



**Assembly of Western European Union  
The Interparliamentary European Security and Defence Assembly**

**DOCUMENT A/1963**

**5 June 2007**

**FIFTY-THIRD SESSION**

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**European land forces in external operations:  
personnel and funding**

**REPORT**

submitted on behalf of the Defence Committee by  
Doug Henderson, Rapporteur (United Kingdom, Socialist Group) and Meritxell Batet Lamaña  
Vice-Chairwoman and co-Rapporteur (Spain, Socialist Group)

ASSEMBLY OF WESTERN EUROPEAN UNION  
THE INTERPARLIAMENTARY EUROPEAN SECURITY AND DEFENCE ASSEMBLY  
43, avenue du Président Wilson, 75775 Paris Cedex 16  
Tel. 01.53.67.22.00 – Fax: 01.53.67.22.01  
E-mail: [info@assembly.weu.int](mailto:info@assembly.weu.int)  
Internet: <http://assembly.weu.int>

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*European land forces in external operations: personnel and funding*

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*submitted on behalf of the Defence Committee  
by Doug Henderson, Rapporteur (United Kingdom, Socialist Group) and Meritxell Batet Lamaña,  
Vice-Chairwoman and co-Rapporteur (Spain, Socialist Group)*

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<sup>1</sup>Adopted unanimously by the Committee on 2 May 2007.

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**RECOMMENDATION 799<sup>2</sup>*****on European land forces in external operations: personnel and funding***

The Assembly,

- (i) Noting the growing number of crisis-management operations in which European land forces are engaged in various frameworks (EU, NATO, UN, coalitions, etc.);
- (ii) Concerned about the difficulties faced by these forces, which are overstretched and working to the limit of their capacity;
- (iii) Noting the problems encountered by some European land forces for the recruitment and retention of personnel;
- (iv) Aware of the importance of the families' point of view for the morale of the personnel deployed on external operations;
- (v) Noting the particular case of the families of reservists who are more isolated;
- (vi) Noting the difficulties involved in the maintenance of the military equipment that is used during these operations;
- (vii) Noting that in some countries, such as France, there is difficulty in establishing a specific provision for the funding of external operations;
- (viii) Regretting that the financial burden resulting from those operations is not equally shared among the EU and NATO member states due to the implicit rule that "the costs lie where they fall", which means that they are borne by those countries which contribute troops and equipment,

RECOMMENDS THAT THE COUNCIL CALL ON THE WEU NATIONS, AS MEMBERS OF THE EUROPEAN UNION AND NATO, TO

1. Ensure that the duration of external operations deployment should normally not exceed four months, or six months with a period of home leave;
2. Ensure that there is a minimum period of 18 months between two missions;
3. Implement a system of remuneration that rewards personnel who are deployed on repetitive external operations in order to retain experienced military personnel;
4. Inform and consult one another with a view to harmonising where possible deployment conditions on external operations (pay, frequency, duration, contact with families, etc.);
5. Establish family support structures, particularly for soldiers repatriated for medical reasons, that take into account the particular case of the families of reservists;
6. Improve the ATHENA mechanism for the common funding of EU peace support missions in order to share the costs of operations more evenly among the member states;
7. Allocate the necessary funds to land forces' budgets to ensure that equipment which is heavily used in external operations and subjected to abnormal wear and tear is maintained in working order.

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<sup>2</sup> Adopted by the Assembly on 5 June 2007 at the 3<sup>rd</sup> sitting.

## EXPLANATORY MEMORANDUM

*submitted by Doug Henderson, Rapporteur (United Kingdom, Socialist Group)  
and Meritxell Batet Lamaña, Vice-Chairwoman and co-Rapporteur (Spain, Socialist Group)*

### *I. Introduction*

1. The number of international crisis-management operations being conducted in various frameworks (NATO, the EU, the UN and coalitions) and covering the full range of Petersberg missions, from humanitarian intervention to tasks of combat forces for peacebuilding purposes, has increased constantly since the fall of the Berlin wall. Currently, the land forces of European countries are engaged in 12 EU-led operations<sup>3</sup> – not including the operation that is under preparation in Kosovo – two NATO-led operations<sup>4</sup> and six missions under UN auspices<sup>5</sup>. In 2006 an estimated 70 000 troops from the EU and/or NATO member states were engaged in such operations.

2. In spite of the major transformation efforts undertaken these last 15 years by Europe's land forces, their capacity for deployment remains very limited, and it is always the same units that are suited to missions of this kind that are called upon.

3. This has very serious consequences for the morale of the troops and in financial terms. There are many signs that land forces are currently working to the limit of their deployment capacity: press articles, statements by the military authorities, parliamentary debates on the suitability of the *matériel* for external operations, requests for additional funding, problems with armed forces recruitment and above all retention beyond their first engagement (there was a United Kingdom House of Commons report on the subject). All this has come to the attention of your Rapporteur who proposes to continue monitoring these issues for the Assembly.

