

STUDY

Requested by the SEDE subcommittee



CSDP after Brexit: the way forward



Policy Department for External Relations
Directorate General for External Policies of the Union
PE 603.852 - May 2018

EN

STUDY

CSDP after Brexit: the way forward

ABSTRACT

The Common Security and defence Policy (CSDP) will be strongly impacted by the imminent divorce between the United Kingdom (UK) and the European Union (EU), for better or for worse. What tomorrow will bring is nevertheless still unknown. The Brexit negotiations in the area of defence were supposed to be easier and more consensual than in other fields. It does not seem to have been the case so far.

The first part of the study focuses on the terms of the equation. It analyses the new interest of the United Kingdom for the CSDP, the proposal made by the UK to the EU in this area, how the EU has answered so far and what are the existing rules and practices allowing the involvement of third countries in the EU defence policies.

The following part examines the potential impact of Brexit on the most promising defence policies that the EU is presently carrying out: the support to the defence industry, PESCO, the Galileo and Copernicus programs and, naturally, the CSDP missions.

Finally, this study reviews the EU options on the table of one of the most difficult negotiations in contemporary history.

This paper was requested by the European Parliament's Sub-Committee on Security and Defence.

English-language manuscript was completed on 22 May 2018.

Printed in Belgium.

Authors: Federico SANTOPINTO (Groupe de Recherche et d'Information sur la Paix et la Sécurité - GRIP), Belgium with contribution from Lou VILLAFRANCA IZQUIERDO (intern of Galileo Program).

Official Responsible: Jérôme LEGRAND.

Editorial Assistant: Ifigeneia ZAMPA.

Feedback of all kind is welcome. Please write to: jerome.legrand@europarl.europa.eu.

To obtain copies, please send a request to: poldep-expo@europarl.europa.eu

This paper will be published on the European Parliament's online database, '[Think tank](#)'.

The content of this document is the sole responsibility of the author and any opinions expressed therein do not necessarily represent the official position of the European Parliament. It is addressed to the Members and staff of the EP for their parliamentary work. Reproduction and translation for non-commercial purposes are authorised, provided the source is acknowledged and the European Parliament is given prior notice and sent a copy.

ISBN: 978-92-846-2961-9 (pdf)

ISBN: 978-92-846-2960-2 (paper)

doi:10.2861/988248 (pdf)

doi:10.2861/071761 (paper)

Catalogue number: QA-04-18-498-EN-N (pdf)

Catalogue number: QA-04-18-498-EN-C (paper)

Table of contents

1	Introduction	4
2	What London has proposed and what it was hoping for	5
	2.1 The steps leading to the British position	5
	2.2 Implicit hopes destined to be dashed	10
	Box1: The British position and its line of argument in brief: putting the jigsaw back together	13
3	How Brussels responded	14
	3.1 Clear red lines	14
	3.2 But still some margin for negotiation	16
	3.3 The transition agreement	17
4	What the EU texts and the practice say on third countries	18
	4.1 The involvement of third countries in EU defence policies	19
	4.2 The example of NATO and its limits for the EU	21
5	The defence industry and the fledgling EDF	22
	5.1 Context and challenges of Brexit	22
	5.2 The future relationship: scenarios and options	25
6	The PESCO: challenges and options	27
7	Galileo	29
	7.1 The United Kingdom's current involvement	29
	7.2 The position of the United Kingdom	30
	7.3 The challenges of Brexit	31
8	CSDP missions and Battlegroups	33
9	Conclusion and recommendations	36
	9.1 Why Brexit is clarifying things once and for all	36
	9.2 Why the new relationship should initially be tentative and not set in stone	37
	Box 2: Recommendations and their line of argument in brief	40
10	Bibliography	41

1 Introduction

Not so very long ago, the Common Security and Defence Policy (CSDP) of the European Union (EU) was considered one of the major sources of tension between London and the other major EU capitals. In response to every new proposal aiming to enhance this much-plagued area of EU action, British grumbling could be heard in the background of every corridor and meeting room in Brussels. Any progress in this area had to be systematically watered down so as not to come up against the UK veto.

However, since the country announced its intention of leaving the EU, London has been increasingly hinting that it wishes to maintain its role within the CSDP. Over on the other side of the Channel, the attitude towards European defence has never been so constructive, which may seem paradoxical. Because if the United Kingdom actually leaves the single market and customs union, yet remains in the CSDP, it deserves to go down in the annals of the greatest paradoxes in history.

Consequently, the first impression emerging from research carried out in the framework of this study is that the atmosphere of the discussions surrounding the CSDP seems to be less tense and conflict-ridden than in other areas of the negotiations. Firstly, the Europeans (or at least some of them) have proven more conciliatory on this subject. Secondly, due to their desire to remain as closely involved in the CSDP as possible, the British have shown that they have some clear ideas. But this has not been the case across the board: the Irish have failed to benefit from the same clarity of vision.

First impressions, however, can be misleading. It is true that when it comes to defence, Brexit looks like an easier dossier to manage than various others. When it comes to the single market or customs duty, London has no choice: it either leaves or it stays in, in full respect of the Community 'acquis' and the jurisdiction of the Court of Justice of the European Union. Due to their essentially (but not exclusively) intergovernmental nature, on the other hand, foreign policy and common defence policy offer a broader range of options, which should theoretically make it easier to find a compromise and limit tensions.

This conclusion should, however, be qualified slightly in light of recent developments in the CSDP. Since the EU decided to create a European Defence Fund (EDF) and to launch the permanent structured cooperation (PESCO), Brexit may become harder to manage in matters relating to defence as well. The EDF is an initiative of the Commission and, partly, of the European Parliament. It will come under the Community method, which will make possible forms of cooperation with the United Kingdom more complicated. Despite its intergovernmental nature, the PESCO also has a supranational dimension, if we consider that the initiative pursues a solid institutional objective and may benefit from privileged access to the funds made available through the EDF. Here again, therefore, it will not be all that easy to find ways of involving the British.

Despite all that, the difficulties in the CSDP dossier cannot be compared with those which the negotiators must deal with in other areas, such as access to the single market or the Northern Irish question. Concerning this, there is one hypothesis that could be put forward. Obviously, in general terms, Brexit could well be a very bad deal for the United Kingdom and a bad deal for the EU and its members. It is a 'lose-lose' operation, or, rather, a 'lose massively-lose' one. But as concerns the more specific case of defence, this general rule may not apply. Brexit could end up improving Euro-British cooperation in this area. Of course, once it is outside the EU, the United Kingdom could lose some of its influence. But paradoxically, in order to offset this loss of influence, London could be motivated to cooperate with Brussels more and better than it ever did before Brexit. This would allow the Europeans to benefit from a more constructive and engaged partner – and, moreover, one that has been stripped of its veto. This study will try to understand the conditions required for this scenario to take shape.

2 What London has proposed and what it was hoping for

In order to understand the future relationship the British hope to establish with the EU in the field of defence, looking at what they are officially proposing could not be enough. Above all, one must wonder why they suddenly seem to be singing the CSDP's praises. Their renewed interest in this policy can obviously be explained by fears of being marginalised once the divorce is final, particularly if London leaves the single market and customs union. If this happens, the CSDP would in fact be one of the main elements anchoring the United Kingdom to Europe ... while for so long, it has been the weakest link in the chain connecting the island to its continent.

But this is not the only paradox. The new way in which the British are looking at European defence can also, and above all, be explained by the geopolitical upheaval caused by the election of Donald Trump to the Presidency of the United States in the eyes of its principal allies. By coming to power, Trump weakened the assumptions underlying the United Kingdom's traditional opposition to the CSDP, which is based on an unshakeable confidence in the solidity of the transatlantic partnership and NATO. This solidity has, moreover, subsequently been called further into question by another recent geopolitical shock: the policy pursued by the Turkish President, Recep Tayyip Erdoğan. In view of these two new destabilising factors, the idea, French in origin, of giving the EU its own strategic autonomy has never been so relevant¹.

But if the United States is no longer a safe bet for Europe, if its reliability is no longer automatic, and if NATO could be stymied by Turkey, this proves that despite their 'special relationship', the British desperately need the EU, and the CSDP in particular, as well. In view of Trump's attitude to dossiers such as Iranian nuclear or climate change, by the way, they must have realised this. In another paradox, London today seems to need the CSDP as never before in all the years since the policy was launched in December 1998.

2.1 The steps leading to the British position

In this difficult context, it was only by degrees and very cautiously that the British started to show their hand in defence matters. Initially discreet and vague, the subliminal messages being sent by the United Kingdom to the EU on this subject have become more explicit as the months have gone by. However, they were still absent from the highly anticipated first major speech on Brexit made by Theresa May on 17 January 2017 at Lancaster House. This was first and foremost an opportunity for the British Prime Minister to clarify her vision of the divorce and subsequent new relationship with the EU.

The Lancaster House speech of 17 January 2017 and its 'Churchillian' intonation

At Lancaster House, matters relating to foreign and defence policy were only very briefly touched upon. May went no further than to remind her partners on the other side of the English Channel of the United Kingdom's importance on the international stage, for instance stressing that London has a permanent seat and right of veto at the UN Security Council. She then pledged to maintain Britain's commitment to the security of Europe intact.

The Lancaster House speech is interesting not so much for its content as for the 'Churchillian' intonation with which it was delivered. It was in this speech that the Prime Minister officially launched the slogan 'Global Britain', explaining that in the referendum on Brexit, the British people had chosen to '*leave the European Union and embrace the world*'², as if the two were mutually exclusive. The similarity to the image

¹ For more information on the origin and significance of the concept of strategic autonomy, see the study MAURO Frédéric, '*Autonomie stratégique – Le nouveau Graal de la défense européenne*', *Les Rapports du GRIP*, n°. 1/2018.

² '*The government's negotiating objectives for exiting the EU: PM speech*', speech by the British Prime Minister, Theresa May, at Lancaster House on 17 January 2017.

of the 'open sea' that her illustrious predecessor, Winston Churchill, once contrasted with the old continent in one of his legendary rows with Charles de Gaulle is unlikely to be a coincidence.

The White Paper of February 2017 lays the foundations for the British position

Two weeks after this speech, the UK government adopted a White Paper on Brexit, which was also highly anticipated³. This would clarify the British position. Point 11.9 of this text states that London intends to use its '(...) privileged position in international affairs to continue to work with the EU on foreign policy, security and defence'. As we will see, this sentence is not as much of a soundbite as it might appear. The White Paper goes on to announce that the United Kingdom intends to reinforce its bilateral relations with the countries of the old continent. The points that follow stress London's contribution to the CSDP, a contribution that is presented as an out-and-out success.

At this stage, the UK position on the CSDP may still be looking somewhat vague and inconsistent. However, the principal embryonic elements of the British strategy are already in place and there are two of them:

1. First of all, the British consider that they have a privileged position in the world, and most specifically within the UN. They are asking for a corresponding privileged relationship with the EU. Implicitly, this could mean that if the Europeans hope to benefit from the advantages the UK has to offer (in particular, its importance on the UN Security Council), they will have to grant it special access to the CFSP and the CSDP in return.
2. The second pillar of the British strategy consists of relaunching bilateral relations with the EU member states by the signature of specific new agreements or reinforcing existing ones.

The position paper of 12 September 2017 stressing the UK role in the world

From the time the British decided to leave the EU, it would take more than a year for these two elements (privileged relationship with the EU and renewed bilateral relationships with its member states) to become more clear and explicit. It was not until 12 September 2017 that the government of the United Kingdom would publish a political document setting out its official vision of future relations with the EU in terms of foreign policy, defence and development cooperation⁴.

