even with more widely utilised Peace and Conflict Impact Assessments, however, Commission and member states would still have to make difficult decisions, for example about whether to subordinate a clear strategic or economic advantage to acting on an uncertain perspective of possible conflict.

Now that the machinery is mostly operating, more attention can be given to assessing whether it delivers and how it can be improved. A starting point for the latter would be to provide more focused training within Commission delegations worldwide and the geographic services. This may be the only way to make CSPs truly useful for policy planning. At present, the most junior delegation officers are often charged with writing the relevant sections. Some desk

officers are still unaware of conflict indicators and do not include them in the papers²⁵⁰

A more substantive issue is the need to assess the match between development cooperation and conflict prevention objectives. There is no in-house system for reviewing the overall impact of EU assistance on local and regional conflicts. Working out where a review and evaluation function should be located is complicated by the fact that four separate actors -- EuropeAid, DG RELEX, DG Development and Commission delegations -- are involved in aid disbursement. If EU assistance is to support conflict prevention objectives, however, a built-in evaluation mechanism would be important. The methodology on peace and conflict impact assessment already worked up by a group of development NGOs might provide a useful start²⁵¹ The EU might also wish to commission independent organisations active where its development programs are running to conduct a conflict prevention audit of all its external actions. These organisations would deliver non-binding but public opinions to the European Parliament.

The Rapid Reaction Mechanism (RRM) is working well.²⁵² It has helped make EU assistance more responsive to "changing events and political priorities"²⁵³ Run entirely out of the Conflict Prevention Unit in DG RELEX,²⁵⁴ its budget for 2003 was €27.5 million, to be spent on projects lasting no longer than six months. The RRM is intended to allow more flexible and rapid funding in crisis situations for primarily civilian initiatives. It has been used in Afghanistan, Macedonia, Nepal, Sri Lanka, Sudan, Somalia and elsewhere. At the

²⁴⁶ Council Resolution on "Complementarity between Community and Member States' Development Cooperation", 21 May 1999. With respect to the practical difficulties that can be involved in the effort to include human rights and WMD clauses in trade and cooperation agreements, see fn. 58 above.

²⁴⁷ "Peace and Conflict Impact Assessment is a means of evaluating ...and anticipating ... the impacts of proposed and completed development projects on: 1) those structures and processes which strengthen the prospects for peaceful coexistence and decrease the likelihood of the outbreak, reoccurrence, or continuation, of violent conflict, and 2) those structures and processes that increase the likelihood that conflict will be dealt with through violent means", International Development Research Centre, www.idrc.ca.

²⁴⁸ EPLO (European Peacebuilding Liaison Office) "Building Conflict Prevention into the Future of Europe; EPLO Position Paper on the European Convention and Conflict Prevention", November 2002.

²⁴⁹ See, Joost Lagendijk, "Report on the Commission Communication on Conflict Prevention", 9 November 2001, and the subsequent European Parliament Resolution, 13 December 2001.

²⁵⁰ Conflict indicators are a guide not a rule, however, which makes experience vital to their effective use. The training issue relates to the broader need to prepare Commission personnel, particularly those assigned to delegations for the more political foreign policy tasks they are increasingly called upon to perform.

²⁵¹ NGOs involved include FEWER, International Alert and Saferworld. See "Conflict Impact Assessment of EU Development Cooperation with ACP Countries: A Review of Literature and Practice", International Alert and Saferworld, June 2000.

²⁵² The RRM was set up by Council Regulation (EC) No. 381/2001 on 26 February 2001. See Information Note, "The Rapid Reaction Mechanism: Supporting the European Union's Policy Objectives in Conflict Prevention and Crisis Management".

²⁵³ Crisis Group interview, 6 May 2003.

²⁵⁴ ECHO has its own fast track emergency procedure but whereas ECHO assistance is supposed to remain entirely neutral, the RRM can be used in a more politically sensitive way. Nevertheless, as mentioned above, financial contributions from ECHO can clearly have an impact on peacebuilding in pre and post-conflict situations by helping to stabilise a social, economic or humanitarian situation.

height of the crisis in Macedonia, between June 2001 and September 2002, for example, RRM support ranged from demining to supplying electricity²⁵⁵ In Afghanistan, €1.4 million was mobilised for rehabilitation and reconstruction between December 2001 and July 2003, including funding for the radio program "Good Morning, Afghanistan"²⁵⁶ In Nepal between September 2002 and April 2003, RRM financed, inter alia, the establishment of a community development and conflict mitigation advisory team and a program on conflict management and resolution broadcast over the state-owned Radio Nepal²⁵⁷ In June 2003, at the request of ECOWAS, RRM funded the roundtable that brought together in Ghana the parties who reached an agreement on ending the Liberian conflict²⁵⁸

Project emphasis can vary, but the overall intention is short-term stabilisation, either pre or post-conflict. While the RRM does much the same as any other financing instrument, the special value is that at critical moments such as during a ceasefire negotiation or the initial phase of a peace process it can cut through the bureaucratic red-tape and save time. The question now is whether it can be a model for the rest of the aid machinery, particularly when it comes to integrating evaluation of on-the-ground situations into the EU response. However, the fact that RRM can only support actions for six months is a meaningful limitation since many post-conflict reconstruction projects need more time, and follow-on funding is difficult to secure from other budget lines. The six-month period is arbitrary and should be reconsidered in the RRM evaluation the Commission is required to submit to the Council in 2005.

The Commission holds that "actions in support of democratisation and respect for human rights, including the right to participate in the establishment of governments through free and fair elections, can make a major contribution to peace, security and the prevention of conflicts".²⁵⁹ Election observation is a significant component of the EU's policy of promoting human

rights and democratisation throughout the world, and thus, part of its overall conflict prevention strategy.

This is an area where the Commission has asserted leadership.²⁶⁰ EU Election Observation missions (EOMs) became increasingly more frequent during the 1990s, making a more coherent methodology and impact assessment desirable. The Commission's communication in 2000 on "EU Election Assistance and Observation" sought to define a consistent strategy that took into account lessons learned from early missions and to regulate financing. Until 2000, EOMs were financed on an ad hoc basis. Since then, they have typically been funded through the European Initiative for Democracy and Human Rights (EIDHR), managed by EuropeAid.²⁶¹

EOM missions are among the EU's most visible peacebuilding efforts. The missions consist of a core team of experts and both long and short-term observers. Totals general range from the 70 sent to Sri Lanka in March 2004, to the 260 sent to Gaza and the West Bank for the Palestinian presidential election on 9 January 2005.²⁶² Missions are headed by a member of the European Parliament with the title of "EU Chief Observer". The amount of election support and the size of a mission to a great extent reflect the political capital the EU has invested in a country or region.²⁶³

The Council. Rotating Presidencies are problematic for the development of permanent strategies and structures. Focus can easily shift from one concern to another²⁶⁴

²⁵⁵ "Rapid Reaction Mechanism End of Program Report: Former Yugoslav Republic of Macedonia", November 2003. Macedonia was also helped to prepare estimates of the cost of implementing the Ohrid Agreement, which, as the basis for discussion at the March 2002 donors conference, led to the restarting of the IMF program and pledges of €300 million.

²⁵⁶ "Rapid Reaction Mechanism End of Program Report: Afghanistan", December 2003.

²⁵⁷ "Rapid Reaction Mechanism End of Program Report: Nepal", January 2004.

²⁵⁸ "EC Rapid Reaction Mechanism Press Release: European Commission to Support Round Table Conference on Liberia", 4 June 2003.

²⁵⁹ Communication from the Commission on "EU Election Assistance and Observation", COM (2000).

²⁶⁰ The legal basis for EU Election Observation Missions consists of Council Regulations 975/99 and 976/99. The decision to provide electoral assistance and to send EU observers must be taken on the basis of a Commission proposal.