### *II. Personnel*

#### *1. The reality of land forces operations*

##### *(a) At European Union level*

4. It is difficult to say precisely how many troops are being deployed on crisis-management operations abroad, since the figure varies all the time. The European Defence Agency Bulletin sets the figure at 73 500 soldiers from 24 EU member states. Recent estimates for individual countries are as follows: Germany, 7 000 troops plus 2 400 for the UNIFIL naval component; Spain, 2 910 troops; France, 15 000 troops, plus 22 000 standby forces; Italy, 7 450; the United Kingdom, 7 675 troops plus 9 500 in Iraq, 10 700 in Northern Ireland and 1 200 in the Falklands.

5. The troops on standby for the NATO Response Force (NRF) and battlegroups (BG 1500s) are not included in those totals.

##### *(b) The case of the United Kingdom*

6. At the beginning of 2007, a total of 14 000 British troops were engaged in 12 external operations under an international mandate, the major ones being Iraq (7 000)<sup>6</sup>, Afghanistan (6 300)<sup>7</sup>, the Balkans (700) and various UN operations (300).

7. To these must be added the nearly 10 000 soldiers permanently deployed in Northern Ireland (7 050) and on British territory overseas: the Falklands (500), Cyprus (1 700) and Gibraltar (260). This means a total deployment of 28 000 soldiers, representing some 24% of the UK's trained forces.

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<sup>3</sup> See Appendix I.

<sup>4</sup> ISAF in Afghanistan and KFOR in Kosovo.

<sup>5</sup> UNIFIL in Lebanon, UNMIL in Liberia, UNOCI in Côte d'Ivoire (in addition to the French-led Operation Licorne there), UNFICYP in Cyprus, UNDOF on the Israeli-Syrian border and UNMIK in Kosovo. This list does not include UN operations to which the European states together contribute less than 100 personnel of all kinds (troops, military observers or police).

<sup>6</sup> With a planned reduction to 5 400.

<sup>7</sup> With a planned increase to 7 700.

Currently in 2007, some 28% of British troops are engaged in operations, if the pre-operational preparatory periods and post-operational rest periods are also taken into account.

*(c) The case of France*

8. The headlines of a leading French daily recently announced: "French armed forces present on all fronts: the recent contingent deployed for the UN operation in Lebanon brings the total of French troops abroad to 36 849".

9. At the present time France is engaged in 15 external operations, the most important ones being in Bosnia, Kosovo, Afghanistan, Côte d'Ivoire and Lebanon. At the end of 2006, a total of 15 000 soldiers were engaged in such international operations.

10. To these must be added the 5 300 French forces on permanent standby in Africa for emergency military operations close to the area in which they are stationed (for example the troops stationed in Gabon in 2006 as a reserve force for EUFOR).

11. This means that overall France is simultaneously deploying some 20 000 troops, in other words, 22% of the total land forces foreseen for such external operations (90 000).

12. In addition, the French army has a total of 16 500 troops permanently stationed in its overseas territories and departments which it can also mobilise for external operations.

*(d) The case of Spain*

13. Since 2005, there has been a law specifying the types of external operation in which the Spanish armed forces may take part and stipulating that such operations must be conducted in strict compliance with international law and with the United Nations Charter. Such operations are funded by a special line in the budget for the current financial year.

14. The maximum number of troops to be deployed abroad, however, is fixed by Spain's Council of Ministers on an annual basis. The limit for 2007, set at 3 000, was laid down in a Royal Decree adopted by the Council of Ministers dated 29 December 2006.

15. Furthermore, the deployment of troops in a theatre of operations must be approved on a case-by-case basis by Parliament.

16. At the time of your Rapporteur's visit to Madrid on 1 February 2007, 2 740 Spanish troops, including 2 265 army personnel, were on deployment. Spain participates in four major multinational operations: ALTHEA (EU) in Bosnia (429 troops), KFOR (NATO) in Kosovo (532), ISAF (NATO) in Afghanistan (685) and UNIFIL (UN) in Lebanon (1 100).

17. 13 Spanish officers are also being deployed as observers in various missions (African Union, Darfur, Congo, Kosovo, the former Yugoslav Republic of Macedonia, etc.).

## ***2. Frequency and duration of missions***

18. The frequency and duration of countries' involvement in missions can vary depending on the number of units they have available for the type of deployment.

19. Generally the aim is for deployment periods not to exceed four months. However, for certain theatres, or commanding officers, deployment is extended to six months, where possible with a period of leave in the middle.

20. In Spain, where the number of deployed troops is limited by law, the armed forces have sufficient units available to be able to envisage one six-month operational deployment every two years.

21. In France and the United Kingdom the units suited to this type of operation are more stretched.

22. In all countries particularly frequent use is made of certain specialist personnel, such as the army engineering units needed for reconstruction tasks or doctors who generally are in short supply.

*(a) The case of the United Kingdom*

23. The Ministry of Defence has developed a set of defence planning assumptions, based on a range of hypothetical operational scenarios, to help it plan for future contingencies. The level of activity envisaged by the defence planning assumptions underpins the calculation of the overall annual manpower requirements for each of the three services. Staffing requirements have not been adjusted to reflect the current levels of deployment of the armed forces, which have since 2001 exceeded the assumptions made about enduring concurrent operations and which seem likely to continue to do so for some time. The Department accepts that operating at this level can result in additional strains on its people.

