Development of european security and defence cooperation in support of the European Union’s external action. Financial sustainability and institutional convergence

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Abstract

Optimizing the European Union’s external action requires a comprehensive approach to linking relevant EU instruments and policies to the development of interaction and practical arrangements for cooperation with third countries. An extremely important component concerns the interaction between the Common Security and Defence Policy (CSDP) and external action, whose dynamics have undergone notable developments in recent years. The substantial progress made in the development of an integrated formula for promoting external action validates the central assumption of the present study that European cooperation in the field of defence tends to become one of the important supporting elements of external action. Starting from this assumption, another direction of in-depth analysis in the following pages concerns the ambivalent relationship between the financial support that external action receives through the new Multiannual Framework 2021-2027 and the concrete initiatives developed under the aegis of CSDP with military applicability.

Keywords:
CSDP; CFSP; EUGS; EPF; EDF; ENP; Multiannual Financial Framework; NDICI; IcSP; CBSD; APF; ATHENA Mechanism.
European cooperation in the field of security and defense represents one of the most dynamic projects developed in the context created by the adoption of the Treaty of Lisbon. The progress made in this field, both through capability projects and through the EU’s numerous operational commitments in the field of crisis management, represents concrete arguments in this direction. Undoubtedly, European cooperation of this type has evolved over a period of time with a certain historical consistency. Basically, we are talking about a temporal perspective that covers almost half a century, whose initial moments are placed in the post-war context, and anchored in the debate that accompanied the restoration of Europe and the creation of European and Euro-Atlantic institutions.

The establishment of the European Union and the subsequent stages of progressive maturation of the security and defense dimension generated a complex institutional picture in which the security and defense aspects intersect with the expressions of external action, respectively with the instruments of financial assistance.

Chronologically, we can talk about a significant gap generated by the way in which the European institution developed. Practically, the external action and the development of the external assistance instruments can be identified from the initial stages of the operation of the European Economic Community, benefiting from fundamental structures after the adoption of the Maastricht Treaty and, subsequently, the establishment of the European Union. This period also corresponds to an approach focused on the security dimension, in the civilian sense of the term. The issue of European cooperation in the field of defense was confined to the institutional context provided by NATO and, sequentially, under the auspices of the Western European Union. After the adoption of the Treaty of Amsterdam (1997), cooperation in the field of defense under the auspices of the European Union acquired a much more concrete perspective in the direction of connecting it with other institutional dimensions of the EU.

The particularities generated by its intergovernmental character were reflected, however, with moderation regarding the structuring of an integrated matrix of this interaction. From this perspective, we can talk about maintaining, between 1997-2007, a relatively separate path between the evolution of external action and cooperation under the auspices of the European Security and Defense Policy (ESDP). The specific character of defense in the EU context contributed to maintaining this evolution, the connection of the mentioned domain to the external action instruments being carried out only sequentially and without being integrated into the financing system associated with the international profile of the EU. Obviously, the notable exception was represented by the civil component of the ESDP, whose parameters were fully integrated into the institutional and financial context of the EU, becoming a constitutive element of the external action.

The launching, in 2004, of the European Convention on the elaboration of a new EU Treaty also addressed the possibility of associating the defense dimension in support
of the EU’s external action. Even if the product of the Convention, known as the Constitutional Treaty, failed in the ratification process carried out at the level of the member states during 2005, most aspects related to the development of cooperation in the field of defense were taken over at the level of the Treaty of Lisbon, adopted in 2007.

Starting from these developments, the present study aims to analyze how the context created by the new EU Treaty contributed to the rapprochement between cooperation under the aegis of the Common Security and Defense Policy (CSDP) and external action. In particular, the defense dimension is addressed and how it has become one of the important vectors for promoting the EU’s external agenda, including through assistance in the field of crisis management. The implications of this approach are explored within the study and from the perspective of options for substantiating a new paradigm of financial and conceptual sustainability of external action. Within it, the issue of defense has become an integral part of the EU’s tools for supporting a multidisciplinary and global external commitment. Thus, in addition to elements of a historical perspective, the study analyzes the practical evolutions of the cooperation and assistance instruments developed by the EU and the manner of their interaction with the defense dimension.