²⁶¹ Russia, in 1993, was the first country to host an EU Election Observation Mission. Recent missions have been deployed for Mozambique's presidential and parliamentary elections (1-2 December 2004) and the Palestinian presidential election (9 January 2005). EIDHR's budget for 2004 was €125 million.

²⁶² For more details, see http://europa.eu.int/comm/external_relations/human_rights/eu_election_ass_observ/index.htm.

²⁶³ Since 2003, for example, the EU has spent €14 million for electoral assistance to the Palestinians, in addition to €2.5 million for the EOM itself. By way of comparison, it contributed €7 million to the organisation of two Indonesian elections -- parliamentary and presidential -- in 2004 and allocated €5 million to deploy an EOM to that vast country. All these contributions are dwarfed by the €80 million allocated to the process in the Democratic Republic of Congo leading up to elections in June 2005. The amount reflects both the importance of the country's transition process to the EU and, of course, its sheer size (<http://allafrica.com/stories/200412210599.html>).

²⁶⁴ For example, the Greek Presidency focus was the Western Balkans. The Italian Presidency shifted attention to Africa.

Partly to deal with this discontinuity, the Constitution institutes a two-and-half-year term for a Chairman of the European Council.

At the outset of each Presidency, EU foreign ministers discuss recommendations for preventive policies. The joint Irish-Dutch Presidencies "Operational Program of the Council for 2004" declared conflict prevention to be "a major crosscutting priority for the Union" and pledged to improve cooperation with the UN in conflict management. It identified as regional priorities strengthening AU-led African initiatives in conflict prevention, support of the political process in Kosovo in anticipation of discussions on final status in 2005, implementation of the Road Map for the Middle East Peace Process, and stabilisation of Afghanistan.²⁶⁵

To implement the annual Operational Program, the PSC - with inputs from the relevant CFSP Working Groups, the Policy Unit and the Commission -- is invited to develop more predictive and proactive recommendations. After the early warning processes identify a country at risk, however, the EU does not necessarily have effective instruments with which to react promptly. Côte d'Ivoire was on the Commission's 2002 watch list and was discussed by ministers at several GAERC meetings. The only actions taken before civil war in fact broke out included initiating a political dialogue under the Cotonou Agreement, Presidency statements and more GAERC debate.²⁶⁶ Lacking sharper tools, "sensible debate" was at the upper end of what the EU could do in the early stages of a crisis that eventually saw a major French military and political intervention.²⁶⁷

Post-conflict peacebuilding

The EU is perhaps here on its strongest ground: Despite partial successes in Congo, Macedonia and Bosnia, however, there is a common refrain from those on the receiving end of EU action that policies and instruments remain uncoordinated and overly burdened by the "pillar optic".²⁶⁸ A senior Macedonian politician visiting in

Brussels recently bemoaned that relations with the EU passed through multiple "intermediaries", pleaded for the Union to offer a more concrete framework for engagement, and said it would otherwise be difficult for Macedonia to follow some suggestions, whatever its willingness.²⁶⁹ Indeed, in Bosnia, where it is undertaking its most ambitious peacebuilding operation, the EU is still not generally perceived as a single actor. Nor, despite the experience gained particularly in the Balkans, is it likely that the EU will be prepared any time soon to take lead responsibility for peacebuilding and nation building in far-off failed states.

The EU is, however, very significantly and positively engaged in the multilateral effort to reconstruct Afghanistan. Including contributions from both the Community budget and member states, it disbursed around €800 million in 2002 and over €900 million in 2003 for reconstruction and humanitarian aid. At the Berlin conference in spring 2004, it pledged \$ 2.2 billion for the period 2004-2006.²⁷⁰ EU assistance to Afghanistan includes efforts to strengthen the government in Kabul; support to the Afghan police in imposing law and order and fighting drugs; rural development programs, including providing alternatives to poppy cultivation; support for the 2004 presidential and the 2005 legislative and local elections; public health programs; and land mine clearance.

Several EU member states contribute to the UN-mandated, NATO-commanded International Security Assistance Force (ISAF) in Kabul and some other parts of the country. Since August 2004, Eurocorps has formed the core of ISAF headquarters in Kabul.²⁷¹

Critiques of the coherence of EU actions trace back to the old question of whether the Commission or the Council has the operational lead. As a rule of thumb, it can be assumed that the more politically sensitive an enterprise is, the more insistent member states are that the Council have at least strong oversight.

The disappearance of the pillar structure if and when the Constitution enters into force has potential to make it

²⁶⁵ Council Document 16195/03, 19 December 2003.

²⁶⁶ See in particular the discussion at the GAERC meeting of 30 September 2002; the declaration by the Council on Côte d'Ivoire at the GAERC, 21 October 2002, and the Presidency declaration on the situation there, 17 December 2002.

²⁶⁷ Crisis Group interview, 6 May 2003. Observers also point out that Council political decisions need to be assimilated and implemented better by geographic desks and delegations, and Commission early-warning analysis should feed into Council decision-making processes more consistently.

²⁶⁸ The operations are discussed in greater depth below. In Kosovo, the EU provides one pillar of the UN (UNMIK) structure, concentrating on economic reform and the creation of a functioning market economy. Crisis Group Europe

Report N°155, *Collapse in Kosovo*, 22 April 2004, and earlier reporting.

²⁶⁹ Crisis Group interview, May 2003.

²⁷⁰ European Commission fact sheet, "EU Relations with Afghanistan", Memo/04/77, 30 March 2004, at http://www.europa.eu.int/comm/external_relations/afghanis/tan/intro/index.htm.

²⁷¹ Eurocorps is formed by military contributions from its five framework nations: Belgium, France, Germany, Luxembourg and Spain. Its home headquarters in Strasbourg also contains soldiers from Austria, Canada, Finland, Greece, Italy, The Netherlands, Poland, Turkey and the UK.

much easier to engage the full spectrum of EU instruments in a coordinated fashion. It is also expected that a double-hatted foreign minister will lend new coherence and vigour to the process. Creation of an External Action Service under the minister should, as a matter of organisational logic, produce a more common outlook and ability to act as a single entity, but if best results are to be obtained, this process will need to be handled carefully to avoid any impression that the Council is "taking over". What should occur is a merger, in spirit as well as fact, of Council and (the considerable) Commission resources -- and to an extent member state resources as well, since some diplomats will undoubtedly find positions in the new External Action Service more attractive than those in their national ministries.

Other issues requiring attention if the EU is to take on larger, more sophisticated peacebuilding missions include:

- ❑ Financing. The need for longer-term methods of financing ESDP missions has been raised frequently by the European Parliament AFET Committee. Financing of the EUPM in Macedonia was purely adhoc, but this is clearly unsustainable in the long run²⁷² The "Athena" mechanism created in 2004 to finance EU operations with military or defence implications should speed up and rationalise at least the process of collecting funds²⁷³
- ❑ Cooperation with partners. The EU overcame competition from the OSCE to take on the police mission in Bosnia²⁷⁴ Some competition is probably inevitable, even healthy, but the EU should not undermine important peacebuilding allies. As Europeans strive to develop a capacity for autonomous security and defence action, it is important to avoid creating tensions and potentially lasting damage between key institutions, of which OSCE is one. The NATO relationship is the most sensitive, but the UN is another major partner to which the EU is increasingly linked on conflict management issues.

²⁷² See House of Lords, "EU -- Effective in a Crisis?", op. cit., p. 17. An EU official interviewed during the Committee's meetings in Brussels stated that Civilian ESDP financing is a "very shaky aspect of ESDP and EU peacekeeping".

²⁷³ Council Decision No. 193/04.

²⁷⁴ For a discussion of EU and OSCE relations and the potential for competing competencies and duplication, see ISIS Europe, "EU and OSCE -- Natural Born Partners?" *European Security Review*, September 2002. The OSCE has long experience in police training and a good information network across Central and Eastern Europe, the Balkans, the Caucasus and Central Asia. The question of how information can be shared and missions coordinated will be vital for its survival.