24. Each service has set “harmony guidelines” for the amount of time that personnel should spend away which aim to ensure that service personnel and their families have a sustainable balance between time away and time at home. We found that guidelines were being exceeded by significant numbers of personnel, particularly in the army, where 14.5% of those on the trained strength as at January 2006 had breached the target at some point in the last 30 months.

25. The theoretical rotation schedule for army units deployed on external operations is depicted in Appendix I, with six-month deployment periods separated by a period of 24 months. In reality, however, as the table shows, the conditions are somewhat more stringent, since the 20-week preparatory period and six weeks needed to dismantle the mission must also be taken into account.

26. Furthermore, due to a shortage of available units, the period between deployments is 16.3 months rather than the prescribed period of 24 months.

27. The British Land Forces are therefore currently significantly stretched with a rotation pattern and reserve force structure generally speaking designed for shorter missions.

*(b) The case of France*

28. In France, the frequency of external operations (OPEX) deployments for nearly all basic army units is, in theory, once in any 16 months, giving 12 months’ home leave between two deployments. This cycle strikes the right balance between operational readiness preparation prior to engagement, rehabilitation on return from deployment and standby requirements. In practice, however, the same unit can sometimes be deployed more than once in 16 months. Given the land forces’ engagement cycle this is not a common occurrence, but when necessary, the general commanding the land forces (Force d’action terrestre or FAT) is requested to grant special dispensation. In 2006 approximately 3 000 military personnel (in other words less than 3% of the FAT) were granted dispensation and deployed at least twice in less than 16 months. The frequency of OPEX also varies according to speciality requirements and certain units, such as those specialised in command and communications systems or helicopter crews, are deployed more frequently. The duration of OPEX deployments for land forces personnel is four months for formed units and six months for individuals. For formed units this rule is usually respected. It is only for certain individual posts that the deployment period is extended to one or two years depending on theatre requirements or the nature of the operation (NATO or UN).

**3. Troop morale**

29. In the United Kingdom, France and Spain – and as far as the Rapporteur could ascertain from his various contacts, this is the case for all the countries concerned – the troops engaged in external operations have good morale and are highly motivated.

30. A recent memo from the French armed forces’ human resources centre (CRH) provides a good summary of the situation of European land forces engaged in external operations (OPEX):

*“(a) How is the morale of the troops participating in external operations?”*

The January 2006 reports on the morale of brigade commanders stressed the role of OPEX as a factor of satisfaction and a positive point for troops’ morale.

The three elements deemed by all respondents (of all ranks) to be the most important were:

- professional experience (24%);
- the pay for OPEX (20%);
- relations with the local population (10%).

Furthermore, participation in OPEX is perceived at one and the same time as being a source of both satisfaction and dissatisfaction; satisfaction for the abovementioned reasons – in particular the pay – and dissatisfaction with the strain caused by the frequency of such operations: on equipment (operational availability), personnel (frequency of missions, overstretch and dispersal) and families (separations and marriage breakdowns). All of these have a direct impact on morale.

*(b) Do the troops concerned compare their situation with that of their counterparts from other allied countries? What are the most frequent complaints voiced by this category of personnel?*

All OPEX studies conducted by the CRH up until 2004 showed a strong tendency on the part of French military personnel to compare their situation with that of their counterparts from allied countries.

Everything is open to comparison: the nature of the missions themselves, *matériel*, large equipment, vehicle protection and armour, soldiers' kit, sports facilities, accommodation, food, working hours, free time and, where the local situation permits, local outings, as well as mission leave, postal services and means of communication with families, and of course, OPEX bonuses.

French soldiers deployed to Bosnia in 2000 jokingly summed up the situation as follows: ideally, they said, soldiers would get French OPEX bonuses (high), German *matériel* (up-to-date and in good condition) and Spanish leave (frequent).

Multinational operations obviously favour comparisons because everyone is fighting for the same cause and (French) soldiers tend to focus on areas in which they consider themselves to be at a disadvantage compared with the members of other forces.

*(c) Psychological approach to OPEX situations*

The CRH can also give some indication of mood as assessed during psychological support action taken during operations. It must be stressed, however, that while such factors reflect genuine discontent, they are not based on precise, scientifically measured indicators. The information below is a partial synthesis of observations made during psychological support action during land forces external operations (in Côte d'Ivoire in June 2006 and in Afghanistan in November 2006) and in the end-of-missions report produced by the officers in charge of the human environment (OEH).

Fatigue increases over time and with the duration of the mission. The reasons for that physical and mental fatigue are mainly the lack of refreshing sleep, difficult living conditions, generally noisy surroundings and the constant effort needed to get the requisite *matériel* for missions.

The consequences are:

- a feeling of work overload which increases in proportion to the degree of fatigue and length of the mission;
- latent anxiety due to the risk of attack and the sensation of being a helpless potential target.