Institutional milestones in the implementation of the provisions of the Treaty of Lisbon

In addition to the major political importance that the adoption of the Treaty of Lisbon has for the development of the European Union, its particular significance concerns the field of security and defense. Taking over the conceptual philosophy and concrete benchmarks agreed by the member states in the context of the European Convention, the Treaty of Lisbon represented a particular impulse for the integrated development of this field in relation to other institutional and political dimensions of the European Union. The general tendency of the studies dedicated to analyzing the way in which the Treaty of Lisbon has influenced cooperation in the field of defense is to focus on the practical effects in the field of capabilities and crisis management operations that the EU will carry out at the global level. Obviously, this approach is validated by the extraordinary dynamics with which the issue of defense becomes a norm in the context of the European Union. However, the new breath brought by the Treaty exceeds this perimeter, with substance effects being identified at the level of the way of supporting the external action of the European Union.

Thus, the EU Global Security Strategy (EUGS), adopted at the beginning of June 2016, brought to attention the importance of the connection between external action and the CSDP from the perspective of developing a Union capable of meeting the challenges of the security environment (European Union External Action 2016, 46). In this context, a number of objectives were placed that the EUGS was advancing in order to allow for the swiftest possible engagement of the instruments at its disposal.
in support of external action. Through this approach, EUGS came to bring an additional emphasis to the provisions of the EU Security Strategy (2003), in particular on the fact that the development of European cooperation is an integral part of the external action promoted by the European Union in relation to different geographical perimeters. Along these lines, support to partner states through the CSDP would be the second pillar1 of the level of ambition that the EU had assumed through the EUGS. In essence, it aimed at how European security and defence cooperation could support partner states’ efforts to strengthen their resilience in synergy with other EU instruments and policies. The focus on the resilience dimension was from the perspective of the interaction between security and development, including the post-conflict stabilization and recovery effort. The main course of action was the contribution of the CSDP to the development of the potential of the partner states and the reform of the security and defence sector at their level.

The involvement of the CSDP instrumentation was intended to be carried out in complementarity with the policies and instruments that the EU benefited from in relation to the partner states. The modalities of effective engagement of EU support covered a wide range of possibilities, both in terms of assistance and expertise and in areas such as strategic communication, cybersecurity, and border security (Council of the European Union 2016, 12). From this perspective, the assistance provided to the partner states in the extended spectrum of the issues covered by resilience was to be carried out in close connection with the European Neighborhood Policy (ENP) having as geographical applicability the two dimensions – East and South. It should be noted that the adoption of the EUGS corresponded to an extremely important moment in the process of reviewing the implementation framework developed under the aegis of the ENP. The two geographical dimensions would be connected in order to ensure the coherence of the objectives aimed at stabilizing the EU’s neighborhoods. In this respect, the security dimension was to represent an important component of the New European Neighborhood Policy, including an extensive set of areas of cooperation with regional valences such as security sector reform, fight against terrorism, prevention of radicalization, fight against organized crime, cyber protection, CBRN (European Commission 2015b, 14). However, the relevance of the ENP review process was largely conferred on the inclusion in the framework of the cooperation police with the states in the immediate vicinity of the issue of crisis management, subsumed by the dialogue on security and defence issues. The approach was structured from two perspectives and in a multidisciplinary vision corresponding to the complexity of the security environment but also to the potential for cooperation that the development of CSDP had registered up to that moment. Thus, the new ENP assumed cooperation with the partner states in the management of protracted conflicts, the concrete options envisaged including various topics such as

1 Together with the Response to External Crises and Conflicts and the Protection of the Union and its citizens.
the exchange of good practices, the development of common objectives, and the strengthening of the internal capacity of the partner states. The security and defence dialogue was matched by the possibility of associating them with the activities and programs carried out by the EU structures responsible for managing the CSDP, as well as by supporting the participation of partner states in EU operations and missions. At the same time, it was envisaged to deepen the security dialogue in an extended paradigm and to the aspects related to the capacity of states in the field of early warning, prevention, and preparedness for crisis management and response (European Commission 2015a, 14).