3. Preventive action

Preventive diplomacy

The EU has most of the instruments necessary to conduct preventive diplomacy, a combination of methods that includes "negotiation, enquiry, mediation, conciliation, arbitration, judicial settlement, resort to regional agencies or arrangements, or other peaceful means applied before a dispute has crossed the threshold into armed conflict".²⁷⁵

Public pronouncements on behalf of the Union, which in important cases are made most often by the member state holding the Council Presidency, draw attention to issues and underline a specifically European policy line but may not necessarily contribute much to diplomatic success on the ground. In a variation during the 2003 Italian Presidency, Foreign Minister Franco Frattini and Solana jointly published an article in *Politika*, a leading Serbian newspaper, entitled "Choosing Europe". Its explicit intention was to persuade Serbia to "opt convincingly for a European future", reminding its people that "this will be the choice at the 28 December [2003] elections". Such direct appeals to electorates obviously need to be carefully fashioned and selective lest they be viewed as counterproductive intervention in internal affairs.²⁷⁶

The practice of appointing EU Special Representatives (EUSRs) for trouble-spots is increasingly popular.²⁷⁷ Special Representatives can be useful because they are stationed in the field, have a certain standing and authority to speak for and act on behalf of the Union, and in the right circumstances are able to perform a variety of functions ranging from information gathering and dissemination to mediation. The implementation of EUSR mandates is reviewed every six months by the High Representative and the PSC. The expenditures related to the mandates are covered by the (thin) CFSP chapter of the Union's budget, which has often been a problem. In cases where insufficient funds are available under the CFSP budget, the Council can now ask the

²⁷⁵ Crisis Group Report, *EU Crisis Response Capability*, op. cit., pp. 38-39.

²⁷⁶ The December 2003 election results disappointed the EU. Vojislav Šešelj's ultra-nationalist Serbian Radical Party (SRP) emerged as the largest single party.

²⁷⁷ EU Special Representatives are in many ways similar to the special envoys common to UN and U.S. diplomatic practice. The practice was standardised in 1997 by the Amsterdam Treaty. In June 2004 the Council at last established a generalised framework for EUSRs; see, "EU Special Representatives: Guidelines on appointment, mandate and financing", Council Doc. 10726/2004.

member states that requested the appointment to cover the extra costs.²⁷⁸

There are currently seven EU Special Representatives, with a wide range of responsibilities: Aldo Ajello (Great Lakes), Erhard Busek (South-Eastern Europe), Lord Ashdown (Bosnia and Herzegovina, where he doubles as the international community's High Representative), Francesc Vendrell (Afghanistan), Michael Sahlin (Macedonia), Heikki Talvitie (South Caucasus) and Marc Otte (Middle East Peace Process).²⁷⁹ Their missions vary with the mandate and resources the Council has provided. For example, Vendrell in Afghanistan is instructed to contribute to implementing EU policy through close liaison with and support for the Special Representative of the UN Secretary General. Otte's mandate is defined by EU policy objectives in the Middle East, namely facilitation of a two-state solution allowing Israel to live in peace beside a viable, democratic Palestinian state.²⁸⁰ Lord Ashdown, in part because of the dual source of his authority, has wide executive powers in Bosnia. All EUSRs have the same obligations of reporting to Solana and the PSC -- as well as of providing regular briefings to member state missions and Commission delegations -- and submitting a comprehensive written report two months before the expiration of their mandates.

The experience with Special Representatives has generally been positive but success depends considerably on the personality and political weight of the individual and his or her ability to gain the respect of diplomatic peers and the parties in the crisis area. As has been said, "it is not hard to imagine far less effective appointments".²⁸¹

Wide proliferation of Special Representatives would not necessarily be good. If they were to be used so routinely that they were regarded as a substitute EU ambassador, responsible for the entirety of EU contacts with a region or country, potential effectiveness in crisis situations as a sign of EU priority and sense of urgency could be lost. However, some further development of the mechanism would be appropriate. It is currently the most streamlined way in which the Commission and member

states can coordinate through a single contact point in a complex crisis that threatens to become a conflict. At present, however, the appointment of a Special Representative tends to be considered only when a crisis clearly exists. A Special Representative, possibly double-hatted as the head of the local Commission delegation, might well be able to contribute to complex EU dealings with a country or region where there is an unstable situation but the danger of explosion is arguably not imminent. Serbia might be an appropriate case for such a more extensive concept of conflict prevention; a case can also be made for such an approach in Albania or a post-Ashdown Bosnia-Herzegovina (Macedonia already has a resident EUSR).

The evolution of Commission delegations toward true EU embassies may improve the Union's ability to pursue timely conflict prevention since it will give it greater capacity to develop more of its own internal assessments rather than being forced to rely on member states to contribute theirs. EU embassies also should be competent to implement specific policies in a range of fields -- CFSP as well as justice and home affairs cooperation -- that hitherto have been mostly beyond the scope of the delegations.

Preventive deployment

The EU has not yet employed the relatively new instrument of preventive deployment, though it is gathering the necessary physical capabilities as part of its efforts to be prepared to conduct peacekeeping operations. The ground-breaking preventive deployment exercise was carried out in 1992 when the UN Security Council, fearing "that an outbreak of violence in Kosovo might draw in Macedonia, Albania, Bulgaria, Greece and even Turkey, either directly or indirectly ... [sent] some 1,200 peacekeeping troops to monitor Macedonia's borders -- the United Nations Preventive Deployment Force (UNPREDEP) mission".²⁸² This is the kind of mission that the EU should be well equipped to carry out in the future.

²⁷⁸ Ibid.

²⁷⁹ In 1998, a European Parliament resolution called for appointment of a Special Representative for Tibet.

²⁸⁰ On 22 November 2004, the EU announced allocation of €2.5 million for deployment of a 260-member strong Election Observation Mission for the January 2005 Palestinian presidential elections, including Commission staff, members of the European Parliament, and participants from Switzerland, Norway and Canada.

²⁸¹ House of Lords, "EU - Effective in a Crisis?", op. cit., p. 16.

²⁸² Crisis Group Europe Report N°108, *After Milosevic: A Practical Agenda for Lasting Balkans Peace*, 2 April 2001, p. 191. "...the action represents a rare international success in pre-emptive action. The force was gradually reduced, and then terminated [in 1998] when China blocked the renewal of its UN mandate in Macedonia because of the wholly unconnected issue of Skopje's decision to establish diplomatic links with Taiwan". Ibid.

B. CONFLICT MANAGEMENT

1. Diplomatic peacemaking

The EU seeks to contribute to peacemaking both as a partner within internationally-led mediation efforts and as a sole mediator and negotiator. Its new tools, such as the Special Representative mechanism and the Council's policy unit, have extended its diplomatic reach. Creation of an External Action Service and conversion of Commission delegations into something like true embassies would further this process. Frequently in politics, however, the qualities of those in key positions are at least as important as structures in determining effectiveness.

For now, in the Balkans, the EU is still burdened by memories of its unhappy war-time role despite its demonstrable political and economic commitment to the region²⁸³. Any final settlement of Kosovo's status will require heavy EU involvement. EU behind-the-scenes encouragement was instrumental in encouraging Serbia and Kosovo Albanians to enter talks (though to no great effect) for the first time in October 2003 under the auspices of the UN representative. More generally, the EU has followed the international community's policy of "standards before status"²⁸⁴ though growing tensions and loss of credibility by the UN mission (UNMIK) -- both evident in the March 2004 riots -- suggest that a more flexible position will be required in 2005.