Doubts about the purpose and usefulness of the mission, depending on the abovementioned factors, can cause a person to call the whole operation into question.

Insufficient operational availability of equipment creates a growing feeling of frustration and weariness.

The "overstretch" of land forces, meaning that men and equipment are working to the limit of their capacity, has an impact on morale, as well as on levels of mission-related stress (management of acts of violence, acting as a buffer force, seeing the distress of the local

population, seeing one's values and normal points of reference completely overturned, when encountering child soldiers, for example).

Frequent and lengthy missions can lead to mental and physical burn-out which is detrimental not only to the health, but also the operational performance, of personnel".

31. There is some evidence for the above characteristics in all land forces. The Rapporteur is seeking to identify the extent of these difficulties in the different land forces throughout Europe. Indications are that the more overstretch takes place, the more these characteristics are apparent.

32. In conclusion, your Rapporteur notes that the desire for adventure, the pay and contacts with the local population are sufficient sources of motivation for young recruits, whose morale during external operations is high. However, after several four or six-month deployments spread over five years or more, there is a serious loss of motivation, particularly among soldiers with families.

#### ***4. The point of view of families***

33. Although as a rule troop morale itself is not a problem, despite the points mentioned above, the real problems generally speaking lie with the soldiers' families.

34. In spite of the major efforts made to establish a network of contacts with the families of soldiers deployed on external operations, some soldiers' wives complain about their isolation. For example, wives of British reservists expressed this problem when the Rapporteur met them.

35. The provision of access to means of communication via the internet, telephone cards or fax is highly appreciated. In the United Kingdom, for example, there is a system of three minutes' worth of free call time per day.

36. Although the bonuses paid to deployed personnel are judged to be sufficient (France, the United Kingdom, Spain), in some cases there are complaints that certain extra allowances (for education, housing etc.) are not, in that they do not keep pace with the real cost of living.

37. Finally, another problem raised by the soldiers' families' associations in the United Kingdom is that of care for the wounded. The assistance provided to families so that they can visit soldiers being cared for in specialised facilities could be improved. Provision needs to be made for accommodating families for short periods during their visits and for paying their travel costs. The families' associations are beginning to get organised at their own expense but are calling for financial support to be provided by the armed forces.

#### ***5. The use of reserve forces***

38. Few member states use reservists for external operations, but some countries do use them for certain very specialised tasks and in order to stand in at home for military personnel deployed abroad. This question arises mainly in the United Kingdom.

39. At the beginning of 2007 some 1 300 British reservists were mobilised. Half of these were deployed abroad, accounting for 5% of total external operations personnel. The wide-scale use of reservists – some 6 000 of them – for Operation Telic 1 in Iraq in 2003 generated a recruitment crisis. There is a very high turnover of reserve forces, which increases the relative cost per reservist. Reservists are paid like active soldiers, but if their normal salary is higher than the soldier's pay the army must make up the difference.

40. A novel idea could be to use reservists to provide support to the families of military personnel deployed abroad. Reservist associations could volunteer the services of their members to provide families with occasional help, for example, with schooling or paperwork.

#### ***6. Areas for improvement***

41. In order to recruit and retain military personnel with experience of external operations, the European countries have a range of means at their disposal. They can offer bonuses, support for families, less frequent deployments, lighter workloads and better quality equipment.

*(a) Bonuses*

42. All the countries offer bonuses for external operations. In the United Kingdom, the 13% bonus on salary was deemed insufficient and in October 2006 a much more generous additional operational allowance was introduced: some £12 per day for all personnel (3 360 euros for six months), plus duty-free concessions on purchases (of a car at the end of the mission, for example). In France, the bonus is higher: the equivalent of 1.5 times the soldier's basic pay plus an allowance for each child. Spanish soldiers deployed on external operations receive a substantial increase in pay.

*(b) Support for families*

43. It has been found that soldiers deployed on external operations worry more about the problems arising for their families than for themselves, which is why support for families and communications assistance are so important.

44. All units deploying personnel on operations must comprise staff whose job is to liaise with families. A telephone card enabling soldiers to phone home free of charge is also highly appreciated. Finally, there is great demand for the armed forces to provide official support to the families of soldiers who have to be repatriated for medical reasons.

*(c) Less frequent deployments and working conditions*

45. Currently European Union member state commitments in external operations are heavily dependent on British and French troops, which explains why the rate of deployment in the United Kingdom and France by far exceeds the guidelines.

46. The first action under way is to recruit and train military staff with the specialist skills that are most in demand. In the United Kingdom, the army has even created a ninth combined arms brigade which will be deployed in 2007.

47. However, the real problem is political and financial. The governments of both countries accept too many operations or else do not provide the financial resources that would enable their armies to create the requisite pool of forces. The additional commitment of France and Great Britain requires not only political decision but also financial resources.

48. Finally, due to the shortage of personnel, soldiers have very long working hours. The majority of land forces personnel work more than 40 hours a week.