Options for financing defence cooperation

Ensuring the financial resources needed to implement this ambitious agenda has become of particular importance. Most of the possibilities for financing the cooperation programs with the partner states can be found at the level of the European Neighbourhood Policy Instrument (ENI). Created in 2014, it provided a financial envelope of about 15.5 billion Euro, for the period 2014-2020 (corresponding to the Multiannual Financial Cycle 2014-2020) from which a number of 16 partner states could benefit. The funding possibilities offered by FTE concerned bilateral assistance, programs for several countries, and cross-border cooperation (European Union 2014a, 33). The area of applicability covered a wide range of areas associated with the development of regional cooperation in the two neighborhoods, institutional construction at the state level, resilience, economic development, potential for crisis, and conflict management.

However, defence cooperation was not among the areas eligible for FTE funding (European Union 2009, art.41(2)). This was due to the EU regulatory framework according to which defence aspects could not be financed by funds from the EU budget. Thus, the whole set of instruments to financially support external action could not be used to finance defence cooperation activities. Security issues as well as the border issues between crisis management and post-conflict stabilization could use these possibilities in compliance with the civilian profile at the level of the implementation process. This is the case for the use of the Instrument for Stability and Peace (IcSP), created in 2014, which could financially support activities associated with crisis response, conflict prevention, peacebuilding, and crisis management preparedness (European Union 2014b, 3). Under the impact of the agenda put forward by the Global Strategy, the approach to military and defence issues in the context of external action would undergo significant transformations, also reflected in the way of structuring the instruments that the EU could use. Thus, since December 2017, IcSP has incorporated a new type of assistance.
called Capacity Building in Support of Security and Development (CBSD). The main novelty that CBSD brought was the possibility of involving the military segment in the development of security and development programs (demining, civil protection tasks, reconstruction or rehabilitation of civilian infrastructure) that could not be met by civilian actors due to local security conditions (European Commission 2017b).

The logic of creating additional funding possibilities outside the EU budgetary framework through so-called off-budget instruments has also been used to develop ways to support the EU defence dimension. Launched between 1998 and 199, the latter has rapidly evolved towards a coherent formula for interaction, declined both through cooperation projects in the field of defence capabilities and through the launch in the following years of a significant number of crisis management missions and operations. If for civilian ones the financing could be done through the EU budget - The Common Foreign and Security Policy (CFSP) Chapter (European Union 2007, 41), this type of resources could not be used for military operations. Thus, on 23 February 2004, the Council of the EU adopted the decision establishing a mechanism for managing the common costs of military operations, known as the ATHENA Mechanism. The basis for this was found in the decisions of the Feira European Council (19-20 June 2000) which set out the general benchmarks for the functioning of the mechanism and, subsequently, its structuring on three levels: the minimum set of expenditure which may be subject to joint funding by all Member States regardless of whether or not it participates in the operation; the individual costs which were borne by the participating Member States; the possibility of extending the common costs by decision of the Council of the EU (European Parliament 2000).

At the same time, the structure of common costs has been adapted to correspond to the main stages of carrying out military operational commitments (preparation-deployment in theatre-completion and withdrawal from the theater). Most of the military operations carried out between 2004 and 2020 benefited from the opportunities created through the ATHENA Mechanism that allowed the reduction of the effort for the contributing states with forces and capabilities. However, the share of common costs relative to the entire expenditure envelope associated with military operations was relatively modest, hovering around 10% (European Parliament 2021). The subsequent amendments to the operating decision (2011, 2015) also brought only marginal progress in increasing common costs.

A particular case in the evolution of financial mechanisms to support external action is the EU-Africa relationship. The main instrument of cooperation on this geographical coordinate was the European Development Fund (EDF), created in 1957 to finance cooperation programs with Pacific, Caribbean, and African states. Structured outside the Multiannual Financial Framework, EDF will ensure continuity of funding for these states only on the basis of member states’ contributions, outside the budgetary envelope covered by the EU Treaty. The security and defence dimension become particularly visible within EDF and is associated with the
development of the EU’s operational role in the field of crisis management in Africa. On these coordinates, a new cooperation instrument, known as the African Peace Facility (APF), was created on 19 April 2004.