In this document, London announces that it wishes to continue to be associated with the CSDP, one way or another. It hopes to establish a **deep and special relationship** with the EU, going beyond the forms of cooperation that currently exist between Brussels and third countries. What the British want is to remain involved in the various processes concerning the political decisions made under the CSDP.

If one were to compare the Brexit negotiations to a game of poker, most of the cards the United Kingdom has got up its sleeve concerning the CSDP can be found in the document of 12 September 2017. To justify the special and unique treatment it is calling for, the United Kingdom is at pains to remind the EU and its members of the assets it can bring to the table. Of the 22 pages that make up the document in question, the first 17 are devoted to listing London's contribution to global affairs. The list is impressive:

- ✓ Military and projection capacity unrivalled in Europe,
- ✓ One of the most extensive and effective diplomatic networks,
- ✓ Intelligence services known and respected throughout the world,

³ HM Government, Department for Exiting the European Union, [The United Kingdom's exit from, and new partnership with the European Union](#), White Paper, 2 February 2017.

⁴ HM Government, Department for Exiting the European Union, ['Foreign policy, defence and development: a future partnership paper'](#), Policy Paper, 12 September 2017.

- ✓ Renowned and technologically advanced defence industry (the British defence R&D budget represents 40 % of the total budget of the EU countries),
- ✓ Development cooperation meeting the 0.7 % of GDP called for by the UN,
- ✓ Military spending meeting the 2 % of GDP called for by NATO,
- ✓ Second-largest contributor to the Atlantic Alliance,
- ✓ Permanent seat on the Security Council and a veto,
- ✓ Nuclear deterrent...

... Without a doubt, Theresa May wanted to make sure that her European partners knew she meant business...

Finally, after this lengthy development, the last five pages of the document of September 2017 list the fundamental principles on which the relationship the United Kingdom hopes to build with the EU should be based. In the specific cases of the CSDP and defence market, the British government would like:

- 1) Systematic consultations with Brussels to adopt common positions (CFSP), particularly in the field of sanctions, but others as well,
- 2) To have the possibility to participate in civil and military crisis management missions under the CSDP, plus involvement in their political and strategic planning, commensurate with the level of its contribution,
- 3) To benefit from as open a defence market as possible,
- 4) To collaborate with the European Defence Agency (EDA),
- 5) To be involved in future defence industry financing programmes as the Preparatory action on defence research (PADR), the European defence industrial development program (EDIDP), the PESCO, the future EDF,
- 6) Seamlessly to continue working with the EU in the field of space and dual-use technologies, particularly in the framework of the Galileo and Copernicus programmes.

However, no subsequent clarifications have been provided as to how these principles should become reality. It will take a little longer before it is finally understood.

The speech in Florence on 22 September 2017 and the request to be 'creative'

Theresa May would provide additional clarifications neither in Florence on 22 September 2017, nor at the security conference in Munich on 17 February 2018. The British Prime Minister would make two more well-received speeches on Brexit in both of these cities, but would remain sparing with the details: no concrete suggestion would be forthcoming as to how the Euro-British relationship would work in security and defence matters. Despite this persistent omission, May's semantics may provide a few interesting clues as to the British aspirations and state of mind.

In Florence, May focused on the need to find solutions that are both 'creative' and 'practical'. The word 'creative' appears five times in her text. She calls for openness to 'new thinking' and for being 'imaginative' (a word she used twice)⁵.

These expressions, which have been repeated several times, seem to mask a certain anxiety over the basic request the British have put to the negotiators involved in Brexit. A basic request that never, moreover,

⁵ ['A new era of cooperation and partnership between the UK and the EU'](#), speech by the British Prime Minister, Theresa May, in Florence on 22 September 2017.

appears explicitly, and which could be summed up as follows: find a way of involving the United Kingdom, even partially, in the process of making decisions in the field of the CFSP/CSDP. So far, nobody has been in a position to identify such a way.

The Munich speech and calls for a specific transitional agreement

In Munich, May went no further than to reiterate, once again, the general principles set out in the position paper of 12 September 2017. She said that the EU's decision-making autonomy and the sovereignty of the UK must be respected. However, she then went on to stress (but once again, not quite explicitly) the principle that London could be involved in EU decision-making if it decides to get involved in its actions («...the UK must be able to play an appropriate role in shaping our collective actions ...»)⁶.

However, one major new idea made its début in the Bavarian capital. In her speech, May asked her European counterparts for questions of internal security (European arrest warrant, Europol, Schengen Information System) and external security (CSDP and CFSP) to be included in separate transitional agreements. In reality, she is calling for a proper stand-alone treaty on internal security matters, whilst for defence, she uses the looser expression 'separate provisions'. A few month days later, in a formal proposal adopted on 21 February 2018, London referred back to this point, calling for an agreement on CFSP/CSDP, or at least transitory provisions in this area, to be able to enter into force as soon as the United Kingdom leaves the EU, on 19 March 2019⁷.

Why a specific and separate agreement in the fields of CFSP/CSDP

The idea of separating the CFSP/CSDP dossier from the economic dossiers was mooted by the EU in 2017. The European Commission even made a specific proposal to this effect on 7 February 2018, which it then included in its proposed agreement on the withdrawal of the United Kingdom, published on 28 February of the same year.

In her speech of 17 February, and in the document of 21 February, however, Theresa May told the European institutions that she wished to speed up negotiations.

There are no prizes for guessing why. During the transition period, which is expected to run from 30 March 2019 to 31 December 2020, the United Kingdom will be able to continue to benefit from the advantages available to members of the EU. However, it will have to pay its share of the European budget and will be required to respect the Community acquis, but without being able to take part in the decision-making process. It will give British companies an extra 21 months to adapt to the new post-Brexit context.

In the fields of defence and foreign policy, however, this problem does not arise. It is entirely in London's interests to set the terms of its cooperation with the EU in this field as soon as possible, rather than having to comply with decisions made in Brussels with no chance of influencing them. Ms May is therefore insistent that consultation and coordination mechanisms in the field of CFSP/CSDP be adopted immediately, so that they can be up and running by 30 March 2019.

Sources: ⁸ ⁹ ¹⁰

⁶ ['PM speech at Munich Security Conference'](#), speech by the British Prime Minister, Theresa May at the Security Conference in Munich on 17 February 2018.

⁷ HM Government, ['Draft text for discussion: Implementation period'](#), 21 February 2018.

⁸ The idea of separating the CFSP/CSDP from economic and trade questions was raised in the guidelines adopted by the European Council on 29 April and 15 December 2017.

⁹ European Commission (Task Force 50), ['Position paper on the Transitional Arrangements in the Withdrawal Agreement'](#), TF(50) 30, 7 February 2018.

¹⁰ European Commission (Task Force 50), ['European Commission Draft Withdrawal Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community'](#), TF50 (2018 33), 28 February 2018.

Another key element cropped up in the Munich speech, this time concerning internal security matters: May referred to the possibility that in certain cases, her country would be able to accept the jurisdiction of the CJEU in return for being allowed to participate in Europol activities. This is absolutely the first time that such openness has been shown towards the European Court and therefore bears repeating here, even though it has nothing to do with either the CFSP or the CSDP.

Finally, as in Florence, there was a small semantic curiosity in the Munich speech that is worth reporting. In her speech on the Bavarian capital, May requested that after their divorce, her country and the EU find a way to retain the pre-existing level of co-operation in internal security and defence, and even to expand it («...to retain the co-operation that we have built and go further...»)¹¹. The British Prime Minister went on to say that this objective could not be inhibited by 'rigid institutional restrictions' or 'deep-seated ideology', as this would ultimately 'jeopardise the security of our citizens'².

Looking at the vocabulary, and particularly the use of the word 'retain', one might deduce from this that May is hoping to maintain almost intact the United Kingdom's access to the internal and external security policies of the EU. And concerning exterior security policy in particular, one might be tempted to suspect that London effectively hopes to continue to be a full player in the CSDP.

The Mansion House speech and the question of 'cherry-picking'

On 2 March 2018, Theresa May would give a fourth stirring speech on the post-Brexit relationship¹². Although the British Prime Minister this time focused mainly on economic and trade issues, she did take the opportunity to display an arsenal of arguments that could be used in the negotiations on security and defence. The same lines of argument, moreover, have been echoed in the discourse of British officials in Brussels who were interviewed in the framework of this study.

At Mansion House, Theresa May stressed that it was not her wish to indulge in 'cherry-picking', in other words to decide to respect such EU provisions as she chose to respect, whilst disregarding the less convenient ones. She pointed out that agreements entered into by the EU with third countries have always been tailor-made. With regard to this, she referred to the EU's relations with Canada, Norway, South Korea and Ukraine. She stressed how, in all of these cases, Brussels had agreed to a greater or lesser degree of integration in some areas than in others, depending on the interests of the stakeholders and the specific political and economic contexts. She went on to wonder why, this being the case, the same flexible approach should not be adopted towards her country and, in particular, why the specifics of her country should not be taken into account through a privileged agreement, given that, following its withdrawal from the EU, the United Kingdom would become its closest and most integrated third country.

This same argument can be found in the negotiations on security and defence. As previously mentioned, the EU and the UK have agreed that it may be possible to sign a specific arrangement in this area. We have also seen that the British are calling for this to be adapted to the particular status held by their country in the world and with regard to Europe: consequently, they are hoping for privileged and unique access to the CSDP.

To back up this request, however, the British officials stress that the provisions of the EU associating third countries with the CFSP and the CSDP currently in force vary from country to country¹³. This is an area, they argue, in which there are as many different legal frameworks as there are associated third countries. Once again, therefore, if the EU can adapt the terms and conditions of its security and military cooperation to the

¹¹ '[PM speech at Munich Security Conference](#)', op.cit..

¹² '[PM speech on our future economic partnership with the European Union](#)', speech by the British Prime Minister, Theresa May, at Mansion House (London) on 2 March 2018.

¹³ This is the case, for instance, with the Framework Participation Agreement and administrative agreements of the European Defence Agency, which this study will examine in greater detail.

circumstances and characteristics of its partners, why can it not grant the United Kingdom a special and specific agreement in the field of defence, reflecting the country's importance in security affairs, in Europe and the world?

Britain's Proposals of May 2018

The final step in this long process, which led the United Kingdom to define the desired type of cooperation with the EU, was taken on 9 May 2018, when London published a new document specifically dedicated to internal security and defence, called 'Framework for the UK-EU Security Partnership'.

A Power Point presentation, this text appears to have been published to provide an update on discussions held through to May 2018. As a result, the document can only bring few innovations, given the virtual absence of progress in the negotiations to this date. However, the British appear this time as more realistic, and seem to recognise that access to EU decision-making is far from certain. Thus, much as they did in Munich, they recognise once again that the EU's (and their) autonomy of decision-making has to be respected.

While Theresa May's government finally seems to admit that it can no longer be directly involved in decision-making, it still hopes to be able to access and influence it. London therefore stresses the need for a new, special and deep relationship that is unique and goes beyond the EU's traditional relations with other third countries. This translates into the development of a series of options, the formulation of which once again remains vague. Here is what Britain is asking for:

- Regular and structured consultations at all levels, with no specified frequency or nature of the dialogue's structure;
- To establish a programme for the exchange of officials (this is the only real novelty);
- To adopt an agreement on the exchange of sensitive information (a prerequisite for any form of cooperation);
- To be able to participate in CSDP missions, which implies, but does not explicitly say so, that they wish to continue to have access to the command and strategic planning of these missions as well as of the Battle Groups;
- To remain involved in the political and strategic planning of the European Defence Agency;
- To participate in programmes and projects carried out within the framework of PESCO, EDF and Galileo, without specifying if they wish to access the strategic planning of these tools.