Strongly focused EU diplomacy, backed by financial clout and the ability to determine the pace of integration with Western European institutions, led to the Belgrade agreement in 2002 that produced the unhappy (and perhaps impermanent) union of Serbia and Montenegro. Direct pressure exerted by Javier Solana was widely credited with forcing Montenegro to accept the controversial deal: in particular, it was suggested that EU assistance was made conditional on that acceptance.²⁸⁵ The EU's consistent diplomatic engagement has clearly been a key factor that has helped Macedonia regain

stability and encouraged its political leaders to implement the Ohrid Agreement, which ended the incipient civil war in 2001.²⁸⁶ In Africa, the colonial heritage of several member states can still generate distrust of "Europe's" stated motives but EU diplomacy is concentrated on providing strong support to the peacekeeping ambitions of the African Union. In particular, the EU is giving financial and political backing to the AU's efforts on Darfur and Côte d'Ivoire (and to ECOWAS as well on the latter).

Unlike over Iraq, when member states were too divided to adopt a meaningful common policy, the EU is substantially of a single mind about the Israel-Palestine conflict, including the conviction that it needs higher priority attention from Washington. Union ability to play a significant diplomatic role in that crisis, however, is limited. The U.S. remains by far the most important actor in any peace process, with one European official describing the situation in these terms: "nothing can be done without the United States; the question is what can be done *with* them"²⁸⁷. The EU has its own appreciation of the elements of the crisis and enjoys more trust among Palestinians such that in theory it could form an effective, balanced partnership with the U.S. However, Washington has been only sporadically and tactically interested in such a relationship, while Israel distrusts EU motives and mostly disdains its relevance. Consequently, the EU is left at the margins, hitherto able to influence a U.S. policy it considers seriously flawed only in relatively minor ways by working through the so-called Quartet.²⁸⁸

It remains to be seen whether a less accepting approach by the EU toward U.S. policy dominance in this area would be more productive. Certainly the Union has some leverage: should momentum again develop behind a negotiated settlement, the EU's financial and economic strength could be deployed massively to provide important incentives, and in the meantime the Union gives financial aid -- €245 million in 2003 -- that is essential to maintaining some capability in the otherwise bankrupt Palestinian Authority to deliver governmental services.

²⁸³ Crisis Group interview, 15 May 2003.

²⁸⁴ The essence of this policy is that Kosovo institutions should make progress toward meeting certain standards prescribed by the UN before talks can begin on final status. Crisis Group has consistently warned that this approach is not vigorous enough and does not offer sufficient incentives to any of the parties. See Crisis Group Report, *Collapse in Kosovo*, op. cit. and earlier reporting.

²⁸⁵ Crisis Group warned that EU efforts were misplaced as the chance of conflict was very low; see Crisis Group Balkans Report N°114, *Montenegro: Resolving the Independence Deadlock*, 1 August 2001. For a fuller discussion, see Crisis Group Balkans Report N° 142, *A Marriage of Inconvenience: Montenegro 2003*, 16 April 2003.

²⁸⁶ See Crisis Group Balkans Report N° 113, *Macedonia: The Last Chance for Peace*, 20 June 2001; and Crisis Group Balkans Briefings, *Macedonia: Still Sliding*, 27 July 2001 and *Macedonia: War on Hold*, 15 August 2001.

²⁸⁷ Crisis Group interview, May 2004.

²⁸⁸ The Quartet (sometimes described by sceptics as "the Quartet minus three") is the ad hoc entity consisting of the EU, the U.S., Russia and the UN Secretary General, which seeks to advance the Israel-Palestinian peace process, in particular through the Roadmap proposal introduced in 2002 and intended to produce a negotiated two-state solution by 2005.

2. Traditional peacekeeping

The progress on ESDP sketched above²⁸⁹ allows the EU to undertake some autonomous peacekeeping actions. Many observers had the impression that the original assertion in 2001 was that ESDP was operational at least for limited purposes and had more to do with political intent than military assessment.²⁹⁰ Solana said at the time that the only way to see if it worked was to try it out, and the initial tests in 2003 were cautious. The missions in Bosnia and Macedonia have been on a small-scale, at the lightest end of soft peacekeeping, while the more ambitious and robust mission in the Congo was a substantially French enterprise that was given a Union gloss. The EU will not be able to dispel scepticism about its commitment to become a major peacekeeping player until it proves itself on a larger scale. This helps explain the anticipation accompanying its takeover from NATO in Bosnia at the end of 2004. Another complex challenge -- a peacekeeping operation in Transnistria (Moldova) -- has been under consideration at various times during 2003-2004 but not implemented because of difficulties reaching agreement with Russia, which has maintained a military presence there since the break-up of the Soviet Union.²⁹¹

3. Sanctions

The EU has been generally reluctant to use sanctions, at least broad-based economic ones, as part of an integrated prevention or crisis-management strategy because they are regarded as relatively ineffective in achieving their goals, while frequently hurting the innocent general population. The sanctions it has implemented have tended to be pursuant to UN Security Council action or close cooperation with the U.S., and mostly targeted narrowly to individuals or individual products in order to avoid collateral economic and humanitarian damage. For example, in Yugoslavia between 1998 and 2001, the EU applied UN sanctions restricting the sale of arms and some petroleum products, and asset freezes and visa restrictions on President Milosevic and others. The most recently enacted sanctions include travel restrictions on

Belarusian officials;²⁹² an arms embargo on Côte d'Ivoire and a travel ban on some of its citizens, in line with a UN Security Council decision;²⁹³ a visa ban against senior officials of the unrecognised Transnistria government in Moldova;²⁹⁴ and strengthened measures against the military junta in Myanmar²⁹⁵. A visa ban was also applied in February 2004 to a limited number of extremists who threatened Macedonia's stability.²⁹⁶

The Zimbabwe case shows the difficulty in using effectively even targeted sanctions. After much internal dispute, financial and travel restrictions were applied to President Mugabe and senior members of the regime in March 2002 but were unable either to prevent widespread violence and intimidation during elections widely condemned as illegitimate or to spur negotiation between the regime and the opposition to find a way out of the deepening political crisis. Further efforts to send meaningful signals by widening the circle of key individuals affected have likewise had no appreciable impact. U.S. policy on Zimbabwe has been no more successful.²⁹⁷

In December 2003 the Council adopted the "Guidelines on implementation and evaluation of restrictive measures (sanctions) in the framework of the EU Common Foreign and Security Policy".²⁹⁸ These for the first time spell out the programmatic objectives of EU

²⁸⁹ See Section III (especially III A) above.

²⁹⁰ At the European Council in Laeken (Belgium), 14-15 December 2001, the EU declared in an annex to the Presidency Conclusions that it "is now able to conduct some crisis-management operations". In 2003, it said more definitively that though constrained by limited capabilities, it was prepared to act across the full range of Petersberg Tasks.

²⁹¹ These negotiations have also included NATO and the OSCE as well as the Moldovan authorities. See Crisis Group Europe Report N° 157, *Moldova: Regional Tensions over Transnistria*, 17 June 2004.

²⁹² Common Position 2004/661/CFSP and Council Document 15469/04.

²⁹³ Council Document 15437/04 and UN Security Council Resolution 1572 (2004).

²⁹⁴ Council Common Position 2004/622/CFSP of 26 August 2004 amending Council Common Position 2004/179/CFSP of 23 February 2004 concerning restrictive measures against the leadership of the Transnistrian region of the Moldovan Republic. The February 2004 sanctions targeted the Transnistrian political leadership; the August 2004 sanctions targeted officials in the education ministry and local education authorities.

²⁹⁵ Common Position 2004/730/CFSP.

²⁹⁶ Council Common Position 5908/04, 10 February 2004, valid for twelve months.

²⁹⁷ Officials against whom sanctions were imposed have often been able to get around them by utilising legal loopholes or taking advantage of differences between member states. Some have travelled to member states (and the U.S.) in delegations to international organisations or conferences. Sympathy for Mugabe in much of Africa, or at least the unwillingness of fellow African statesmen to challenge him publicly, has also weakened the political impact of the sanctions. Nevertheless, they have been extended to 20 February 2005. Common Position 2003/115/CFSP and Common Position 2004/161/CFSP. See also Crisis Group Africa Report N°78, *Zimbabwe: In Search of a New Strategy*, 19 April 2004 and previous Crisis Group reporting.