*(d) Improving the quality of equipment*

49. The quality and reliability of deployed equipment have a decisive influence on troop morale.

50. All land forces engaged in external operations make huge efforts to ensure that their equipment offers a high operational availability rate, generally 90%.

51. Equipment with lifetimes of several decades has had to be renovated and modernised to prevent it from becoming obsolete.

52. In addition, equipment has to be adapted to the new threats. This means constantly challenging existing ideas to take account of feedback from previous operations. The most concrete example is the way in which vehicles have had to be equipped with special kits to protect them against IEDs<sup>8</sup>. This calls for the introduction of special funding mechanisms and rapid procedures.

**III. Funding of external operations****1. The additional costs involved in external operations**

53. The additional costs incurred by external military operations may be considerable for certain member states that are particularly involved in such operations, and may even discourage some countries from participating.

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<sup>8</sup> Improvised explosive devices.

54. This is therefore a widely debated issue within the relevant international organisations and certain national parliaments.

55. Those additional costs stem essentially from staff bonuses, strategic transport requirements and the faster rate of wear and tear of equipment deployed in remote theatres, leading to higher maintenance costs. Those additional costs need to be analysed in detail in order to share them among the common budget of the international organisation in charge of the operation and the national budgets of the member states contributing troops and equipment.

56. Common costs are the subject of an agreement within the European Union. They concern the costs incurred during the preparatory phase of an operation, together with the operating costs for the headquarters during the active phase (for NATO capabilities in particular, in the case of Berlin Plus operations) and finally the common operating costs incurred by the winding-up of an operation.

## ***2. Joint Funding (EU, NATO, etc.)***

### *(a) EU operations*

57. The EU's external operations are funded according to a traditional, strictly intergovernmental system. The community budget is only used to fund the costs of the ESDP institutions linked to the Council's General Secretariat – the Military Committee, the EU Military Staff and the European Defence Agency – whose total administrative costs amount to less than 35 million euros a year.

58. Under Article 28 of the Treaty on European Union, operational expenditure incurred by operations with military or defence implications is borne exclusively by the member states, on the basis of GNP. The Treaty also stipulates that member states which avail themselves of the principle of constructive abstention when the decision to deploy an operation is being put to the vote can link their abstention with a formal statement in which they refuse to contribute to the costs of the operation in question. Thus, in terms of their funding, external military operations are different from civilian crisis-management operations (police missions or judicial support operations) which are funded out of the community budget<sup>9</sup>. 62.6 million euros were spent on them in 2005, while the draft budget for 2006 amounted to 102 million euros.

59. Thus the mode of funding for the Union's external military operations is fairly similar to that used within NATO. In other words, it is a voluntary system in which the costs are borne essentially by the states engaging troops and equipment in the operation. The growing number and complexity of operations mean a correspondingly heavier financial burden for countries. Those costs are charged to their respective defence budgets and are the subject of regular debates in the national parliaments.

60. In practice, a specific agreement has to be reached for each EU-led military operation defining the so-called common costs and their mode of funding from the community budget. The additional costs to be borne by the member states can then be worked out<sup>10</sup>.

61. Decision 2004/197/CFSP (23 February 2004) of the Council of the European Union established a mechanism to administer the financing of the common costs of the European Union operations having military or defence implications: the ATHENA mechanism. The aim of this decision was to replace the old system, in which individual states could decide for themselves their political, military and financial contribution to an ESDP operation, with a new one based on political and financial solidarity. That decision therefore strengthened the integration of the Union in the field of defence and external intervention policy, despite it being an extremely sensitive area.

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<sup>9</sup> It should be stressed that the dividing line between civil and military missions is unclear or non-existent for certain complex operations. For the mission in support of the African Union's AMIS II mission in Darfur, for example, the civilian component is funded from the CFSP budget, while the common costs for the military component are funded by the ATHENA mechanism, the sending of experts is financed by the Council General Secretariat and operational expenditure is funded by the different contributing states.

<sup>10</sup> For example: the common costs for Operation Concordia in the former Yugoslav Republic of Macedonia amounted to 6.2 million euros, leaving a further 2 million euros to be paid by France. The common costs of the Artemis mission in the DRC amounted to 7 million euros, and the 46 million euros additional costs had to be borne by France.

62. The ATHENA mechanism establishes the contribution rate of each state in proportion to its share of the total gross national income of the member states<sup>11</sup>. Each state's financial contribution to an operation is calculated on that basis, after deduction of any contributions that may be made by third countries. States may also pay contributions in advance, but these cannot under any circumstances be used to fund an operation without their explicit agreement.

63. The annexes to the decision list the common costs, which are divided into five categories:

- common costs that are paid regardless of when they are incurred<sup>12</sup>;
- common operational costs for the preparatory phase of an operation<sup>13</sup>;
- common operational costs incurred during the active phase of operations and which are always funded through ATHENA<sup>14</sup>;
- common operational costs incurred during the active phase of operations and which are funded through ATHENA if there is a Council decision to that effect<sup>15</sup>;
- common operational costs relating to the winding-up of an operation and funded through ATHENA<sup>16</sup>.