2.2 Implicit hopes destined to be dashed

The objective of the British, to remain anchored to the CSDP and its policies, is, when all is said and done, very much in the nature of things and very much in their interests. The problem is not so much understanding what they are hoping for, it is understanding how they hope to obtain it. On that point, despite the very many speeches made on the subject by Theresa May's cabinet and the handful of documents adopted, nothing official has been spelt out. If we turn back the clock a couple of months, however, we might find a few ways forward that are interesting, albeit unofficial.

On 26 April 2017, at an inter-parliamentary EU conference in Malta¹⁴, a few more specifics began to filter through from Westminster. Crispin Blunt, at the time Chairman of the Foreign Affairs Sub-Committee of

¹⁴ Inter-Parliamentary Conference on Common Foreign and Security Policy and on Common Security and Defence Policy (CFSP/CSDP), Valletta, Malta, 28 April 2017.

the British House of Commons and early supporter of Brexit, distributed a document at this conference listing proposals on possible forms of cooperation between the EU and the United Kingdom in the field of defence¹⁵.

Blunt's text starts by stating clearly that the suggestions presented in his paper are not those of either his government or his party: it is merely a parliamentary contribution to a debate that must get underway, sooner or later. However, the fact that Blunt was the Chairman of the Foreign Affairs Sub-Committee of the British Parliament at the time, a member of the Tories and one who managed to win back his own seat in the general elections of June 2017 to boot, all suggest that he was not completely without connections to the British government when he put together his proposals.

As we will see below, it was Blunt's text that set out, for the first time, the concept of a 'special' and 'deep' relationship with Brussels in the field of defence, that would make an appearance a few months later in the position paper published by Theresa May's government. And it is, again, this same Blunt document that introduces the idea that given the separate identity of the British and their status in the world, they could benefit from a role within the CFSP and the CSDP that is greater than that of other third countries. Finally, Blunt was, once again, the first to refer to the hypothesis of entering into a specific and separate agreement with the EU in the fields of the CFSP and the CSDP.

In short, the man does not appear to be a total stranger to the official wording and positions that the May government would subsequently go on to adopt. In any event, Blunt's paper is still to this day the only exercise that concretely sets out the general and abstract principles that have been hinted at by the British authorities

CSDP missions

Blunt's proposals are far-reaching. Too far-reaching, no doubt, in view of the legal constraints enshrined in the European Treaties. The British politician proposes three arrangements for his country to be closely involved with CSDP missions, the work of the Political and Security Committee (PSC) and the stances taken and decisions made by the EU.

To begin with, Blunt proposes that the UK and the EU stipulate a framework agreement in the field of the CSDP. In reality, he is proposing something that goes beyond a simple framework agreement. To understand this, we must briefly touch upon what constitutes the EU's framework agreement in the field of defence (*Framework Participation Agreements – FPA*), as Blunt himself does.

The civil and military crisis management missions carried out under the CSDP are open to contributions from other states that are not members of the EU. In this way, a good twenty non-EU member states have contributed to CSDP missions to date. To establish the terms of cooperation in this area, the EU has signed several framework agreements with countries likely to come on board with it (such as Canada, Montenegro, Norway, Ukraine, Turkey, but also the United States). These agreements provide for non-EU countries participating in a mission to be involved in day-to-day management operations. However, it does not provide for them to participate in political decision-making or in the upstream definition of the terms for intervention. If a non-EU member state that has signed an FPA decides to support an EU mission, it joins in on a posteriori basis. The command is systematically given to an EU country and only the EU countries taking part in the mission are involved in deciding on how the posts are divided up within it.

These conditions are obviously not going to be acceptable to a country of the size and standing of the United Kingdom. Blunt therefore suggests that the UK and the EU sign a deep and special framework agreement (which he refers to as an *Enhanced Framework Participation Agreement*), to allow London to be

¹⁵ ['Post-Brexit EU-UK Cooperation on Foreign and Security Policy'](#), discussion document submitted by Crispin Blunt to the Inter-Parliamentary Conference on the CSDP of Malta, 28 April 2017.

a stakeholder in the political decision-making and strategic planning of the operations in which it wishes to participate. He also suggests that if appropriate, the United Kingdom could take command of a CSDP mission. He substantiates this by referring to the naval mission ATALANTA off the coast of Somalia, at the time under British command, suggesting that it could remain so after Brexit. Blunt also proposes that if required, the UK could make the Northwood HQ, which is currently home to the ATALANTA mission, available for CSDP actions. Finally, he proposes that the EU External Service could take on British personnel to assume his country's role in the EU's military crisis management.

PSC

Blunt's second proposal concerns PSC, the Political and Security Committee of the EU. Blunt would like a British representation to have observer status on this committee, '*to shape, but not make decisions*'¹⁶. He argues that this right should not be granted to other third countries participating in CSDP missions: the aim here would be for an exclusively British prerogative, in view of the special relationship the country would enjoy with the EU and its privileged role in global affairs. Blunt would like the British ambassador with a seat on this committee to have the right to address it and to propose subjects for inclusion on the agenda, but without having any voting rights. He also acknowledges that, with regard to certain subject areas to be defined by agreement between the UK and the EU, the ambassador could be required not to attend certain meetings.

Taking stances and making decisions under the CFSP

Finally, the Blunt paper tackles the controversial question of the common stances and decisions adopted by the Council of the EU under the CFSP. More than military affairs specifically, it is the subject of sanctions that is of concern to the British in this area. The idea that the EU could adopt or impose sanctions on a country such as Russia without taking account of London's views is obviously hard to swallow. Blunt therefore proposes regular high-level dialogue between the two sides of the Channel. On this point, the British politician does not go into details and arguably shows a certain lack of understanding of how the European institutions work, or at least there is a degree of confusion between the roles of PSC, COREPER (to which he does not refer) and the Council. Even so, the objective remains clear: finding a way of letting the UK have a say in the political decision-making.

* * *

With this document, was Blunt acting as a pathfinder for Theresa May, or was this just a personal contribution to the debate? Above and beyond the response (which cannot be forthcoming for this question), his text does have the merit of finally getting into the heart of the debate. The principles referred to by May, indeed, can only be broken down by putting them in the form of requests which will look very much like those put forward by Blunt. The idea that representatives of the United Kingdom could take their seats in the political bodies of the CSDP was, moreover, definitely something the negotiators on the other side of the Channel have considered. Although they seem now to be aware of the legal obstacles to this, they still hope that various *ad hoc* structures, such as specific committees, could be created to get around them¹⁷.

Crispin Blunt will only have been the first to try to exercise this imagination and creativity invoked by Theresa May in the city of Michelangelo's birth.

¹⁶ '[Post Brexit EU-UK cooperation on foreign and security policy](#)', speech by Crispin Blunt at the Inter-Parliamentary Conference on the CSDP held in Malta on 28 April 2018.

¹⁷ Interviews with British and European officials involved in the negotiations.

The British position and its line of argument in brief: putting the jigsaw back together

The United Kingdom points out that in the fields of security and defence, the **EU has for a long time been cooperating with third countries on flexible bases, adapted to each partner and each context**. It therefore hopes that its own specific nature can be taken into account.

With regard to this, the British point out that they have a **privileged position in the world**, particularly within NATO, and are calling for a commensurate **deep and special relationship with the EU**, reflecting their role in global affairs. Implicitly, this could mean that if the Europeans want to benefit from the advantages the United Kingdom can offer, they will have to grant them special access to the CFSP and the CSDP in return.

More specifically, the British wish to **preserve, or even increase, the existing level of cooperation with the EU** in the sectors of security and defence, even though they are leaving the Union.

London would like these matters to be the subject of a **separate agreement**, and for **interim provisions** to be adopted in this area as quickly as possible, so that they can enter into force from the very start of the transition period (30 March 2019).

London recognises that it must lose its voting rights and veto within the EU. But it hopes to be involved in a **structured and systematic dialogue** with Brussels. And when it decides to take part in an EU policy carried out under the umbrella of the CFSP/CSDP, it would like to be able **to be involved, one way or another, in making the decisions**.

The British are not taking a clear position on their **possible representation within the CFSP/CSDP structures**. The personal and informal document by Crispin Blunt, however, suggests that they would like to enjoy a special status on these bodies. If this is not possible in the framework of the Council, Coreper or PSC, the British negotiators want **new structures or committees** to be created.

They are calling for the EU to show '**creativity**' and '**imagination**'. They would like to see an approach that favours '**pragmatic**' solutions over '**ideological**' ones, and they would like the EU to move away from its '**institutional rigidity**', to allow them to cooperate with as much efficiency as possible, in the name of the security of citizens on either side of the English Channel.

Specifically, once it has left the EU, the United Kingdom would like the following things:

1. Systematic consultations with Brussels with a view to adopting **common decisions and policies**, notably in the field of sanctions, but in other areas as well,
2. To have the option to participate in **civil and military crisis management missions** carried out under the CSDP, with involvement in their political and strategic planning processes, commensurate with the level of its contribution,
3. To benefit from as open a **defence market** as possible,
4. To collaborate with the **European Defence Agency** (EDA),
5. Involvement with forthcoming **defence industry financing programmes** (preparatory action, EDIDP, PESCO, the future EDF),
6. Seamlessly to continue cooperation with the EU in the field of **space**, for instance in the framework of the dual-use applications of the Galileo and Copernicus programmes.

Finally, another important element of the British strategy is to relaunch bilateral relations with the EU member states by signing new specific agreements or reinforcing existing ones.

3 How Brussels responded

In continental Europe, many people spoke out in favour of close cooperation between the EU and the United Kingdom in defence matters. *'Trade can be transactional; security is not'*, said Wolfgang Ischinger and Stefano Stefanini in a preparatory document ahead of the 2018 Munich Security Conference. They went on to point out that British military capability represents between 25 % and 30 % of total EU capacity: *'too little for the UK to stand alone (...), too much for the EU to do without it'*. Finally, they called for the EU to make the UK a generous offer¹⁸.

Since London decided to chart a course for the 'open sea', there has been a myriad of calls upon the EU from diplomats, military circles, industry, expert and think tanks to be generous and merciful. There have not, however, been quite the same number of explanations as to how such close cooperation could take shape in reality. Apparently, Theresa May and her government are not the only ones to be evasive on this point.

3.1 Clear red lines

This generous offer may be necessary, but it is easier said than done. There are many obstacles to be overcome, some of them of a legal nature (as Crispin Blunt should have understood). As is often the case, however, the political obstacles are the hardest of all to get around, particularly when they are hiding differing interests that cannot easily be reconciled. And in the framework of Brexit, the differing and irreconcilable interests between the EU and the United Kingdom are many in number and, as far as the EU is concerned, existential in nature.

The member states, indeed, cannot afford to allow the United Kingdom to shape their common policies once the divorce comes through. If they did, what would they be members of? It is a matter for the very survival of the European institutions and, with them, the integration project. This general principle is now recognised by all players in the negotiation, including London. But as we have just seen, a nagging doubt nonetheless persists: should the security and defence sectors not be the exception to this rule? This, in any case, is what Ischinger and Stefanini were driving at when they said that although trade could be transactional, security cannot.

The main argument in favour of an exemption for the CFSP/CSDP is rooted in the United Kingdom's military might and political influence in the world, which Theresa May's government has lost no opportunity to reiterate in official speeches and documents. Several member states, such as the Netherlands, Sweden, Poland and the Baltic states, seem to be open to this reasoning. Other countries that have taken a tougher stance over Brexit (Germany and France, as well as the Commission) also recognise the specific and unique nature of the defence sector. It is therefore highly likely that separate arrangements on this will emerge. However, there may be a degree of disappointment in store for the British.