²⁹⁸ Council Document 15579/03.

sanctions and the attempt at standardising and strengthening implementation, providing a much needed step towards articulation of a coherent strategy.

In many cases, neither the Council nor the Commission has had the kind of information necessary to assess implementation of restrictive measures. The Guidelines indicate the particular tasks of both the member states and the Commission. For measures falling within the sphere of the Community, the Commission has to ensure that member states implement the relevant regulations in a proper and timely manner, failing which an infringement procedure can be started by the Commission. The aim is to make EU sanctions a more effective CFSP tool, rather than the largely symbolic gesture they have often been.

V. OPERATIONS

A. DEMOCRATIC REPUBLIC OF CONGO (DRC)

The Artemis operation in the Congo involved the EU in its first out of area military mission. While it ultimately received EU clothing, its origin, command and control were French. There are two aspects to the operation: its ground-breaking nature -- both autonomous (no NATO) and outside Europe -- and its limited nature. In fact, Artemis was probably possible only *because* its scope was so restricted. The question is whether it will be a one-off case or will give the EU confidence to develop greater capacity to engage in operations outside Europe.

Artemis was, on its face, successful. Responding to a Security Council resolution,²⁹⁹ it was on the ground seventeen days later. Its stated goals were only to pacify the town of Bunia in order to create a secure environment that would allow the return of refugees and serve as a bridge between the failing UN operation (MONUC) and a Chapter VII-mandated MONUC II.³⁰⁰ These were broadly achieved. Guns were mostly removed from the political equation in Bunia; 60,000 refugees returned; control was returned to MONUC at the beginning of September 2003.

Over 6,000 km separate Brussels from Entebbe, the initial Ugandan grouping base for the EU force, itself 300 km from Bunia. Artemis was conducted within the framework nation concept endorsed by the EU in July 2002. The commander, General Neveux, commented: "the concept of a framework nation has worked perfectly ... because of existing structures which have made it possible to launch operations". General Rainer Schuwirth, the German head of the EU Military Staff, argued that the operation "has shown what the EU member states and other troop contributors are capable of".³⁰¹

²⁹⁹ UN Security Council Resolution 1484 (30 May 2003) authorised member states to deploy an Interim Emergency Multinational force acting under Chapter VII of the Charter. This was specifically a temporary mandate, confined to Bunia, no doubt because this was considered the maximum that could be undertaken at the time. The EU Council had asked Solana to look into the possibility of an EU intervention on 19 May.

³⁰⁰ Ibid. The relevant EU legal text was the Council Joint Action 2003/423/CFSP, appointing France the "framework nation" (lead-nation and host of the operational planning), Major General Neveux the EU Operation Commander and Brigadier General Thornier the EU Force Commander. UN Security Council Resolution 1493 of 28 July 2003 authorised MONUC-II.

³⁰¹ Comments in Brussels following the end of Operation Artemis, reported by Radio Free Europe, 18 September 2003.

However, many commentators have pointed out the extent to which Artemis was only nominally an EU venture. The initial request for European involvement was apparently made by UN Secretary General Annan to French President Chirac and later broadened to other EU member states by Paris. Originally dubbed Operation Mamba by the French defence ministry, the operation was renamed when "Europeanised" in the context of ESDP. Whether it might have been carried out as a purely French operation if European partners had not been prepared to operate within the framework nation concept remains unclear, but the arrangement suited immediate interests on all sides.

Artemis highlighted France's commitment to multilateralism at the same time as it was criticising U.S. unilateralism with respect to Iraq. It returned France to a part of Africa in which it had held considerable influence while helping to erase the memories of failure during the 1994 Rwanda genocide. The involvement of other EU member states -- particularly the British, who provided a key engineering element at Bunia airport -- helped secure the formal support of Uganda and Rwanda, which might otherwise have been more wary given Paris's long ties with the Congo government. For the EU, Artemis was a golden opportunity to gain credibility for its security and defence initiatives -- to show that it could under some circumstances operate autonomously outside NATO and Berlin Plus. Politically, it was a success before the force even arrived.

Critical observers claim, however, that the EU merely provided a fig leaf for what was essentially a French mission, or even that the operation reflected the hollowness of any EU response. Indeed, the great majority of the 2,200 troops involved were French; the strategic Operational Headquarters (OHQ) was at the Îlot Saint-Germain in Paris, and 60 per cent of that headquarters staff were French. Nevertheless, seventeen nations were involved, five of which were not EU members at the time.³⁰²

Within the European institutions and member state foreign ministries, Artemis was seen as a turning point for EU conflict management in Africa. "Only in April [2003]", one official told Crisis Group, "such an operation would have been unthinkable".³⁰³ Partly as a

result of the operation, the Council is now considering the possibility of common principles and rules of engagement for future European operations.

While the importance of Artemis as a test for EU conflict management may help explain why limited, therefore more easily achievable, goals were set, this built-in modesty inevitably attracted some criticism. Crisis Group warned in June 2003, "A three-month bridging deployment of an interim multinational force securing only Bunia town and incapable of reaching out to civilians in the rest of the province is not enough".³⁰⁴ MONUC has subsequently had mixed success in continuing the pacification of Ituri. Arms smuggling continues, and on 6 October 2003, 65 people were massacred in an attack that attracted world attention. Given its numerical constraints, however, it is doubtful that an extended EU mission would have had very different results.³⁰⁵ Indeed, the EU's need for a success, the fear of "mission creep" and French memories of the failure of Operation Turquoise in Rwanda in 1994 were all factors that prevented the kind of expansion MONUC is now undergoing. An EU military expert suggested that as many as 10,000 troops would have been needed to address all Ituri province³⁰⁶ a force the EU would have had great difficulty deploying rapidly.

How positively Artemis is ultimately assessed depends on how effectively the Union remains engaged politically. A 13 October 2003 statement emphasised EU support for the Congo peace process in the context of the previous week's massacre.³⁰⁷ More substantial is the financial commitment to the "awkward transition to democracy" the EU announced on 3 September 2003, as Artemis was winding down. Through the Cotonou mechanisms, it pledged €205 million from the European Development Fund (EDF) in 2003-2004. A portion of this is financing technical assistance to prepare the ground for police trainers and rehabilitation of the local police training centre. The recently launched ESDP police mission to the Congo (EUPOL "Kinshasa") will "monitor, mentor and advise"³⁰⁸ the local integrated police unit, a force that received technical and financial assistance from the EU and is responsible for providing

³⁰² The seventeen were Germany, Austria, Belgium, Spain, France, Greece, Ireland, Italy, The Netherlands, Portugal, Sweden, UK, South Africa, Brazil, Hungary, Cyprus, and Canada, of which the last five were not EU members. Some contributions, of course, amounted to only a few liaison officers at the military HQ. Sweden provided a few dozen combat troops, some attached to the special forces group.

³⁰³ Crisis Group interview, 23 September 2003.

³⁰⁴ Crisis Group Africa Report N°64, *Congo Crisis: Military Intervention in Ituri*, 13 June 2003; also "EU soldiers in Congo find their hands are tied", *The Guardian*, 13 June 2003.

³⁰⁵ For an update on events in Ituri as well as comparison of the modes of operation of Artemis and MONUC, see Crisis Group Africa Report N°84, *Maintaining Momentum in the Congo: The Ituri Problem*, 26 August 2004.

³⁰⁶ Crisis Group interview, 14 October 2003.

³⁰⁷ The Presidency's declaration also emphasised the necessity for all parties to comply with UNSC Resolution 1493.

³⁰⁸ GAERC conclusions, 22 November 2004.

security to the transitional government and its institutions. Finally, the Union has recently underlined its commitment to the DRC's peace process by dedicating €80 million to support for the upcoming June 2005 elections.³⁰⁹

Beyond the immediate Congo situation and as discussed above, the EU has allocated €250 million to the African Peace Facility (APF) to support African-led peacekeeping operations through the African Union. The willingness to commit such resources may be attributed in part at least to the generally positive experience of Artemis, though it suggests the EU sensibly may be quicker to back-up African ownership of crisis response operations than to rely on its own intervention capabilities.