64. The ATHENA mechanism represents a first step towards a sharing of the financial burden for external operations among the member states. This sharing or pooling of the costs is becoming increasingly necessary due to the rising number of EU operations, their wider geographic scope and the increasing diversity of types of intervention. All these parameters are increasing the costs of the EU's external military operations and it is therefore essential to be able to share those costs among all the member states so that they do not weigh too heavily on those countries which supply troops and equipment, as was the case in the past. Indeed, as of now, only those states which have stated their refusal to participate in the ESDP are exempted from participating in the funding mechanism for crisis-management missions. Denmark, therefore, continues to be exempt. The other states which do not send troops for a given operation are nonetheless obliged to participate in its funding.

65. Moreover, with its decision of 24 January 2005, the Council set up a system for the advance payment of financial contributions for rapid reaction operations.

66. Nevertheless, the ATHENA mechanism does not resolve the problem of the system's overall complexity. Indeed, as we have explained, it only serves to share out certain common costs which on average account for less than 10% of the total cost of a military operation abroad<sup>17</sup>. Moreover, the mechanism could be criticised for further increasing the complexity of the overall system, in that in addition to the distinction between civil and military operations – which in some cases may seem artificial – it makes another distinction within military operations between those costs covered by the ATHENA mechanism and those which must be borne by the member states. The complexity of the process for mobilising financial resources is clearly detrimental to the EU's responsiveness. It also contributes to placing most of the financial burden on member states such as France and the United Kingdom, whose armed forces have the necessary capabilities, in particular transport and rapid reaction capabilities.

<sup>11</sup> For example, France 16.67%, Germany 22.46%, Italy 13.77%, Poland 1.3%, Spain 7.86%, United Kingdom 17.28%.

<sup>12</sup> Verification costs, bank charges, indemnities, storage costs for jointly procured equipment.

<sup>13</sup> Additional transport and accommodation costs needed for exploratory and preparatory missions, medical services, the costs of evacuations on urgent medical grounds.

<sup>14</sup> Additional costs arising for HQ operations, forces support and EU recourse to NATO assets and capabilities.

<sup>15</sup> Cost of transport to and from the theatre of operations, cost of barracks and infrastructure in the theatre of operations.

<sup>16</sup> Costs incurred when seeking a final destination for the equipment and infrastructure funded in common and additional costs relating to the drawing up of accounts for an operation.

<sup>17</sup> See Appendix II for a table showing the different types of EU external operations giving the common, not the total costs of each operation.

*(b) NATO operations*

67. The question of funding arises in the same way for NATO as for the EU. Up until now the golden rule in NATO has always been that “costs lie where they fall”.

68. However, for these external operations, NATO has become a “coalition of the willing”, which means that all funding aspects are open to discussion.

69. For the moment the common funding agreement covers strategic transport, headquarters and transmission costs and the operating costs of NATO agencies such as NAMSAs<sup>18</sup>.

70. Countries like the United Kingdom and France that are very strongly engaged in such operations are often the most reticent about common funding as they wish to remain in control of their participation and of the way in which the operations are presented to their public opinion: this is a political choice.

71. The whole issue of the common funding of operations conducted within the framework of international organisations raises the problem of solidarity.

### **3. National funding of operations**

72. In practice, therefore, it is the member states whose land forces are most involved in external operations that must bear the additional costs of those operations resulting, for example, from pay increases (bonuses, etc.), operating costs (transport, food and accommodation, for example), wear and tear on equipment, in particular rolling stock, and consumables (munitions, etc.). The example of Operation Artemis (1 500 men deployed for three months) gives an idea of the costs: 46 million euros for France and 7 million euros by way of common costs.

73. *In the case of France*, the additional costs resulting from army external operations (OPEX) in 2004 and 2005 amounted to some 400 million euros per year.

74. Up until 2004, the budget voted at the start of each year made no provision for such additional costs. The army was therefore obliged to advance the full sums in question and was generally reimbursed, in part or in full, in September.

75. Since 2005 the annual draft budget has included provision for such operations (to the tune of 100 million euros in 2005, 175 million in 2006 and 375 million in 2007). This has helped reduce the pre-financing requirements for salaries and since 2005 has gradually eased the burden on operating and fuel costs. In other areas (food costs, etc.) the army pre-finances the extra costs for external operations in full, pending their reimbursement (requested for the autumn in order to avoid running out of cash).

76. This has repercussions for the land forces. The pre-financing of external operations has in some instances generated cash flow problems during the financial year, in some cases with serious consequences (delayed payment of removal costs and cash shortages in some army corps in mid-financial year).

77. Furthermore, equipment must be maintained in quasi optimum working condition for external operations, the aim being an operational availability rate of more than 90%. This is achieved to the detriment of equipment that remains in France, where the rate is only 70%. On the positive side, however, these operational periods are a source of useful experience for personnel.

78. Finally, up until 2005, the reimbursement towards the end of the year of the sums used to pre-finance external operations was funded essentially by cancelling investment appropriations, which meant having to postpone or cancel equipment programmes.