The nature of the requests made by London raise a fundamental problem, which makes them hard to swallow. It is an issue that ultimately reflects all of the difficulties in the Euro-British divorce. If, as a third country, the British should remain involved, one way or another, in the decision-making bodies of the CFSP/CSDP, as they are in fact calling to be allowed to do, they will end up with a status that is equivalent to that of the whole EU. Which means that London would carry the same weight as 27 capitals. Ultimately, this is exactly what May meant when she said, in her speech in Florence, that her country wanted to *'work hand in hand with the European Union, rather than as part of the European Union'*.

¹⁸ ISCHINGER Wolfgang, STEFANINI Stefano, ['There is more at stake in Brexit than just trade'](#), Monthly Mind - December 2017, Munich Security Conference. Wolfgang Ischinger is the president of the Munich Security Conference. Stefano Stefanini is a former adviser to the Presidency of the Italian Public.

This would mean that London's position outside the EU would be more advantageous than if it were a member. Yet, the negotiating mandate conferred by the Council upon the European Commission makes no concessions on this point: the position of third countries must be less beneficial than that of members. And the corollary of this principle is that no member state can cherry-pick the EU policies it wishes to participate in, without participating in the entire project¹⁹.

In light of these considerations, we can understand why the 'generous offer' referred to at the beginning of this paragraph is hard to put into practice. The Commission's negotiators were obliged to show minor sensitivity than others to the wishful thinking expressed in this field, when they traced the following red lines:

- The EU's decision-making autonomy cannot be called into question. The UK will not have representatives or permanent observers on the **decision-making bodies of the CFSP/CSDP** or its agencies (PSC, COREPER, other committees, Council, EDA, etc.). More generally, it will not have representatives or permanent observers within the structures of the Council. A specific dialogue with London is, however, envisaged.
- Regarding the more specific case of the **European Defence Agency**, the UK may hold a status of associate, but it will not be a member of it and will not be involved in making the decisions. However, London may participate in capabilities programmes.
- The UK will no longer be able to hold the command of **battlegroups** and must therefore give up the one it was supposed to have in the second half of 2019 (however, third countries may contribute to battlegroups).
- Civil and military crisis management missions carried out under the CSDP may no longer be commanded from the **operational headquarters (HQ) of Northwood**.
- The HQ of the naval military mission **ATALANTA** will therefore be transferred to Spain or Italy.
- The command of the **ALTHEA** mission must also be transferred or revised (this mission is currently subject to the Berlin+ rules and is therefore under the command of the NATO D-SACEUR, who is a British national).
- British officials may no longer hold **command posts** in CSDP missions. London may, however, be associated with the missions.
- In the framework of the **EDF (EDIDP and PADR)**, the UK will be excluded from the programme committees from the transition phase onwards (unless it is invited to participate under exceptional circumstances, but with no voting rights). However, during this period, British companies may take part in calls for proposals, although few exceptions have been set in place. After 2021, the UK's participation will be entirely redefined. A priori, the country will be subject to the rules in place for third countries.

¹⁹ - European Parliament, 'Resolution on negotiations with the United Kingdom following its notification that it intends to withdraw from the European Union', (2017/2593(RSP)), of 5 April 2017.

- European Council, 'Guidelines', 29 April 2017.

- European Parliament, 'Resolution on the state of play of negotiations with the United Kingdom', (2017/2964(RSP)), of 13 December 2017.

- European Council, 'Guidelines on Phase 2', 15 December 2017.

- European Commission (TF50), 'Internal EU27 preparatory discussions on the framework for the future relationship: Security, Defence and Foreign Policy', TF50 (2018) 25 - Commission to EU, 11 January 2018.

- Council of the European Union, 'Draft guidelines', 7 March 2018.

- European Parliament, 'Draft of the resolution adopted the 13 March 2018'.

- British participation in projects under the **PESCO** will be possible only by invitation and on a project-by-project basis, with no involvement in the management bodies. More detailed rules will be set out by the end of 2018.
- In the framework of the space programme **Galileo**, the UK will be excluded from the programme committees and expert groups from the transition phase onwards. The backup site of the Galileo Security Monitoring Centre will move to Spain (the backup site was based in Swanwick and the main site in France). London may have limited access to the Public Regulated Service (PRS), for which agreements will have to be concluded²⁰. The future relationship in this field is still anybody's guess, and the source of considerable contention within the industrial sector.
- Finally, the EU clarifies that no foreign and defence policy arrangement may be entered into with the UK unless a **Security of Information Agreement** has first been adopted.

3.2 But still some margin for negotiation

The EU announced these red lines well before talks on the transition phase began, and not without a degree of confidence²¹. Despite its firmness, however, the position of Brussels does present a degree of ambiguity, which ultimately means that the EU is ready to negotiate.

Firstly, it is worth noting that the terms of the United Kingdom's involvement in CSDP missions are still entirely up in the air. Admittedly, the British will no longer be able to hold command posts. But it has yet to be defined what exactly this means. Michel Barnier was himself fairly ambiguous about this when he told a conference in Berlin that *'any voluntary participation of the United Kingdom in European defence will confer rights and obligations in proportion to the level of this participation'*²². In view of the military capabilities (particularly strategic ones) at the disposal of the British, which the Europeans all too often desperately lack, a degree of openness on the part of the EU in this area is therefore not something that should be ruled out.

The conditions for participation in programmes such as the EDF, the PESCO, the EDA or Galileo also feature some margin of uncertainty, albeit to a lesser extent. In March 2018, moreover, the European Parliament (EP) adopted a resolution on the future relationship between the EU and the United Kingdom which takes on a much more conciliatory and open tone on defence matters than in other areas. This shows that the EP also considers CFSP/CSDP to be a subject that deserves particular treatment in the framework of Brexit²³.

But it is on precisely this question of the special and unique relationship called for by the United Kingdom that the EU has shown the greatest ambiguity. Brussels' response to this request has in fact been 'yes' and 'no'. It said 'yes' when it stated that specific dialogue mechanisms could be set in place with London, for instance with regard to its privileged status at the UN Security Council. And it said 'no' when it subsequently clarified that the relationship with the United Kingdom would have to be set within the framework of the rules governing the involvement of third countries in the CSDP²⁴. Concerning this point, the EU goes on to state that any arrangement with the British must not jeopardise the EU's relationships with other non-member states, such as Norway, which may not find it easy to swallow the idea of London benefiting from special rights that are denied to them.

²⁰ The PRS (*Public Regulated Service*) is the encrypted signal of Galileo to be used only by governments, security forces and the military.

²¹ Negotiations on the transition started in January 2018. However, these red lines, some of which were already included in the guidelines of April 2017, were also clearly set out by Michel Barnier in a speech at the Berlin security conference in November 2017 (see note below).

²² Michel Barnier, Speech at the Berlin Security Conference, Berlin, 29 November 2017.

²³ European Parliament, 'Draft of the resolution adopted the 13 March 2018'.

²⁴ Interviews within the EU + European Commission (TF50), 'Internal EU27 preparatory discussions on the framework for the future relationship: Security, Defence and Foreign Policy', TF50 (2018) 25 - Commission to EU, 11 January 2018, p.8.

To summarise, the EU recognises that special dialogue needs to be set in place with the United Kingdom, but goes on to stress that this should not discriminate against other third countries. So, what is the answer? It seems obvious that London should not be able to send observers (or, still less, representatives) to PSC, the Council or anywhere else. Theresa May would appear, furthermore, to have given up on the idea of making an official request to that effect. It should be borne in mind that in the field of the CFSP/CSDP, the structures of the Council work by consensus. The member states virtually never vote within it. If the UK were to send observers, they would automatically end up with almost the same importance as full members. This is not a scenario the EU can consider.

The possibility of creating bespoke dialogue structures for the United Kingdom, on the other hand, is seen in Brussels as a possible compromise. The problem is, however, to understand the periodicity of this dialogue and the level at which it should be held. On this point, frictions are likely to persist between London and Brussels, as the EU want avoid too many constraints in this context. The decision-making process of a Union of 28 member states is already extremely complicated as it currently stands. If, before every meeting of the Council or Coreper, the member states would have to hold consultations with a British representative and, possibly, representatives of other third countries, EU decision-making would become entirely unmanageable²⁵.

In light of these factors, the shape that the Euro-British relationship may take in defence matters still appears opaque and incomplete. The only certainty that exists at this stage is that the UK will be able to enjoy a special dialogue channel with the EU. This means something and nothing. And the provisions set out in the transition framework do not seem to provide many more clues to this.

3.3 The transition agreement

The provisions on the transition period (referred to by the British as the 'implementation period') will be integral to the withdrawal agreement to be ratified by the European Parliament and Westminster before 29 March 2019. The transition is to last for 21 months (from 30 April 2019 to 31 December 2020) and aims to allow the British and their businesses temporarily to retain the benefits conferred by EU to its members. In return, the United Kingdom will have to respect the European treaties and the Community acquis. It will also have to continue to pay its contribution into the budget and, as a third country, it will no longer be able to participate in the decision-making process of the EU or the political life of its institutions.

The transition agreement contains a number of points directly or indirectly concerning defence and foreign policy. These points are worth flagging up, as they tend to confirm that Brussels is indeed prepared to establish a special dialogue framework with London, even though it currently remains vague and ill-defined.

First of all, we note that the transition provides for a major derogation concerning defence and foreign policy. If the EU and the United Kingdom reach an agreement in these areas before the end of the period, then London will no longer have to comply with the provisions of the European treaties on the CFSP and the CSDP. The rules set out in the new agreement will apply²⁶.

The duration of the transition may, therefore, be shorter in the field of defence and foreign policy. This is a considerable concession made by the EU, given that during this period, the United Kingdom will be excluded from the EU decision-making bodies. Indeed, if any new agreement emerges through accelerated negotiations with the aim of halting the transitional rules, this will probably be done in order to allow

²⁵ Interviews within the EU.

²⁶European Commission (TF50), Draft Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, TF50 (2018) 35 – Commission to EU27, 19 March 2018, art. 122.2.

London a better relationship with the CFSP and CSDP than what this transition allows. For this reason, a clause of this kind is seen by the British as confirmation that the EU is inclined to give them special treatment in the fields of the CFSP/CSDP.

Another element would appear to confirm this. The transition agreement provides for a joint committee to be set up to monitor its implementation²⁷. This structure would be made up jointly of representatives of the United Kingdom and the EU and may be convened by request of either party. Obviously, this committee will not concern itself specifically with either the CFSP or the CSDP, but the transition agreement as a whole. But once again, this provision may be interpreted as an embryonic structure that will eventually govern the special dialogue the British are calling for.

Finally, the transition period makes exceptional provision for London to opt out of compliance with decisions adopted by the EU under the CFSP. The procedure to be followed for this is very simple: Her Majesty's government must simply send a formal statement, giving reasons, to the High Representative, notifying her that the decision in question will not be respected²⁸. The UK will also be able to negotiate international agreements with third countries between 30 March 2019 and 31 December 2020, although these will not be able to enter into force until 2021 if they cover matters of Community competence²⁹. This derogation was carved out to allow London to rebuild a network of trade relations. However, it shows flexibility on the part of Brussels in matters of external relations.

The concessions referred to here are real, but still entirely theoretical. They do not yet allow any conclusions to be drawn as to the form that the Euro-British relationship may take in the future. Finally, the EU has merely confirmed its willingness in principle on two points: it is prepared to negotiate a separate agreement on the CFSP/CSDP as soon as possible, and it is prepared to look into the possibility of establishing a specific dialogue with the United Kingdom.

The concept of 'swift negotiations', however, is still a relative one for an institution of 27 members, like the EU. There is absolutely no guarantee that a CFSP/CSDP agreement may enter into force before the end of the transition period. As for the specifics of the future relationship between Brussels and London, the EU has yet to explain the form this will take compared to the other third countries.