Functionally, it has been framed in the institutional and financial context with significant autonomy determined by its specific nature. To a large extent, the profile of the FMA has been oriented towards the field of crisis management, helping to support the operational commitments made under the leadership of the. Over 3.6 billion Euro has been allocated to these areas, thus representing the European Union’s contribution to the effort of other crisis management organizations in this geographical area (UN, African Union). The structure of the APF assistance covered both the operational peace support component as well as separate assistance measures to support security sector reform in African states such as national capacity building and the Rapid Crisis Response Mechanism. The latter also had as a priority the development of the potential of the African Union to generate an adequate, timely, and adapted response in the security context of different regions of the African continent. It can thus be argued that the APF was an instrument of financial assistance that contributed significantly to supporting the operational effort carried out, in particular, by the African Union in the context of the successive crises carried out at various hot spots in Africa. The positive effects generated by the APF were particularly visible in terms of strengthening the EU’s operational capacity, the contribution of this instrument being of particular importance in ensuring the sustainability of the operational commitments and, subsequently, the credibility of the stabilization and reconstruction effort. However, a number of geographical limitations are distinguished, with the functionality of the APF not corresponding to other geographical perimeters. This, combined with the relative impossibility of maximizing the effects of the ATHENA Mechanism in terms of common costs, has been considered with the utmost care in the context of the negotiations that preceded the adoption of the new Multiannual Financial Framework 2021-2027.

Clearly, the discussions on this topic have embedded a substantial component dedicated to making the EU’s external action more effective on the coordinates advanced by the EU Global Strategy and shared by European Commission, by European Defence Action Plan. Last but not least, it should be noted that these debates overlapped with a process of accelerated maturation of the process of implementing the objectives of the new strategic framework visible both through the launch of new initiatives in the field of capabilities (Permanent Structured Cooperation – PESCO and through a consistent inventory of military (6) and civilian operations and missions (10) (European Union External Action 2019, 9). The upward trend in the development of the operational profile indicates the need for a more ambitious approach to the financial sustainability of the EU’s capacity to generate operational

\[\text{Footnote: Mention may be made of: the AU Mission in Somalia (AMISOM), Guinea Bissau (ECOWAS), the Lake Chad basin, the monitoring of the ceasefire agreement in southern Sudan, observation in Burundi, ECOWAS in the Gambia, G5 Sahel.}\]
commitments. The overall profile of the EU’s contribution in the area of security and defence also had to be reflected in the way it was externally acted on and, subsequently, in its financial support capacity. The question cannot be ruled out and the degree of interaction between external action and the manifestation of the CSDP, which was becoming an increasingly important component in supporting the EU’s global role.

One of the direct consequences was found in the need for greater visibility of the defence issue at the level of external action, while at the same time increasing funding opportunities under the particular conditions offered by the EU Treaty. At that time, the interest in strengthening cooperation in the field of security and defense with partner states was not thoroughly addressed at the level of the assistance mechanisms. Even in the case of the APF, the core of external action was focused on supporting the role of international organizations in crisis management issues. The perspective promoted by the EUGS was much broader, reflected in its level of ambition for strengthening the link with partner states on the basis of cooperation programs of mutual interest (e.g. migration, energy security, terrorism, organized crime).

All these elements were in addition to the requirement to systematize successively generated financial support instruments in the context of the negotiations on the definition of the multiannual financial framework. It became extremely necessary to ensure correspondence of the existing instruments with the global priorities advanced by the EUGS, an objective which entailed, first of all, a much greater flexibility in terms of the functionality of these instruments, in particular as regards their geographical applicability. The systematization approach also implied the efficiency of the way of allocating and using the financial resources, simultaneously with the prioritization of the support for the states in the immediate vicinity of the European Union.