B. MACEDONIA

Macedonia hosted two ESDP missions in 2003, Concordia, the EU's maiden military operation, and Proxima, a police mission. The first was of great political significance, not least because it involved difficult coordination with NATO on the ground. While it worked reasonably well, it was a small mission, performed in a period of relative calm. Proxima started in December 2003, and so far appears to have carried out its mandate imaginatively and well.

The idea of the EU taking over from NATO in Macedonia was mooted at an informal meeting of EU foreign ministers at the beginning of 2002. Though "willingness"³¹⁰ was expressed in June, it was only in January 2003³¹¹ that the terms of an operation were fixed and in March³¹² that the final decision was taken. The handover from NATO's Allied Harmony operation to Concordia occurred at the end of that month in Skopje.

There were considerable fears that should the maiden security ESDP mission be less than successful, development of EU conflict management would stall. In the time between initial suggestion and handover, however, much had changed. In particular, the situation on the ground had improved³¹³. Three positive factors

were at work: involvement of the main political party representing ethnic Albanians in the government following the September 2002 elections,³¹⁴ continued international engagement (OSCE as well as NATO and the EU in various guises) and some genuine compromises in Macedonian politics. Also, the EU had concluded the "Berlin Plus" arrangements with NATO on asset-sharing. All this coupled with the EU's increasing engagement there through a Stabilisation and Association agreement encouraged the final decision to undertake the mission.

Concordia's operational tasks were essentially those of Allied Harmony, namely to "contribute to a stable, secure environment to allow the [Macedonian] government to implement the Ohrid Framework Agreement"³¹⁵. This amounted to confidence-building, providing emergency evacuation for international monitors, and advising and coordinating border security. Twenty-seven states, including fourteen non-EU members, sent 350 soldiers.³¹⁶ The original six-month mandate was extended to 15 December 2003, when it was superseded by Proxima. The operational headquarters was at Supreme Allied Headquarters Europe (SHAPE) at Mons in Belgium, with a planning group headed by a Swedish officer. The first force commander, French Major-General Maral, was replaced by Portuguese General Dos Santos in September 2003, shortly before French leadership was converted into a multinational EUFOR headquarters.

The force commander reported to the Deputy Supreme Allied Commander Allied Forces Europe (D-SACEUR) who was double-hatted as EU operational commander. He, in turn, reported to the EU Military Committee (EUMC), whose chairman reported to the PSC, which informed the North Atlantic Council on the use of NATO assets. This worked reasonably well in the relatively calm environment of Macedonia, though serious doubts have been expressed about whether it would have stood up in the event hostilities had recommenced.

NATO retained an advisory role on Macedonia's overall defence reforms and border management process but this apparently neat division of tasks was largely a fiction on

³⁰⁹ For more on election support see IV A 2 above.

³¹⁰ Seville European Council Presidency Conclusions, 22 June 2002.

³¹¹ The Council issued the joint action on military operations in Macedonia on 27 January 2003.

³¹² Council Decision 2003/202/CFSP.

³¹³ Crisis Group Europe Report N° 149, *Macedonia: No Time for Complacency*, 23 October 2003 and Crisis Group Europe Briefing, *Macedonia: Make or Break*, 3 August 2004 discuss the evolving, still fragile situation.

³¹⁴ The Democratic Union for Integration (DUI).

³¹⁵ Council Joint Action, 27 January 2003. For analysis of the 2001 crisis and international peacemaking efforts, see Crisis Group Report, *No Time for Complacency*, op. cit., and earlier Crisis Group reporting.

³¹⁶ Participating states not at the time members of the EU were Bulgaria, Canada, The Czech Republic, Estonia, Hungary, Iceland, Latvia, Lithuania, Norway, Poland, Romania, Slovakia, Slovenia and Turkey. All members of the EU took part except Denmark and Ireland.

the ground.³¹⁷ Information was not always effectively shared; some EUFOR staff viewed the dual reporting chain as unnecessarily cumbersome, while NATO officials questioned EU field performance. There was a tendency for the two institutions to give dissonant messages to the host government. There was also fundamental disagreement on what border management required. NATO stressed a military presence, not least because the final status of Kosovo, less than 40 km from Skopje, remained undecided. The EU considered border management an inherently civilian task.

Nevertheless, practical operational difficulties were not so great as to prevent Concordia being counted a success. It helped build stability and confidence, demonstrating continued international interest in Macedonia and persuading the ethnic Albanians to remain engaged politically. Macedonia's deputy prime minister said it was "successful because it was invisible".³¹⁸

The European Union Police Mission (EUPOL), Proxima, which began a one-year mandate on 15 December 2003, now extended further by a year from 16 December 2004, is more visible -- its name is intended to suggest proximity to citizens.³¹⁹ On its first day, Solana wrote an article for two Macedonian newspapers, stressing the continued EU commitment and the change in circumstances that brought about a change of mission: "the main threat to stability is no longer armed conflict but criminality".³²⁰ While some risks remain, the EU considered that the situation had normalised to the extent that policemen were more necessary than soldiers.

Proxima has attempted to learn lessons from EUPM in Bosnia (discussed below), which had considerable difficulties establishing itself in the eyes of the local population and has been narrow in the interpretation of its mandate and insufficiently proactive and interventionist when the situation demanded. Its mission and purpose were laid down by EU foreign ministers:

The mission will support the development of an efficient and professional police service and promote European standards of policing, thus complementing the work of the OSCE in this

field....EU police experts will monitor, mentor and advise the country's police, thus helping to fight organised crime more effectively and consolidate public confidence in policing.³²¹

Proxima began under relatively good circumstances. The policing environment has improved as a result of efforts within the country. Many more areas were no longer off limits to police. Patrols that once provoked tensions have become accepted as the bunker mentality of both police and ethnic Albanian communities began to change.

The operation is small, some 200 unarmed police plus local staff.³²² Up to ten officers work within the Macedonian Interior Ministry and up to 30 are stationed on the borders with, Kosovo, Albania and Serbia. Some 150 are scattered around the country on a co-location basis in Tetovo, Ohrid, Gostivar and Skopje itself. In late 2004 coverage was extended to the east and centre of the country as well. Despite some teething troubles (caused by the absence of a start-up fund for conflict management operations together with cumbersome Commission procurement procedures)³²³ the mission has benefited from a more permissive environment than its Bosnian counterpart and has produced visible results.

C. BOSNIA

Bosnia was the painful crucible of European foreign policy in the 1990s, demonstrating all too clearly its gravest weaknesses. The EU has a strong commitment -- moral, financial and political -- to do better this time. Indeed, Bosnia is one of four priority tasks under the European Security Strategy (ESS). The EU is pledged to a process of "Europeanisation", with membership the ultimate goal. However, nine years after the Dayton Agreement, fundamental problems remain, and disillusionment is widespread.³²⁴ The history of EU involvement in the country is littered with good intentions, of which the EU's police mission (EUPM) --

³¹⁷ Crisis Group Report, *No Time for Complacency*, op. cit.

³¹⁸ Speech given by the Deputy Prime Minister of Macedonia, Brussels, 12 November 2003.

³¹⁹ Council Joint Action, 29 September 2003, following an invitation from Macedonian Prime Minister Branko Crvenkovski.

³²⁰ Javier Solana, "A Milestone on the Path from Conflict to European Integration", *Dnevnik and Fakti*, 15 December 2003.

³²¹ GAERC Conclusions, 29 September 2003.

³²² It was first led by Bart d'Hooge, a Belgian with previous experience in Macedonia as head of the OSCE police mission. He was replaced in December 2004 by German police general Jurgen Paul Scholz. There are elements from 25 current EU Member States, Norway and Iceland. A 30-soldier unit guards Proxima personnel.