4 What the EU texts and the practice say on third countries

Did Theresa May go full circle in her Mansion House speech of 2 March 2018? In this occasion, the British Prime Minister reminded her European partners that the EU had always entered into flexible agreements adapted to the specific nature of third countries. This observation aimed to justify the British calls for a privileged partnership, given the status enjoyed by the United Kingdom in the world.

Generally speaking, it is true that the EU adapts its relationships with third countries to the circumstances and context. And, when so doing, the size and weight of its partner is certainly taken into account. However, the EU tends to enter into deeper relationships with states that come closer to its policies and Community acquis. This means that if the United Kingdom should leave the customs union and the single market, then going by May's logic, it should have a less deep partnership than, say, Norway. Yet, returning to the field of defence, Norway (and other third countries) have signed agreements and arrangements with the EU that would not give the UK the degree of cooperation it wants after Brexit.

²⁷ Ibid., art. 157.

²⁸ Ibid., art. 124.6.

²⁹ Ibid., art. 124.4.

4.1 The involvement of third countries in EU defence policies

The question of the role of third countries in various policies and programmes with a bearing on the security and defence of the EU (CSDP, EDA, EDF, PESCO, Galileo) is a very delicate one, for both Brussels and London. For the whole of the first two phases of negotiations on Brexit, the British have proven hostile, even offended at the idea of being considered a third country in the framework of the CSDP; hence their proposal for a special and unique partnership.

For the EU, on the other hand, the involvement of third countries in its various defence activities is a Pandora's box that should be opened with extreme caution. Should London be granted too many privileges, many other countries would go back on the attack to call for similar rights. It is precisely for this reason that Cyprus and Greece appear so intransigent concerning the United Kingdom's participation in the CSDP. Nicosia and Athens are aware that behind the door of the negotiations, Turkey is watching and waiting. This country has long been calling for closer involvement in the CSDP. It even asked to be represented within PSC and was given a categorical refusal³⁰, even in spite of the major contributions Ankara has made to CSDP missions (particularly in the Balkans). This means that squaring the circle with the British looks like a very difficult task.

At the moment, the EU has no comprehensive framework to involve third countries in its various defence policies³¹. A number of tools exist, but they are not necessarily inter-coordinated.

- The **Framework Participation Agreements (FPA)** already referred to in paragraph 2.2 above governs the participation of non-EU member states in civilian and military crisis management missions carried out in the framework of the CSDP. Currently, 18 FPAs have been signed, including one with the United States. These countries are not by any means the only ones to make contributions to EU missions (to date, around 50 have at some point participated in the EU missions). FPAs are not, therefore, an absolute prerequisite to be involved in an operation. If the United Kingdom does not get what it wants in this area (see paragraph 2), it may decide not to enter into an FPA initially. This would not be shutting the door to involvement in CSDP missions, for which the terms would then be negotiated on a case-by-case basis.

It is worth asking the question, as there is a risk that the British will not agree to the conditions set out by the FPAs. As previously stated, although FPAs are all slightly different from each other, none of them ever allows third countries to be involved in the political decision-making and strategic management behind missions. With regard to this, it is worth stressing that although the United States agreed to sign an FPA, this was only to facilitate its limited participation in certain civilian operations (EULEX Kosovo, EUSEC DR Congo, EUPOL DR Congo). But they would never allow their soldiers to be under EU command³². The same problem arises for the British.

Many other third countries have also expressed their dissatisfaction with the conditions for participation in EU missions laid down in the FPAs. The idea of reforming them was therefore floated in the European institutions in 2013. However, the member states do not seem in much of a hurry to deal with the matter. At the Foreign Affairs Council (Defence format) of 6 March 2018, the question was raised once again, but was not included as a priority. Although the EU seems ready to step up the involvement of third countries in its missions, it also appears inclined to reform the FPA system for all third countries. In other words, the United Kingdom is unlikely to constitute an exception.

³⁰ Interviews at the Council.

³¹ TARDY Thierry, 'Revisiting the EU's security partnerships', *Brief Issue n.° 1 - 2018*, European Union Institute for Security Studies (EUISS), January 2018.

³² TARDY Thierry, 'CSDP: getting third states on board', *Brief Issue n.° 6 - 2014*, European Union Institute for Security Studies (EUISS), March 2014.

- Third countries may also be associated with **BattleGroups**, but cannot take on the role of framework nation. As we have already stated, no exceptions will be made for the UK in this area during the transition phase. However, the country hoped to secure a derogation in this matter. On 30 November 2017, the British Ministry of Defence stated that: *'the UK's provisional offer to be on the EU Battlegroup roster as a Framework Nation in the second half of 2019 has not been confirmed. The exact nature of the UK's relationship with the EU and commitments post 2019 are to be determined as part of the negotiations as we leave. Until then we will continue to take a full and active part in EU discussions. We remain committed to European peace and security'*³³.

Concerning the future relationship, it is hard to imagine London getting better conditions than other third countries, particularly as Battlegroups may one day be partly financed out of the European budget and come within the framework of the PESCO. With this in mind, the EU cannot allow any of them come under the command of a third country.

- In the field of capability, **Administrative Arrangements (AA)** allow the European Defence Agency (EDA) to enter into cooperation with third countries. At the time of writing, four AAs have been adopted, with Norway, Switzerland, Serbia and Ukraine. Concerning the form, these arrangements are all set out in a four-page format (not including the appendices, of a maximum of two pages). Concerning the substance, they are all alike, barring a few elements. They set out the general principles for the cooperation and its organisational structure and govern the exchange of information on cooperation possibilities and areas of common interest. The relationship does not go any further than this.

However, the four existing arrangements refer to the possibility, for the steering committee of the Agency, to invite third countries to attend meetings of common interest. Nevertheless, it is not possible for them to be involved in making decisions on the general orientations of the Agency in any way whatsoever. The cooperation is based solely on specific, well-defined projects and programmes.

Obviously, these conditions do not suit the British, which are seeking a privileged status within the Agency. For its part, the EU is currently working on the basis of two different hypotheses: a vague agreement, leaving the door open to various types of project with the United Kingdom, and a more specific agreement, setting out the activities in which London will be involved. It is more likely that the balance will shift in favour of the second option, as this would allow the EU to create a better framework for British participation³⁴.

- As for the involvement of third countries in more specific capability and industrial initiatives such as the **PESCO**, **EDF** and **Galileo**, this will be governed by the legislative provisions adopted (or to be adopted) in this area. However, the EU has moved towards stricter conditions (see paragraphs 5, 6 and 7).
- As regards the **Council of the EU** and the **European Council**, the European Treaties make no provision for the possibility of a third country attending their work, in one way or another³⁵. As for the acts adopted by these institutions (decisions laying down a position or identifying an action to be carried out) the treaties make no mention of third countries³⁶. And, logically, no third country may refer matters to the Council of the EU or the European Council³⁷. The administrative regulation of these bodies is

³³ MILLS Claire, 'European Defence : Where is the heading?', *House of Commons Library*, Briefing Paper Number 8216, 30 January 2018, p. 27.

³⁴ Interviews at EU level.

³⁵ Art. 15 TEU and art. 36 TFEU.

³⁶ Art. 25, 28 and 29 TEU.

³⁷ Art. 30 TEU.

even more stringent on these points: even the presence of a third-country national at a session of the Council as a member of a delegation of a member state is not permitted³⁸.

Even so, the occasional presence of representatives of third countries at sessions of the Council of the EU and the European Council is not necessarily prohibited. The internal regulation of the Council of the EU allows this body to invite representatives of third countries to attend some of its work. The decision to this effect must be made unanimously if it concerns the CFSP/CSDP (in other cases, it may be made by qualified majority). The non-member observer may express his or her point of view if invited to do so by the Presidency of the Council, but may by no means participate in the discussions. Attendance must therefore be limited to providing the Council with information that may help it in its work. Furthermore, he or she must leave the meeting room if requested to do so³⁹.

As regards the European Council, the regulatory provisions are tougher. The internal rules of procedure of this institution stipulate that 'meetings in the margins of the European Council with representatives of third States (...) may be held in exceptional circumstances only, and with the prior agreement of the European Council, acting unanimously, on the initiative of the President of the European Council'⁴⁰.

Judging by these provisions, EU decision-making seems to be jealously guarded against any influence from third countries. However, the fact that the European texts do not rule out the presence of representatives of third countries at the Council, occasionally and within a strictly delimited framework, is considered a source of hope in London. To what extent can this derogation be used to prise open the doors of the EU? At this stage in the negotiations, as we have seen, the EU does not seem minded to convert the exception into a rule. The British, however, stress that things are different at NATO.

4.2 The example of NATO and its limits for the EU

NATO is undoubtedly an organisation that is more open to third countries than is the EU. The Atlantic Alliance has countless tools to involve non-members in its activities. Several experts and analysts have therefore referred to the possibility of taking inspiration from this example to look at how the United Kingdom could be associated with the CFSP and the CSDP.

At a hearing at the House of Lords, Angus Lapsley, a senior civil servant at the Foreign Office and former British ambassador to PSC, suggested examining the cooperation model in place between the Alliance on the one hand and Finland and Sweden on the other⁴¹. Both of these countries are extremely active in the framework of the Atlantic Alliance and participate in a great many exercises, programmes and missions. They are often involved in the meetings of the North Atlantic Council (NAC), albeit informally and without taking part in the decision-making. Finland and Sweden also have a considerable number of officers and senior officials within NATO structures. Moreover, they are not the only countries to be able to benefit from this privilege, although civil servants of these two countries are to be found at virtually all levels of NATO hierarchy.

This model is often compared to that of the EU when it comes to the involvement of third countries. However, we consider that a direct comparison of the two organisations is problematic. NATO is a purely inter-governmental organisation. It is, furthermore, an alliance, and a military alliance to boot. Military alliances always come into being and prosper against something or someone. They have consequently a natural tendency to rally the most partners against their opponents.

³⁸ Council of the EU, '[Comments on the Council's Rules of Procedure, European Council's and Council's Rules of Procedure](#)', 2016, p. 17.

³⁹ *Ibid.*, Chapter II, point 4.B, p. 41-42.

⁴⁰ Art. 4.2 of the European Council's Rules of Procedure.

⁴¹ [Hearing of Angus Lapsley at the House of Lords, 11 January 2018](#) (11:25:40 minute).

The EU, on the other hand, is quite a different structure. It is neither an alliance nor a simple international organisation. As its name suggests, it is a Union, a Union that pursues a policy of political integration, which involves the sharing of sovereignty between its members. Given these unique and unprecedented characteristics, we can see that the conditions for third countries to access the EU's decision-making procedures may well be tougher than those of NATO.

5 The defence industry and the fledgling EDF

5.1 Context and challenges of Brexit

For the last two years, European defence has been back in business. All of the new projects adopted in this area pursue the same basic objective: the strategic autonomy of the EU and its member states. The most important initiatives taken within this framework are without question the Preparatory Action for Defence Research (PADR) and the European Defence and Industrial Development Programme (EDIDP), two instruments that are destined to merge with the European Defence Fund (EDF) from 2021⁴². The PADR and the EDIDP, together with the PESCO, play an essential role in relaunching the CSDP: they aim to reinforce the industrial and technological basis of European defence (the EDTIB), which is an absolute prerequisite for any serious strategic autonomy project.

It will be therefore in light of this existential goal, that of strategic autonomy, that the EU will have to decide whether and how to include the United Kingdom in its new and unprecedented financing programmes targeting the defence industry. The question is a controversial one, as it above all requires a response to another preliminary question, itself of an existential nature: can the UK still be considered an appropriate player to contribute to the EU's strategic autonomy? Or, to put it more simply: should the EU be building its strategic autonomy with the UK, or should it also retain its autonomy from that country?