**Multiannual Financial Framework 2021-2027. A new approach**

As it can be seen, the landscape of the external action instruments was one of the most diversified in the institutional ensemble of the European Union. The assistance provided through the APF has been reinforced since 11 March 2014 through the Instrument for the Development of Cooperation (DCI) which operated in the 2014-2020 financial cycle. It will focus on the area of economic development and poverty reduction, including a distinct component in terms of cooperation with African states. Thus, DCI was in addition to the other five instruments for financial support of external action: the European Instrument for Democracy and Human Rights (EIDHR), the European Neighborhood Policy Instrument (FTE), the Instrument for Stability and Peace (IcSP-CBSD), the Partnership Instrument (IP) and the Instrument for Pre-Accession (IPA). The degree of fragmentation of the way in
which financial resources were capacity through these instruments is distinguished, at the level of which the harmonization of agendas was not the most consolidated.

This would be reflected, together with the above-mentioned approaches, in the framework of the new EU multiannual budget adopted in May 2018 covering the period 2021-2027. It had a number of peculiarities, including that it was the first multi-annual EU budget not to include Britain. In absolute values, BREXIT caused a decrease in the total budget (1.073mld. Euro compared to 1.082 billion in the previous perspective) situation compensated by an additional effort by Member States to increase contributions. At the same time, it was looming as a modern budget, focused on promoting investments in research, simultaneously with the capitalization of new technologies, but also of increasing the EU’s contribution to environmental protection and reducing the impact of climate change.

Another major change was represented by the restructuring of the external action mechanisms, by integrating most of the instruments into a separate budget chapter (Heading 6 – Neighborhood and World). The envelope allocated to it was 110.60 Billion Euro, structured on two components – Pre-Accession Assistance (14.16 Billion Euro) and External Action (95.75 Billion Euro). The latter included four components: Humanitarian Assistance (11.57mld.), CFSP (2.68 bn.), External Territories and States (0.5 Billion), and the Instrument for International Cooperation, Development and Neighborhood (NDICI). The latter, also known as NDICI – Global Europe, was an integrative formula of previous instruments and dedicated to cooperation with third countries. The pillars of the new instrument were represented by: geographical programs (60.38 billion) of which about 20 billion were dedicated to the states in the EU’s neighborhoods; thematic programs (6.35 billion) including conflict prevention and stability, rapid crisis response mechanism, conflict prevention, resilience building, including in the light of external action priorities (European Commission 2021b, 19).

Thus, the new financial perspective promoted a particular focus on the thematic dimension, which differed from the approaches used to structure previous budgets where external networking was viewed exclusively geographically. From this perspective, an additional possibility was created to strengthen the support provided to partner states (in the immediate vicinity) by adding, simultaneously, a surplus of cohesion and financial predictability of the external action carried out by the European Union. The influence of the level of ambition assumed by the Member States through the EUGS in terms of strengthening the EU profile as a relevant global player in the context of crisis management is also distinguished. NDICI was therefore capable of providing the financial ingredients to support that objective at a higher level. Compared to the allocations of the previous financial year, the significant increase in allocations for external action is distinguished, from 58.7 billion (Global Europe in 2014-2020) (European Commission 2014) at approximately EUR 80 billion, via NDICI (European Commission 2021b, 19). It represents an increase dictated by
the realities of a European Union that is much more actively engaged in the international context. At the level of this commitment, the general issue of crisis management, even if addressed in extenso by including military aspects, was an essential component.

We can talk about another feature of the new financial framework, namely the EU’s contribution in the field of crisis management and the link with external action. With this, the EU’s broader profile relies on coordinates of multi-disciplinarity, increasingly encompassing security aspects with extensive geographical applicability. The same approach was reflected in the resizing/restructuring of external action through the use of off-budget instruments. The new financial perspective sought to promote a pragmatic approach in using these opportunities, including from the perspective of supporting the military aspects of crisis management in relation to partner states. Undoubtedly, the main innovation was aimed at creating the European Peace Facility (EPF), an instrument dedicated to military matters under the auspices of PESCO. Structurally, this instrument came to fill the gap created by the impossibility of financing the military aspects. Responding to the general approach of systematization of financial instruments promoted in the development of the new financial framework, the EPF incorporated financing mechanisms for military operations (ATHENA) and assistance to Africa (EPF). This process was the main milestone of internal structuring of the new instrument that will be organized on the pillar model. Pillar I is thus dedicated to financing the common costs associated with EU military operations, taking over the functional typology of the previous mechanism. The second pillar is the main innovation to finance military and defence assistance measures. Thus, the EPF’s regulatory framework stipulates that the assistance measures concern two types/areas that may be subject to funding through this particular instrument: actions to strengthen the capacity of third States and regional or international organisations in the military and defence fields; support for the financing of the military aspects of peace support operations led by regional, international organizations or by third states (European Union 2021a, 18).