³²³ ISIS Europe, *European Security Review*, February 2004, p. 7.

³²⁴ See Crisis Group Balkans Report N°146, *Bosnia's Nationalist Governments: Paddy Ashdown and the Paradoxes of State-building*, 22 July 2003.

the first ever ESDP mission -- is the latest example. On 2 December 2004, an EU force took over NATO's military mission (SFOR). Judging by the complicated and potentially overlapping arrangements that the mission will have with NATO, it is not clear whether EUFOR will enjoy considerably more success than EUPM.³²⁵

Due to its failure to act unanimously and decisively during the war, the EU is still viewed with considerable suspicion in Bosnia. For this reason, continued U.S. engagement is considered vital³²⁶ Nevertheless, the country's long-term future is within the orbit of the EU, which conducts a range of policies to promote peacebuilding and stability. In fact, the EU's most powerful contribution may be the prospect of membership. Although the chairman of Bosnia's Council of Ministers has set the overly ambitious target of 2009 for accession, this is more realistically meant to "energise state structures and engage public opinion".³²⁷ Agreement on the opening of negotiations with Bosnia in the form of a Stabilisation and Association Agreement (SAA) is expected in early 2005. All in all, the EU has committed €2.5 billion to Bosnia since 1991.

The replacement of the Dayton-mandated International Police Task Force (IPTF) on 1 January 2003 by EUPM marked a step in the assumption by the EU from the U.S., UN, and NATO of greater responsibility for Bosnia's security³²⁸ EUPM acquired the mandate of monitoring, mentoring and inspecting the managerial and operational capacities of Bosnia's police, so as to ensure that, by 2005, "the Bosnian police services develop a professional, politically neutral and ethnically unbiased law-enforcement system".³²⁹ It acts through co-location alongside local police commanders at medium and senior levels only.³³⁰

³²⁵ The EU took over international peacekeeping duties in Bosnia on 2 December 2004 (Operation Althea). The EU chooses names from classical mythology for its peacekeeping missions in order to avoid translation problems among its many languages.

³²⁶ Crisis Group Balkans Briefing, *Thessaloniki and after II: The EU and Bosnia*, 20 June 2003.

³²⁷ *Ibid.*

³²⁸ The IPTF operation began in December 1995.

³²⁹ Mission statement, EU Police Mission.

³³⁰ Whilst IPTF placed co-locators at every police station in the country, The EUPM has placed them only at medium and senior levels. These include the state-level Ministry of Security, State Investigation and Protection Agency, State Border Service, Entity interior ministries, the Brcko District police administration, the 10 cantonal police ministries in the Federation and the five Centres for Public Security in the Republika Srpska.

EUPM identified four strategic priorities (police independence and accountability, organized crime and corruption, financial viability and sustainability, and institution and capacity-building at management level) and instituted core programs on crime police, criminal justice, internal affairs, police administration, public order and security, the State Border Service, and the State Investigation and Protection Agency.³³¹ The mission does not have an armed policing component, nor does it investigate. Like Proxima in Macedonia, it seeks to provide guidance and a framework for reform and effective policing, rather than do the job itself.

EUPM has some 879 personnel, of whom 476 are seconded police officers, 67 international civilians and 336 local staff from Bosnia, with 24 EU member states participating (426 officers) together with nine non-EU contributing countries (50 officers).³³² Its annual budget is not to exceed €38 million for the period 2003-2005. The EU Police Commissioner reports to the EU Special Representative, who in turn briefs Solana and the PSC in Brussels.³³³

Benefiting from the political guidance of the Office of the High Representative (Lord Ashdown) and advice from other international organisations in Bosnia, EUPM has claimed some successes in establishing a credible court police, launching a crime-stoppers hotline, and assistance in preventing human trafficking via the "FIGHT" project. Most important has probably been its contribution to the establishment of the State Investigation and Protection Agency (SIPA).³³⁴ In other

³³¹ These programs are described on the EUPM website: www.eupm.org. The criminal justice program has since been closed and replaced by a new program on police training and education

³³² These are the figures contained in Solana's "Report ... on the activities of the European Union Police Mission in Bosnia and Herzegovina covering the period from 1 January to 30 June 2004", letter from Secretary General of the EU to the President of the UN Security Council, 2 September 2004. Current figures are believed to be quite similar. Non-EU contributing states are: Bulgaria, Canada, Iceland, Norway, Romania, the Russian Federation, Switzerland, Turkey and Ukraine.

³³³ Joint Action 2002/211/CFSP. The first police commissioner was Sven Christian Fredriksen, who died suddenly on 26 January 2004 and was replaced by Assistant Police Commissioner Kevin Carty. Lord Ashdown is the double-hatted High Representative and EU Special Representative in Bosnia.

³³⁴ Bosnia's first state-level law enforcement agency began merely as an agency to protect foreign dignitaries during their visits to Bosnia, and to secure Bosnian diplomatic premises overseas. With considerable political skill, and in spite of strong opposition from the Republika Srpska, the High Representative has managed to considerably expand SIPA's

areas, however, the mission has been less visibly successful. EUPM was assigned only a minor role in the Police Restructuring Commission (PRC), which reported in December 2004 and was tasked with proposing fundamental reform and restructuring of the police. Indeed the very creation of the PRC suggests that Bosnia is still a long way from having the "professional, politically neutral and ethnically unbiased law-enforcement system" of EUPM's mission statement.

The key problems have been the interpretation of what was already a narrower mandate than that of IPTF, and the shortage of staff to run capably what is in effect public administration reform with a police flavour. The mission's aim has been to promote Bosnian "ownership" of a depoliticised and transparent police service meeting "European" standards, but this rather presupposes the depoliticisation and transparency of the police in the first place.

While monitoring and mentoring are potentially useful, if passive, activities, the inspection part of the mandate began to receive emphasis only in late 2004. If local police obstruct the EUPM, its co-locators have the power to ask for the individual to be removed. If this does not happen, they can appeal to the Police Commissioner who, in turn, can ask the Office of the High Representative to intervene. However, EUPM has made only one such request (which was denied), preferring to avoid confrontation.³³⁵ EUPM's early reputation was not helped by gaffes such as passing on information about the whereabouts of former Bosnian Serb leader and indicted war criminal Radovan Karadzic to local Bosnian Serb police rather than SFOR, so that when SFOR ultimately did stake out the area, Karadzic was long gone³³⁶

Linked to the problem of mandate interpretation is one of personnel. EUPM simply does not have the right staff to manage public administration reform. Reform of the police via programs and co-location at medium and senior level positions is too demanding to be entrusted to young officers without experience of project

management. EUPM should have included more civilians with experience of public administration reform programs.³³⁷ However, it is unlikely that either EUPM's mandate or its interpretation will change in the third and final year (2005), after which the mission may well be reduced to a much smaller EU consultancy supervising implementation of the PRC recommendations.

The EU's replacement of SFOR as guarantor of the Dayton Peace Agreement had been mooted for some time. The Copenhagen Summit at the end of 2002 expressed "the Union's willingness to lead a military operation in Bosnia following SFOR". Foreign ministers on 26-27 April 2004 gave an EU-led mission within Berlin Plus arrangements (EUFOR) the green light, and NATO's Istanbul Summit two months later confirmed this for implementation in December. This undertaking far exceeds, quantitatively at least, any current ESDP mission. It is a military operation that may over time take on a more civilian character. At the end of its mission, SFOR had around 7,000 troops³³⁸ EUFOR began with the same number, in fact many of the identical troops minus the U.S. component.³³⁹

Laborious negotiations were carried out to define EUFOR's chain of command and the NATO-EU division of tasks. Lessons learned from Concordia aided the process. Operation Althea's operational headquarters is at Supreme Headquarters Allied Powers Europe (SHAPE), the EU Operation Commander (also DSACEUR) is the British General John Reith, and the EU force commander on the ground is British Major General David Leakey. The EU Operation Commander, General Reith, reports on the conduct of the operation to EU bodies only, while NATO is updated by the PSC. In theory the command chain also passes through an EU element at Joint Forces Command (JFC) in Naples³⁴⁰, though in practice DSACEUR will often communicate directly with forces on the ground³⁴¹

EUFOR is a much larger practical challenge for the NATO-EU relationship than Concordia, and serious

responsibilities, endowing it with executive powers and making it the de facto state-level police agency with the authority to conduct investigations relating to war crimes, terrorism and organized crime. The High Representative, not the EUPM, initiated and led this process. "EUPM is in effect politically impotent, and we only aided OHR in technical matters during this process", a senior EUPM source told Crisis Group. Crisis Group interview, 27 October 2004.