79. *In the case of the United Kingdom* the funding of external operations is organised outside the MOD budget framework. All additional costs are funded from a special budget which is, of course, subjected to close scrutiny by the Treasury.

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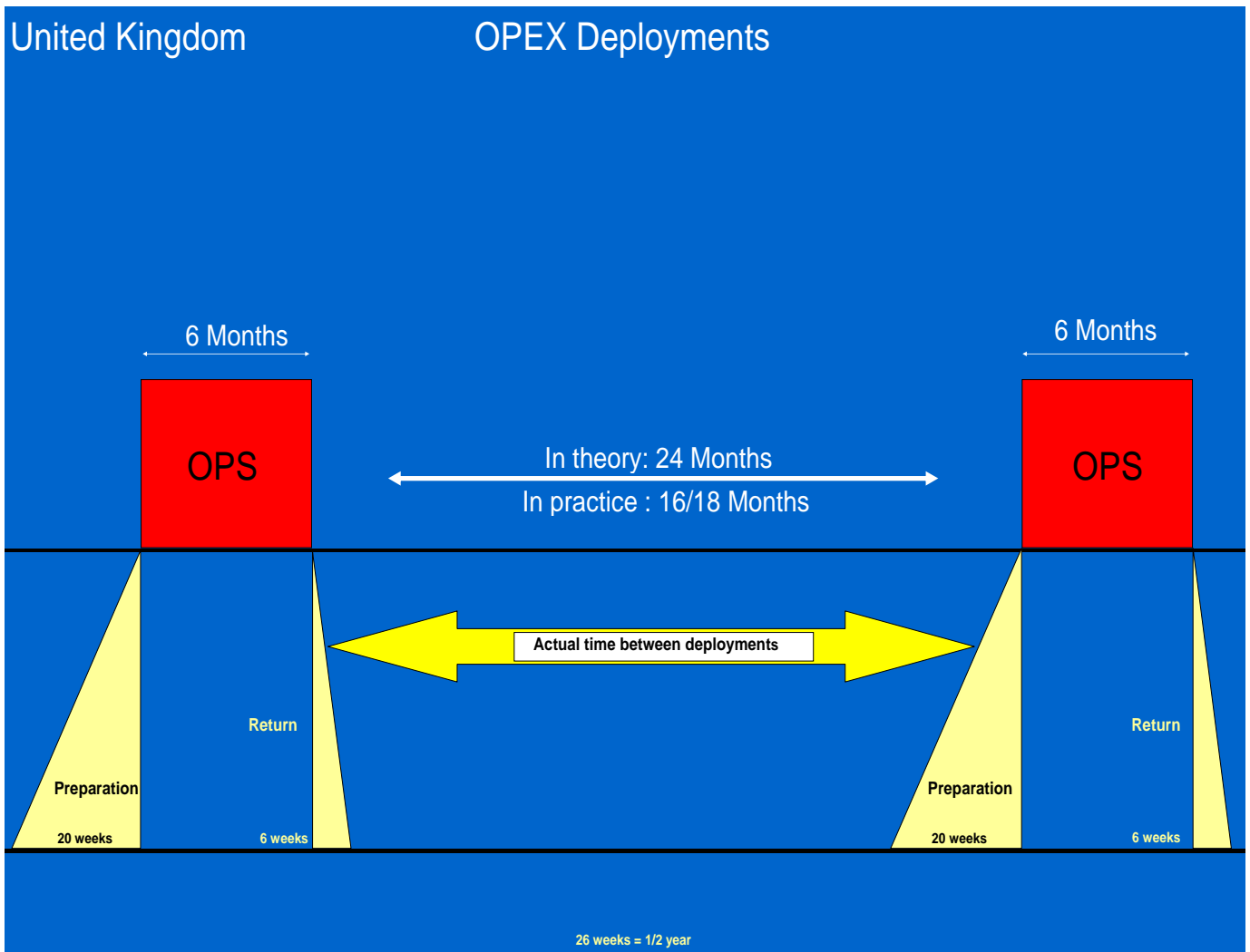
<sup>18</sup> NATO Maintenance and Supply Agency.

80. In fact the sums concerned still represent only a very small proportion of the defence budget. The additional costs for Afghanistan, for example, were estimated in 2006 at £550 million, compared with a defence budget of £34 billion. The Ministry of Defence considers that with this system the funding of such operations does not pose a particular problem.

81. In the case of Spain, the Defence Ministry considers that the financing of external operations poses no particular difficulty as a special line of funding for the purpose is included in the current year's budget.