Support to third countries could take the form of different formulas, including the provision of lethal and non-lethal equipment and materials. The budget associated with this initiative at the time of launch was approximately 5 billion Euro, for the period 2021-2027. So far, the beneficiaries of the assistance through the EPF have targeted the4 states in the EU’s neighborhoods as a matter of priority, thus corresponding to the overall profile of this instrument. The assistance measures also included the costs of the military components of African Union-led peace support operations previously financed through the African Peace Facility. In the context of the outbreak of the war in Ukraine, the EU’s support for the Ukrainian armed forces has empowered the potential of the EPF; the level of assistance provided amounting to approximately 4 billion.

4 The states whose armed forces have received financial support through Pillar II EPF are: Ukraine, Republic of Moldova, Georgia, Nigeria, Bosnia and Herzegovina, Mozambique, Mali, Lebanon, Mauritania.
Against this background, the European Council of 12 December 2022 endorsed the supplementing of the EPF budget by 5.5 billion Euro, of which 2 billion Euro were dedicated, according to the decision of the foreign and defence ministers of 20-21 March 2023, to the acquisition of ammunition.

Last but not least, it should be noted that the current Financial Framework is also a first in terms of including, for the first time, in the EU budget, costs related to the financing of initiatives in the field of defence cooperation between Member States. In this context, the European Defence Fund is placed, an initiative aimed at financing member states’ cooperation projects in the field of capability development as well as on defence research. The budget of this initiative amounts to approximately EUR 8 billion for the period 2021-2027 (European Union 2021b, 162). Along with this, there is also the initiative to strengthen military mobility at EU level, which benefits from a 1.6 billion Euro, for the same period (European Commission 2021a, 2).

**Conclusions**

Clearly, external action at European Union level is a dimension of utmost importance for supporting a global profile of this organization in the international security context. The progress made in recent years indicates a sustained trend towards strengthening this dimension, including from the perspective of better reporting the external action dimension to the realities and progress made in European security and defence cooperation. If for the period 2014-2020 it is possible to talk about a visible segmentation between the external action and the developments registered under the aegis of the CSDP, the new multiannual financial cycle has projected a new reality. The main feature of the latter concerns precisely the creation of an integrated matrix between the development of defence cooperation and external action. The role of the Global Security Strategy was, as in the case of other initiatives and projects developed in the CSDP context, a decisive one for the promoting deeply innovative measures.

The intrinsic value of the cooperation potential that the EU has begun to accumulate in terms of its defence and its practical declination in generating operational commitments are attractive elements at the level of cooperation with third countries. This conclusion is validated, both by increasing the complexity of the assistance and cooperation programs integrated into the overall profile of the EU’s external action as well as the level of financial resources involved. Basically, the data presented in the study indicate a doubling of the resources allocated to supporting external action, under the conditions of a smaller multiannual financial perspective.

Under these auspices, the issue of defence has a particular significance, best illustrated by the potential that the various instruments of financial support for external action can have for designing a coherent and credible EU response in the contemporary security context. The role and contribution of the European Peace
Facility in recent times abundantly validate this assessment, the instrument being one of the main ways of supporting the EU's external action in support of Ukraine. Deepening the process of unlocking the potential that instruments such as the EPF and NDICI benefit from is a dimension on which the EU's attention will be focused in the coming period. The objectives assumed by the Member States in the framework of the Strategic Compass, adopted on 21 March 2022, aim precisely at this level, identified as one of the most important for strengthening the interaction between the developments in the CSDP and the EU's external action.

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