³³⁵ However, "EUPM regularly engages in a series of steps that on some occasions went as far as formal warning letters." Crisis Group Interview, EU Council Officials 14 January 2005.

³³⁶ See "Hunters see red as war criminal stays free", *The Times*, 15 November 2003.

³³⁷ A departing 28-year old policeman confessed that he had no experience in designing or managing programs before arriving in Bosnia. In his native country he was simply involved in regular police duties and crowd control. Crisis Group interview, 29 October 2004.

³³⁸ NATO personnel in SFOR are drawn from 27 countries, sixteen of which are members of the EU.

³³⁹ Crisis Group Briefing, EUFOR, op. cit.

³⁴⁰ Ibid. The JFC was inaugurated in April 2004, replacing Allied Forces South Europe (AFSOUTH).

³⁴¹ Crisis Group interview with British diplomat, 14 January 2005.

doubts were expressed as to whether the EU was ready.³⁴² The main question concerns the role of the residual NATO military presence (with a headquarters and approximately 250 troops). It is likely to have responsibility for assisting Bosnian defence and security reforms, carrying out anti-terrorist activities and pursuing individuals indicted by The Hague Tribunal.³⁴³ The last two tasks are performed by both NATO and the EU forces. So far coordination has been satisfactory, with EUFOR, rather than NATO, being given responsibility for closing down the Bosnian Serb military complex at Han Pijesak after it was revealed in December 2004 that it had been frequently used in very recent times by war crimes fugitive General Ratko Mladic. Given Bosnian skepticism about the EU, continued full U.S. support and smooth NATO cooperation will be vital. More importantly, the EU must prove it can coordinate complex civil and military matters.

VI. CONCLUSION

The EU's conflict prevention mechanisms have matured significantly since Crisis Group first reported on them in 2001 but the reality of conflict prevention and management has not yet matched the rhetoric; a few modest Balkan missions and one initiative in Africa do not add up to a powerful presence on the world stage. The EU's objectives are praiseworthy but member states have not yet given it the means or authority to implement them.

The EU's conflict prevention and management resources remain unknown to most, and mysterious to the few who try to penetrate them.³⁴⁴ Crisis Group has benefited from access to and feedback on earlier drafts from senior officials, pleased that a light is being shone on their work. Had we attempted to write this report -- which is an overview of significant developments rather than a comprehensive assessment of EU foreign and security policy -- from public documents alone, it would have been a more arduous and less rewarding task.

The EU should be accountable and transparent, in this as in all its activities, and needs a better way of communicating its structures, plans and actions to the outside world. In the Balkans in particular, the damage done by Europe's failure to act in the early 1990s is only now gradually being reversed by the growing reality of EU enlargement and the promise of future membership. The European Union has an important story to tell, and we have sketched a piece of it here, along with some suggested measures for specific improvements. But the EU must do much more itself to make its aspirations visible and comprehensible to its citizens and its partners.

Brussels, 17 January 2005

³⁴² On 4 August 2003, for example, NATO's Supreme Commander, General Jones, said he thought it would be "premature" for the EU to take over from NATO in Bosnia.

³⁴³ Crisis Group Briefing, EUFOR, op. cit.

³⁴⁴ ISIS Europe's *NATO Notes*, one of few regular sources of reporting on what is happening in the Brussels military-political world, unfortunately terminated in the summer of 2004 for lack of funding.

APPENDIX A

GLOSSARY

ACP	Africa, Caribbean, Pacific
AFET	Committee on Foreign Affairs, Human Rights, Common Security and Defence Policy of the European Parliament
APF	African Peace Facility
ASEAN	Association of South Eastern Asian Nations
AU	African Union
CFSP	Common Foreign and Security Policy
CIVCOM	Committee for Civilian Aspects of Crisis Management
CMC	Crisis Management Concept
CoC	Committee of Contributors
CONOPS	Concept of Operations
COREPER	Committee of the Permanent Representatives
CRCT	Crisis Response Co-ordination Team
CSP	Country Strategy Papers
DDR	Disarmament, Demobilisation, and Reintegration
DG	Directorate-General (of the European Commission)
DG DEVE	Directorate-General for Development and Cooperation (Commission)
DG RELEX	Directorate-General for External Relations and the European Neighbourhood (Commission)
DG E	Directorate General E -- External Economic Relations and CFSP -- in Council Secretariat
DRC	Democratic Republic of Congo
D-SACEUR	Deputy Supreme Allied Commander Allied Forces Europe
DUI	Democratic Union for Integration
ECAP	European Capabilities Action Plan
ECHO	European Humanitarian Aid Office
ECOWAS	Economic Community Of West African States
ECPC	European Civil Peace Corps
EDA	European Defence Agency
EDF	European Development Fund
ENP	European Neighbourhood Policy, also referred to as "New Neighbourhood Policy" or "Wider Europe"
EP	European Parliament
ESDP	European Security and Defence Policy
ESRP	European Security Research Program
ESS	(Javier Solana's) European Security Strategy
EU EOM	European Union Election Observation Mission
EU SATCEN	European Union Satellite Centre
EUFOR	European Union Force
EUMC	European Union Military Committee
EUMM	European Union Monitoring Mission
EUMS	European Union Military Staff
EUPM	European Union Police Mission to Bosnia-Herzegovina
EUPOL	European Union Police Mission

EuropeAid	The office charged with the implementation of the external aid instruments of the European Community (also known as AIDCO)
EUSR	European Union Special Representative
GAERC	General Affairs and External Relations Council
GMES	Global Monitoring of Environment and Security
GoP	Group of Personalities for Security Research
HR	High Representative
IAEA	International Atomic Energy Agency
ICC	International Criminal Court
ICTY	International Criminal Tribunal for the former Yugoslavia
IGAD	Intergovernmental Authority on Development (Africa)
IPTF	UN International Police Task Force
iQSG	inter-service Quality Support Group
ISAF	International Security Assistance Force (Afghanistan)
JFC	Joint Force Command
JSC	Joint Situation Centre (also known as SITCEN)
Mercosur	Mercado Común del Sur (Latin America)
MONUC	United Nations Mission in the Democratic Republic of Congo
OAS	Organisation of American States
ODA	Official Development Aid
OECD	Organisation for Economic Co-operation and Development
OHQ	Operation Headquarters
OPLAN	Operation Plan
OSCE	Organisation for Security and Co-operation in Europe
PASR 2004	Preparatory Action on the enhancement of the European industrial potential in the field of Security Research
PCIA	Peace and Conflict Impact Assessment
Policy Unit	(abbreviation for) Policy Planning and Early Warning Unit
PSC	Political and Security Committee
QMV	Qualified Majority Voting
REACT	Rapid Expert Assistance Cooperation Teams (of the OSCE)
RRM	Rapid Reaction Mechanism
SAA	Stabilisation and Association Agreements
SADC	Southern Africa Development Community
SAP	Stabilisation and Association Process
SFOR	Stabilisation Force in Bosnia and Herzegovina
SG	Secretary General
UN	United Nations
WEAG	Western European Armaments Group
WTO	World Trade Organisation
Zanu-PF	Zimbabwe African National Union -- Patriotic Front