Like it or not, strategic autonomy is a concept that must be measured in comparison to the United States, as it is from the United States that Europe must gain its military independence. Seen from this point of view, and in light of their special relationship with the Americans, the British should eventually be excluded from the EDF. On the other hand, however, European defence cannot be put into action against Washington, still less against London. It should, quite the reverse, aim to complement NATO and be fully integrated in the Atlantic relationship, as well as in the new relationship that will in future connect the two sides of the English Channel.

Understandably, the questions raised are eminently political and extremely sensitive. Only the European Council may answer them. The only certainty at this stage is that the response will have to strike some kind of a balance: the United Kingdom cannot be either completely excluded from the new financial tools or fully integrated into them.

What is more, the question is not solely political. It is also pragmatic or even material in nature: it is not just about understanding whether the EU wants strategic independence from the United Kingdom. It is also about understanding whether this is possible. London has the largest defence industry in the whole of Europe. Of the 20 largest European companies operating in this sector, nine of them are British (see the table and diagram at the end of the paragraph). On top of this comes the fact that European companies are very often closely linked to each other, particularly in the field of aeronautics and missiles. Many production cycle subsidiaries located in the United Kingdom are owned by European companies (Thales, Leonardo, Airbus) and vice versa.

⁴² SANTOPINTO Federico, '[Le Fonds européen de la défense – L'UE au secours de l'industrie](#)', *Les Rapports du GRIP*, 2017/5, 30 p..

Another problem that arises concerns joint ventures (for instance, EuroJet Turbo in the production of turbines for jet engines). These are very often based on specific projects and can therefore not be considered independent companies⁴³. But this is not always the case. For instance, the European missile company MBDA, which is owned by the Airbus Group (37.5 %), Bae Systems (37.5 %) and Leonardo (25 %), has its own legal personality. This operator has become an indispensable player at international level, and the UK plays an extremely important role within it. Aside from the fact that London owns more than one third of its capital, it is the main client of the European missile company (in 2016, it accounted for purchases worth EUR 1.6 billion out of a total order book of EUR 4.7 billion)⁴⁴. This bears underlining, because MBDA is currently considered one of the main European success story in industrial integration in the field of defence.

Will this company be shut out from European funding in the future? What will happen to UK businesses and those with one foot on the island and the other on the continent? If the EU has still to rule on the matter, the British have already suggested what should be the answer. They would like to be fully associated with these programmes⁴⁵. On this front, the challenges facing them are enormous, undoubtedly more so than those of their continental partners.

The challenge for London is not so much about the amount of money in itself: currently, the budgets for the PADR (EUR 90 million between 2017 and 2019) and the EDIDP (EUR 500 million for 2019 and 2020) are still relatively small. And even if the EU is able to inject EUR 1.5 billion into the EDF from 2021, as it hopes, it is not access to some of this money that is the United Kingdom's greatest concern. The main UK anxiety lies instead in the fact that its industries could be side-lined from major collective structural projects that may be launched in the future. Armament platforms are highly complex and very expensive. But if the EDF works as the Commission hopes it will, it may ultimately drain the main development programmes for complex weaponry systems, leaving the UK out in the cold or in a marginal position.

Maybe this is already the case? Early in 2018, after two years of joint studies carried out by BAe Systems and Dassault Aviation, France and the UK were due to decide to develop a demonstrator model of the Unmanned Future Combat Air System (UFCAS). This project was launched by the Lancaster House agreements signed in 2014 between the two countries. EUR 2 billion were earmarked for this purpose in 2016⁴⁶. At the end of March 2018, however, Paris had still not decided whether or not to approve the programme, which led to concerns on the part of the British⁴⁷. And they had every reason to be concerned, particularly considering that one year after the Brexit referendum, France and Germany entered into a similar project together⁴⁸.

This example illustrates the extent to which the impact of Brexit on the EDF could potentially be stiff with consequences. Once the UK has left the EU, the destinies of British and European defence companies could take a different turn for good. The 40 km of sea separating the two sides of the English Channel might as well become an ocean. An ocean like the Atlantic, for instance. Because London may be forced to turn to the United States more than it already does, becoming a bit player at the mercy of a giant. Unless it can continue to be a protagonist in Europe, with the EU. But to do this, it will have to look at the terms under which the EU will be prepared to accept it.

⁴³ GIEGERICH Bastian, MOLLING Christian, '[The United Kingdom's contribution to European security and defence](#)', The International Institute for Strategic Studies (IISS), German Council on Foreign Relations (DFAP), février 2018.

⁴⁴ IZAMBARD Antoine, '[Comment le missilier MBDA veut challenger les Américains Raytheon et Lockheed Martin](#)', Challenges.fr, 15 March 2017.

⁴⁵ UK Ministry of Defence, '[Explanatory Memorandum to the European Scrutiny Committee](#)', COM (2017) 295, 10 July 2017.

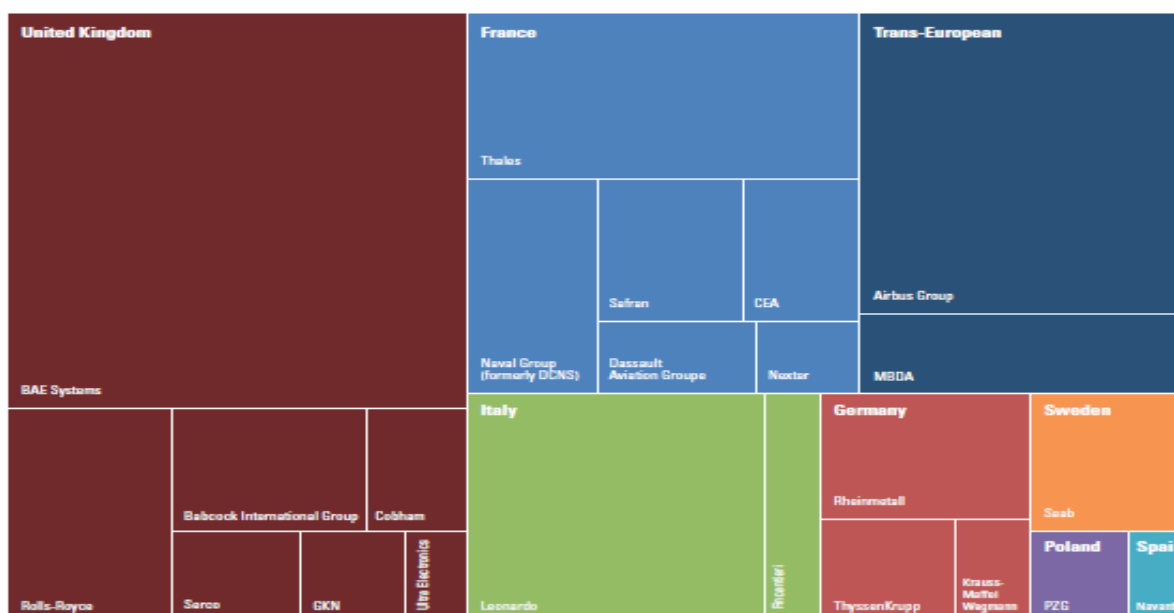
⁴⁶ LAGNEAU Laurent, '[Deux milliards d'euros seront investis pour la mise au point du drone de combat franco-britannique](#)', OPEX360, 4 March 2016.

⁴⁷ TRAN Pierre, '[Brexit, project delays jeopardize combat drone project, Dassault CEO warns](#)', *Defense News*, 7 March 2018.

⁴⁸ POCOCK Chris, '[France and Germany To Develop New Fighter Without UK?](#)', *AirOnLine.com*, 2 August 2017.

Rank in the EU	Rank in the world	European companies	European countries	Defence revenue in million in 2016
1	3	BAE Systems	UK	\$23 621.84
2	7	Airbus	EU	\$12 321.00
3	9	Leonardo	IT	\$8 526.22
4	10	Thales	FR	\$8 362.00
5	15	Rolls-Royce	UK	\$4 741.15
6	23	Naval Group (ex DCNS)	FR	\$4 741.15
7	25	GKN Aerospace	UK	\$3 316.55
8	26	Rheinmetall	DE	\$3 270.06
9	29	Backbock International	UK	\$2 963.71
10	38	Saab	SW	\$2 307.62
11	47	Cobham	UK	\$1 490.50
12	49	Safran	FR	\$1 374.18
13	51	Dassault	FR	\$1 356.00
14	56	Fincantieri	IT	\$1 306.51
15	55	Serco	UK	\$1 305.14
16	64	Nexter	FR	\$978.58
17	65	Meggitt	UK	\$943.76
18	75	Ultra Electronics	UK	\$824.78
19	79	QinetiQ Plc	UK	\$783.68
20	84	Indra	SP	\$671.22

Source: GRIP (data supplied by DefenseNews.com)



Source: SIPRI

5.2 The future relationship: scenarios and options

The EU's position on the possibility of the UK participating in the PADR and the EDIDP could not be clearer. It corresponds to the general rules the EU would like to set in place for the transition phase, which is to run from 30 March 2019 to 31 December 2020. On the contrary, London's role in the future EDF, from 2021 onwards, is considerably more complicated to define. Everything is still to be negotiated.

The PADR and the EDIDIP during the transition period

The transition period broadly coincides with the term of the PADR (2018-2020) and the EDIDP (2019-2020). In view of the fact that during this period, the UK will have to continue to pay into the European budget, its businesses will be able to participate in calls for proposals launched in the framework of these two programmes. This is scant consolation for the British, who fear that their defence industry will nonetheless be excluded from EDIDIP funds. The first calls for proposals under this programme are not expected before 2019. A few months later, the transition period will end and countries on the other side of the English Channel will no longer necessarily be eligible. These companies may therefore struggle to find partners on the continent to apply.

Another disappointment for the British lies in the fact that their representatives will not be to take part in the work of the committees responsible for the management of the PADR and the EDIDP. Indeed, once it is outside the EU, London is supposed to be excluded from the decision-making bodies of the EU from the very start of the transition period.

Brief summary of how the PADR and the EDIDP work

The PADR finances **100%** of the defence and research activities (low level of TRL - Technology Readiness Level). The EDIDP will co-finance the industrial development activities (higher level of TRL) at a rate that may, under certain circumstances, represent **50 %** of the total cost of the project.

The PADR is, and the EDIDP will be, managed by **programme committees** made up of representatives of the Commission and member States (MS). The committees set the programmes' annual orientations, particularly as regards calls for proposals.

The Commission chairs these programme committees and steers their activities, but has no voting rights. The committees decide by **qualified majority**.

In the framework of the PADR, the **calls for proposals** are then managed by the European Defence Agency (delegation agreement signed by the Commission and the EDA). Under the EDIDP, they may be managed directly by the Commission.

That last point is inevitably a source of tension between the negotiators on either side of the Channel. Therefore, an exception could be made in the framework of the Preparatory Action. Under certain conditions, representatives of the UK could occasionally and informally be invited to take part in the work of the PADR programme committee, without voting rights.

A similar condition is available for Norway. So far, it is the only third country authorised to participate in the PADR. Oslo has signed an agreement with the EU to this end and contributed EUR 585,000 to the budget of the Preparatory Action in 2017⁴⁹. The Norwegian government may consequently send a representative to the PADR programme committee, albeit with no voting rights⁵⁰. London may eventually come to enjoy similar rights, but to do so, an agreement to this effect will have to have been signed once

⁴⁹ European Parliament, [Resolution on the Annual report on the implementation of the Common Security and Defence Policy](#), point 14, 13 December 2017, (2017/2123(INI)).

⁵⁰ Discussions within the European institutions.

the UK is a third country. In the meantime, London will have to make do with hypothetical occasional and informal invitations.

As regards the programme committee of the EDIDP, on the other hand, no exceptions are currently envisaged. This is supposed to be made up exclusively of the member states of the EU. Furthermore, if British businesses are allowed to participate in the calls for proposals launched under the EDIDP, there may be a clause to restrict this participation in the event that an EU member state raises an objection. The possibility that British companies may exceptionally be excluded from the specific call could therefore be considered⁵¹.