APPENDIX I

*United Kingdom external operations deployment*



## APPENDIX II

*Types of EU missions and external operations and their common costs*

	Europe	Africa	Middle East	Asia
Military operation	<b>Concordia</b> (former Yugoslav Republic of Macedonia) March-Dec. 2003, 6.2 million euros	<b>Artemis</b> , Ituria – DRC, June-Sept. 2003, 7 million euros	<b>UNIFIL</b> , Lebanon, 1978-, 350.87 million dollars (July 2006-June 2007)	
	<b>EUFOR ALTHEA</b> , Multinational stabilisation force, Bosnia, Dec. 2004-, 71.7 million euros	<b>Support to AMIS II</b> , Darfur (Sudan), 2.1 million euros		
	<b>KFOR (NATO)</b> , Kosovo, 12 June 1999-, 505 million euros	<b>EUFOR RD Congo</b> , Support for electoral process, DRC, 17 April 2006		
	<b>UNFICYP</b> , Cyprus, March 1964-, 46.27 million dollars	<b>UNMIL</b> , Liberia, Sept. 2003-, 714.88 million dollars (July 2006-June 2007)		
	<b>UNDOF</b> , Israeli-Syrian border, May 1974-, 41.59 million dollars	<b>UNOCI</b> , Côte d'Ivoire, Feb. 2004-, 472.89 million dollars (July 2006-June 2007)		
Capacity building (training, equipment, exercises, etc.)	<b>UNMIK</b> , Administration mission, Kosovo, 10 June 1999-, 115 million euros	<b>EUSEC RD Congo</b> , DRC, 1.6 million euros	<b>EUPOL – COPPS</b> , EU police mission, Palestinian Territories, 1 Jan. 2006-, 3.6 million euros	
	<b>EUPOL Proxima</b> , EU police mission, former Yugoslav Republic of Macedonia (Dec. 2003-Dec. 2005), 15 million euros (until end 2004)	<b>EUPOL Kinshasa</b> , EU police mission, DRC, 30 April 2005-, 4.4 million euros (until end 2005)	<b>ISAF, International Security Assistance Force (NATO)</b> , Afghanistan, 5 Oct. 2006-, 7.87	

			million euros	
	<b>EUPAT</b> , FYROM – follow on to Proxima, 15 Dec. 2005-, 1.5 million euros			
	<b>EUPM</b> , EU police mission in Bosnia and Herzegovina, 1 Jan. 2003-, 52 million euros (until end 2005)			
	<b>Mission being prepared</b> , Kosovo, police and justice mission, summer 2007-2010, 1 billion euros between 2007 and 2010			
Rule of law (assistance with formation and reconstruction of the judicial system)	<b>EUJUST Themis</b> , Georgia, July 2004-July 2005, 2 million euros		<b>EUJUST LEX</b> , Rule of law, Iraq, 1 July 2005-, 10 million euros	
Monitoring and observation In preparation	<b>EUMM</b> , western Balkans, replaces the ECMM started in 1991, Dec. 2000-, 3.8 million euros (2007 budget) <b>EU BAM</b> , Border monitoring, Moldova/Ukraine, 1 Dec. 2005-, 8 million euros <b>EUPT</b> , Kosovo, 10 April 2006-May 2007, 3 million euros		<b>EU BAM Rafah</b> , Monitoring of Rafah border crossing, Palestinian Territories, 30 Nov. 2005-, 5.9 million euros	<b>AMM</b> , Monitoring mission, Aceh (Indonesia), 15 Aug. 2005-, 9 million euros

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WALTER Robert British

WILSHIRE David British

... Dutch

... Dutch

To be nominated: France (1) Netherlands (2)

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EÖRSI Matyas Hungarian

GEDEI Jozsef Hungarian

ILIEV Iliyan Bulgarian

IORDACHE Florin Romania

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JELINCIC Zmago Slovenia

JIPA Florina Ruxandra Romania Ms

KOUTS Tarmo Estonian

KRATOCHVILE Karol Czech Republic MM

MALLOTOVA Helena Czech Republic

MIKOLAITIS Gintautas Lithuanian

OLSZEWSKI Pawel Polish

PUCIK Rudolf Slovak

SENYSZYN Joanna Polish

TURLAIS Dainis Latvian

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Mrs ABURTO BASELGA

MM CORREIA

DE PUIG

ADAM

Mrs SINISCALCHI

MM LE GUEN

HÖFER

COSIDÓ GUTIÉRREZ

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KOX

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MM VRACIU

...

...

...

OSMAN

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...

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KOCHAN

KASETA

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VESTINICKY

JASINSKI

...

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	ZIOLKOWSKI Marek	Polish		Berent
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MM	ACIKGOZ Ruhi	Turkish		...
	COSKUNOGLU Osman	Turkish	MM	BATU
	OZAL Ibrahim	Turkish		BILGIC
	SKUMSVOLL Henning	Norway		...
	TEKELIOGLU Mehmet	Turkish		BASTOPCU

To be nominated: Norway (1) Iceland (1)

**Permanent observer members**

**Alternates**

To be nominated: Austria (2), Denmark (2), Finland (2), Ireland (1), Sweden (2)

MM	KALLIO Reijo	Finnish		
	WALL Jack	Irish		
	PRÄHAUSER Stefan	Austria		

To be nominated: Austria (1), Denmark (2), Finland (2), Sweden (2)

**Affiliate permanent observer members**

**Alternates**

To be nominated: Cyprus (1), Malta (1)

**Affiliate associate partners**

**Alternates**

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