Summary of British participation in the PADR and the EDIDP

PADR British businesses will be able to participate in calls for proposal, as the UK will continue to contribute to the Community budget until the end of 2020 in the framework of the transition and given that the PADR will end in 2020.

However, once it leaves the EU (30 March 2019), London will no longer be able to participate in the programme committee, unless, in specific and exceptional circumstances, the MS decide otherwise (but London will have no vote).

Norway participates in the PADR: its businesses may participate in calls for proposals and it also has a seat on the programme committee, without voting rights. It is entitled to do so because it has entered into an agreement on the subject with the EU and, in 2017, contributed to the budget of the PA. At this stage, there is no similar provision in place for the UK.

EDIDP British companies will be able to participate in calls for proposal, as the UK will continue to contribute to the Community budget until the end of 2020 in the framework of the transition and given that the EDIDP will end in 2020.

However, there may be an exception to this rule: if an EU Member State raises an objection and asks that UK companies be excluded from a specific call for proposals, the MS will then have to look into this case.

Only the MS will sit on the program committee. Neither Norway nor any other third country will be allowed to it.

The mysteries of the EDF and the Euro-British relationship post-2020

Generally speaking, third countries may not participate in the financing programmes of the EU, unless permitted to do so by an agreement. This means that if, in 2021, the United Kingdom wishes to participate in the EDF (as appears to be the case), London and Brussels will have to sign an agreement to set out the terms of this participation. In particular, they will have to decide under what conditions British companies may be involved in activities to be funded by the EDF. It will also be necessary to ascertain whether transnational businesses such as MBDA or Agusta Westland may be involved, and how.

In the absence of an agreement including London in the EDF from 2021, British companies will be covered by the rules to be established by this programme for third countries. It is still too early to put forward any hypotheses about the EDF's configuration in 2021. However, the eligibility terms that may be decided upon in the framework of the EDIDP for entities of third countries may provide a few interesting indications as to the possible characteristics of the European Defence Fund in 2021.

The EU seems to be moving towards fairly strict criteria in this area. As a general rule, the EDIDP should be available only to businesses established in the EU and controlled by entities or nationals of a member state.

⁵¹ Discussions within the European institutions.

The handful of exceptions set out for this rule are governed very strictly and leave little margin for any players from third countries⁵².

Third-country entities participating in the EDIDP: possible scenarios

Scenario 1 *EU company tendering with a third-country company*

If the EU company can prove that it is unable to develop the weapon system in question without cooperation with the third-country company, the latter may participate in a project financed by the EDIDP. It will not, however, be able to benefit from European funds. Additionally, the EU company must be able to prove that there will be no technological transfers to a third country, that the intellectual property will remain in the EU, that European interests in the field of defence are protected and that the sovereignty over the weaponry system developed will by no means be dependent on the third country.

Scenario 2 *Subsidiary of a company based in a third country located on EU soil*

In its initial proposal, the Commission did not wish to include this scenario. However, the MS wanted to introduce some flexibility in this area. Under the most recent version of the EDIDP (March 2018), the European subsidiary of the company based in a third country may compete for EDIDP funds as long as there is a certification process in the framework of which the company (or certifying entity) is able to prove that the intellectual property and technology will remain in the EU and will not be transferred to the parent company.

Scenario 3 *Subsidiary in a third country of a company based on EU territory*

This scenario would be excluded from the EDIDP eligibility criteria.

If the access conditions for third countries being sketched out in the framework of the EDIDP were reproduced within the EDF from 2021 onwards, and if the United Kingdom will not benefit from a special status or agreement to participate in this fund, London could remain permanently side-lined in the industrial landscape of European defence in the future. And this fate would undoubtedly be shared by companies such as MBDA or Agusta Westland, unless they undertake a reorganisation and restructuring aimed at separating their activities in continental Europe from those based on the British Isles.

A separation process between British and European defence industries cannot therefore be ruled out in the most extreme case scenario. The geo-strategic consequences of this could be considerable, as it is no secret that the industrial policies pursued by states in the field of defence shape their foreign-policy (and vice-versa). And in the long term, the foreign policy of a state shapes the country itself, its interests and, ultimately, its society. It is therefore easy to see why, in the dossier concerning the impact of Brexit on European defence, nowhere are the stakes as high as where they concern the EDF.

6 The PESCO: challenges and options

As for the EDF, the British would like to be associated as closely as possible with the permanent structured cooperation (PESCO). On first sight, the PESCO would appear to be a fairly straightforward dossier to manage in the framework of Brexit. This new initiative, launched by the Council in December 2017, does, however, have a few specific features that may complicate matters.

The original concept of the PESCO aimed to do two things that could not be done with the CSDP alone: to bring together the most ambitious countries and allow them to begin to converge their military apparatus by entering into binding commitments. However, the member states had other ideas: currently, the PESCO applies to almost all EU members (including those that have no intention of integrating their defence policy) and contains no serious binding commitments. This physiognomy will, moreover, be difficult to

⁵² European Parliament, Report on the proposal for a regulation of the European Parliament and of the Council establishing the European Defence Industrial Development Programme aiming at supporting the competitiveness and innovative capacity of the EU defence industry, A8-0037/2018, 26 February 2018, article 7.

change: although it was possible to create the PESCO by qualified majority, allowing it to be ambitious from the beginning, once created it is supposed to work by unanimity, which will not allow it to move on from its starting point very easily. This means that for the PESCO, the die was cast on the day it was instituted: it will be very difficult to raise its initial level of ambition.

What, henceforth, will be its purpose? The member states decided to make it into a coordination and framework tool for the capability projects they decide to launch jointly, which should theoretically have been a responsibility of the European Defence Agency. In any event, the EU now has a new structure to manage its military cooperation programmes. As regards Brexit, the question is whether the United Kingdom may be involved in the PESCO.

The governance of the PESCO will be defined in the course of 2018. As regards the involvement of third countries, however, any decision on this subject has been pushed back until the end of the year. The member states would clearly rather wait for the result of the negotiations on the divorce with London before taking position on such a delicate matter. However, even though it postpones the decision on the details until a later date, the decision adopted by the Council in December 2017 officially instituting the PESCO, already sets the scene⁵³. The possible scenarios following the same logic as those concerning the EDF:

- It is unlikely that the UK will be able to participate in the administrative and decision-making bodies of the PESCO (the Council of participating countries, the Secretariat to be set up for the initiative and the EDA). The decision of the Council instituting the permanent structured cooperation does indeed stipulate that any arrangement to include third countries will respect the EU's decision-making procedures and autonomy.
- Notwithstanding, it should be possible to invite London, on a case-by-case basis, to participate in certain specific projects. It is worth reiterating that as regards concrete day-to-day management, each project is expected to have its own rules of governance. The member states of the PESCO are to establish how the UK could be involved at this level at the end of 2018.

The participation of third countries in individual projects carried out in the framework of the PESCO does, however, raise a major problem. There are binding commitments that the member states of the PESCO must respect. We have seen that these are quite low on ambition. Yet they exist, and the possibility that they will be reinforced also exists, albeit compromised by the rule of unanimity. What will be the fate of third countries? If a non-member state participating in PESCO projects is not subject to the same commitments as the member states, the conditions for its participation will be more advantageous. This would not be acceptable for the EU. It could therefore be that if the UK wishes to participate in some of the initiatives to be launched under the permanent structured cooperation, it will be required to enter into commitments that it will not have had any part in shaping. This problem is theoretical rather than practical, as it is hard to imagine that the PESCO will establish any commitments that the UK does not comply with, or is unable to comply with easily. The question of principle could, however, be relevant in the eyes of the British.

London could be interested in participating in certain PESCO projects. One of these in particular has piqued its interest: the one concerning military mobility⁵⁴. This initiative, which aims to simplify and standardise authorisations concerning transfers of defence troops and equipment within the EU will be particularly useful in the framework of NATO manoeuvres, most notably on the eastern flank of the Alliance. Thanks to its administrative and legislative competences, the EU has tools available to it that are immeasurably more effective than those of the Atlantic Alliance in this field. It is therefore no coincidence if this cooperation

⁵³ Art. 9 of the Decision (PESC) 2017/2315 of the Council of 11 December 2017 establishing a permanent structured cooperation (PSC) and laying down the list of participating member states.

⁵⁴ Interviews with British officials.

launched within the framework of the PESCO is the one that has received the most support from the member states (24 out of the 25 countries participating in the permanent structured cooperation have decided to get involved in it). Eventually, the UK could therefore end up being one of the only European NATO countries unable to benefit from the movement facilities that this project could make available to its participants, if it does not come on board.

7 Galileo

At this point in time, it is still hard to determine what Brexit's impact will be on the major European aerospace programmes, particularly where these overlap with security challenges. The degree of uncertainty is so high that it is too early for reliable estimates. In general, we have observed that the space question raises conflicting visions, making it hard to identify the main challenges and to sketch out possible scenarios for the future of British participation.

The industrial world often knows more than anyone else. Being at the forefront of the impact of Brexit, it has to be acknowledged that it is currently developing in a climate of confusion that makes it almost impossible to plan future activities. The aerospace sector is symbolic of the harmful effects that uncertainty can cause within major industrial programmes. In particular, Galileo and Copernicus are long-term projects, the development of which has already been undermined in the past. Their fully operational phase is supposed to be achieved in 2020, in other words right in the middle of the Brexit transitional period⁵⁵. Galileo has already built up a considerable delay, and the total cost of the programme has been adjusted upwards several times⁵⁶. The Public Regulated Service (PRS) of the programme is one of the trickiest points in the negotiation.

7.1 The United Kingdom's current involvement

Without a doubt, the United Kingdom is a key link in the development of the Galileo and Copernicus programmes, and of the European aerospace sector in general. According to the House of Commons, the British aerospace sector is believed to employ 95 000 workers and to have turned over EUR 31 billion in 2016⁵⁷. The United Kingdom is a member of the European Space Agency (ESA) governing all of the European aerospace programmes and acting independently of the EU. The British are currently involved in the construction of EU satellites, and also in the management of the data these generate, which will be one of the most controversial points in the negotiations⁵⁸.

Galileo is the satellite navigation system of the European Union, developed in cooperation with the ESA. The system is currently entirely funded by the EU. Since its launch, the UK has played a major role in developing the programme. Amongst other things, all of the operational satellites of the constellation were built by a consortium made up of the British company Surrey Satellite Technology Ltd (SSTL – a subsidiary of EADS Astrium) based in Guildford and the German company OHB-System based in Bremen. SSTL and OHB (appointed lead company) secured further contracts in October 2017 to build the last eight satellites in the system's constellation⁵⁹. A number of British companies are, moreover, involved in the encryption work for the system, representing the most sensitive point of British participation.

Copernicus (or GMES, to stand for Global Monitoring for Environment and Security) is an Earth observation programme led by the European Union in partnership with the ESA. 70 % of the programme funding comes

⁵⁵ Some of the Galileo services have been available since 2016.

⁵⁶ DUPAS Alain, *La nouvelle conquête spatiale*, Odile Jacob Sciences, Paris, 2010, p. 203. NARDON Laurence, VENET Christophe, 'Galileo: the long road to European autonomy', IFRI, 2010, p. 1.

⁵⁷ House of Commons, *The aerospace industry: statistics and policy*, Briefing paper 00928, November 2017, p. 3.

⁵⁸ TOVEY Alan, 'Industry bosses urge Britain to get back in the space race', *The Telegraph*, 11 February 2018.

⁵⁹ SSTL, '[Surrey's role in Europe's Galileo navigation system](#)'.

from the EU; the remaining 30 % is financed by the member states of the ESA. The United Kingdom holds a leading role in the programme. Recently, the construction of the six Sentinel satellites, known as Sentinel 5 Precursors (or Sentinel 5P), was carried out by Airbus Defence and Space at the Stevenage site in the south-east of England⁶⁰. The contract, worth EUR 45.5 million (GBP 40 million), was signed in 2011 and the launch was successfully executed on 13 October 2017⁶¹. It is, however, worth noting that although Copernicus has security potential, it is not included in the points dealt with under the security and defence plank of Brexit.

7.2 The position of the United Kingdom

Many sources report anxiety on the part of the European aerospace sector as a whole concerning Brexit. Despite the mutual benefits of extending the United Kingdom's participation in the two programmes during the transition phase, British companies fear that they will be shut out from future calls for tenders to develop the systems. Many dozens of contracts will be awarded for the Copernicus programme over the next three years. The concerns raised by Brexit can be illustrated even more clearly through the future participation of British companies in the Galileo programme, the development of the final phase of which has been estimated at EUR 10 billion (USD 8.5 billion)⁶². The first signs of tension made themselves felt with the decision to transfer the backup site of the Galileo Security Monitoring Centre (GSMC) from Swanwick to Madrid⁶³. It is at this site that the work is currently being carried out to centralise the PRS access for the member states of the EU⁶⁴.

Although it is clear that the industrial sector is taking position in favour of a 'soft Brexit' so as to be able to continue to participate in the development of Galileo and Copernicus, the position of Theresa May's government has not yet come into focus. A priori, there would be no benefit for the UK in cutting off its contribution to the EU aerospace programmes. According to Greg Clark, Chief Executive Officer of the UK Space Agency, its contribution to the Galileo and Copernicus programmes may be vital to achieve the United Kingdom's objective of securing 10 % of the global space market by 2030⁶⁵. An achievement of this kind would lead to an increase in annual revenue from GBP 13 billion to GBP 40 million⁶⁶.

Furthermore, it would appear that the government is planning to provide compensation for the United Kingdom's exclusion from the development of the EU's aerospace systems by developing a national programme on a massive scale. According to the chairman of the agency UKspace, Richard Peckham, the government voted in November of last year in favour of several million pounds in funding to build an aerospace port to be used for rocket and spacecraft launches⁶⁷. Additionally, the UK intends to bolster its cooperation with partners such as India⁶⁸, which is very active in the aerospace sector, which has been developed as a means of reinforcing its military arsenal, in particular⁶⁹.

British companies, like the representatives of European Space Agency, have called for a clear commitment from the British government. In recent months, it has several times expressed its hoping of maintaining its

⁶⁰ Airbus, ['Le satellite Sentinel-5 Precursor d'Airbus paré au lancement'](#), 20 July 2017.

⁶¹ HM Government, ['Sentinel-5P successfully launched to monitor world's pollution'](#), UK Space Agency, 13 October 2017.

⁶² DE FRANCE Olivier, GIEGERICH Bastian, MARRONE Alessandro, MAULNY Jean Pierre, TAYLOR Trevor, ['The impact of Brexit on the European armement industry'](#), *ARES Report*, issue 19, August 2017, pp. 7 et 8. HOLLINGER Peggy, ['Brexit risks pushing UK out of European space contracts'](#), *The Financial Times*, 12 April 2017.

⁶³ European Commission, ['Space policy: Galileo Security Monitoring Centre back-up site moves to Spain'](#), 24 January 2018.

⁶⁴ GSA, ['The GSMC : an integral part of the Galileo infrastructure'](#), 26 September 2014.

⁶⁵ AMOS Jonathan, ['UK wants continued EU Copernicus participation'](#), BBC News, 20 Juillet 2017.

⁶⁶ HOLLINGER Peggy, ['UK given ultimatum on Copernicus space project'](#), *The Financial Times*, 20 Juillet 2017

⁶⁷ TOVEY Alan, ['Industry bosses urge Britain to get back in the space race'](#), *The Telegraph*, 11 Février 2018.

⁶⁸ Ibidem

⁶⁹ Defense-aerospace.com, ['Quick overview of India's aerospace Industry'](#)

activities within the European Space Agency and of continuing cooperation between the UK and the EU to develop the European aerospace programmes. This stance was featured both in Theresa May's speech in Munich in February of this year⁷⁰ and in two position papers (one on cooperation in defence and security matters⁷¹; the other on cooperation in science, technology and innovation⁷²) published in September 2017.

However, these statements may not be enough to be sure of London's commitment in the forthcoming cooperation. Firstly, because nobody can be sure of anything until a written agreement with the EU has been signed off. Secondly, because these speeches were fairly vague and said nothing specific about British demands in this field. The May government refers to the need to adopt an 'open' approach, given the 'unique' nature of the field of space, and to look at all possible options for future cooperation in this area.

Government speeches also stress the current possibility for non-EU member states to participate in the development of the Galileo and Copernicus programmes, but recognising that no standardised clause has been drawn up for cooperation of this kind. This reference leaves the door open to 'constructive ambiguity' on either side of the talks. It aims to establish a 'special' partnership with a non-EU member state that bears no resemblance to any existing model of cooperation (the British systematically reject any reference to existing standards and steer well clear of using the term 'third country' preferred by the Commission).

Concerning the Public Regulated Service (PRS) of Galileo, the speeches raise the question of access to the encrypted signal, which are currently the subject of negotiations on being opened up to non-EU states, such as Norway and the United States. The UK also reiterates its role in developing the system's security and encryption modules.

In general, the British view of future cooperation in the field of space does not tell us very much about the actual demands of the government, going no further than to take stock of the current state of affairs, with no reference to their vision of the future.

7.3 The challenges of Brexit

As previously stated, the security aspect of the challenges thrown up by Brexit to the European aerospace sector relate mainly to Galileo. According to our sources, although the dual potential of the Copernicus system is considered certain, it has yet to be translated definitively into reality. The programme is not one of the points dealt with during the negotiations under the heading of security and defence. According to the Commission, it is expected that three agreements will be entered into for future cooperation:

- An agreement planning the general terms and conditions of the United Kingdom's cooperation with the Galileo and EGNOS (Satellite Navigation Cooperation Agreement) programmes,
- an agreement on the exchange of classified data (Security of Information Agreement), and finally,
- an agreement granting the British access to the PRS signal (Agreement on Access to PRS)⁷³.

However, a distinction must be drawn between access to the PRS and involvement in developing it. The UK's access to the encrypted signal will be possible but limited, and will have to be the subject of an agreement, as is the case for Norway and the United States. The question of participation in its development is more controversial, as the design of any sensitive technology of the EU is covered by

⁷⁰ Speech by Theresa May at the Munich Security Conference, 17 February 2018

⁷¹ UK HM government, « Foreign policy, defence and development: a future partnership paper », HM Government, 12 September 2017, pp. 13, 14, 19, 21 et 22.

⁷² UK HM Government, « Collaboration on science and innovation: a future partnership paper », 6 September 2017, pp. 3, 7, 8, 12, 13.

⁷³ European Commission (TF50), 'Internal EU27 preparatory discussions on the framework for the future relationship: Security, Defence and Foreign Policy', TF50 (2018) 25 - Commission to EU, 11 January 2018.

territorial articles. In other words, only companies based in one of the member states of the EU may be responsible for designing the PRS and the process cannot be under the control of a third country. In terms of Brexit, this means that after March 2019, the participation of the United Kingdom in the Galileo programme will be adjusted to its new status of third country. This means that the contracts concluded with British companies with any manner of 'sensitive' content will be terminated.

Additionally, the clause also stipulates that the responsibility for offsetting the effect of Brexit and finding solutions to ensure that the programmes underway are not affected lies with the industrial companies, not with the EU⁷⁴. The British companies concerned (CGI, Qinetiq, Scisys and SSSL)⁷⁵ will have to work out which will cost them more: to transfer their activities to the EU or simply to abandon their involvement. According to several sources, French companies are likely to be the main beneficiaries of the fact that the British will be disqualified from forthcoming calls for tender for contracts of this kind⁷⁶.

In any event, companies based in the United Kingdom will no longer be able to participate in the conceptualisation of the PRS. It would be against the law, even though there is an agreement in place on the exchange of classified data. This agreement should indeed not be seen as an agreement making it possible to get around the limits set in place by the territoriality clause concerning sensitive technologies.

Although the Commission is making provisions concerning sensitive data, there remains the matter of the technology owned by British companies. According to our sources, at a technical level, the encryption companies that will take over will have to change the encryption key. At political level, it must also be ensured that if London hopes to acquire the (nebulous) status of 'privileged partner', it complies with a principle of sincere cooperation that will not endanger the security of the EU.

By way of conclusion on this point, it should be pointed out that there is considerable difference of opinion within the EU between those in favour of the military usage of the programme for the purposes of Europe's strategic autonomy and those opposed to the idea. The French vision clashes with the British one on this point⁷⁷. Where France has always called for a military usage of Galileo, the United Kingdom has never shown any great passion for making this kind of use of the system. That is putting it mildly. London considers that the foremost guarantor of Europe's security is and remains NATO and that satellite navigation for security purposes should be the remit of the American GPS constellation⁷⁸. It remains to be seen whether the United Kingdom will be able to do without an alternative to the American satellite navigation system, when the ambiguity of the foreign policy pursued by the Trump administration does not look much like favouring the British ally.

⁷⁴ HOLLINGER Peggy, '[Brexit risks pushing UK out of the European space contracts: punitive terms and security fears threaten involvement in Galileo programme](#)', The Financial Times, 12 April 2017.

⁷⁵ HUGHES Laura, « [EU working to 'push' Britain out of the space race by cancelling Galileo contracts after Brexit](#) », The Telegraph, 13 Avril 2017. PARKER Georges, HOLLINGER Peggy, '[Theresa May fights to keep UK in EU satellite project](#)', The Financial Times, le 26 mars 2018. GRESILLON Gabriel, '[Galileo : le Brexit menace de marginaliser Londres](#)', Les Échos, 28 mars 2018.

⁷⁶ PARKER Georges, HOLLINGER Peggy, '[Theresa May fights to keep UK in EU satellite project](#)', The Financial Times, le 26 mars 2018.

⁷⁷ BARLIER François (coordination), *Galileo: un enjeu stratégique, scientifique et technique*, L'Harmattan, Paris, 2008, pp. 31 et 159.

⁷⁸ NARDON Laurance, '[La finalité de Galileo n'est pas la même pour tous les membres de l'Union](#)', Touteurope.eu, 21 novembre 2006.

8 CSDP missions and Battlegroups

When the British will leave the EU, the civilian and military crisis management missions under the CSDP as currently carried out are not expected to suffer dramatic consequences. Currently, the United Kingdom's contribution to the military operations of the EU has been estimated at 3.6 % of the total (however, the country contributes 15.5 % of the funding of the Athena mechanism). For civilian missions, its contribution is 5.8 %⁷⁹. The personnel deployed by the UK in 2017 in the framework of the CSDP has been estimated at between 100 and 150 people, although the country deploys a total of 13 000 soldiers overseas. Looking at these figures, then, the British do not look irreplaceable to the EU.

Just because the impact of Brexit in this field will be limited does not, however, mean that it will be non-existent. If London's quantitative commitment has historically been quite low, from a diplomatic point of view it is quite different matter. The consequences of the departure of the United Kingdom will be harder to evaluate from this point of view.

The possibility of deploying a CSDP mission, and its subsequent success, depends largely on the political work carried out upstream to prepare the ground. The United Kingdom, which has the largest diplomatic service in the whole of Europe, has played a part that has often proven immeasurably valuable in this context. Firstly, because CSDP missions may call for authorisation from the UN Security Council and, as well as having a permanent seat and a veto on this body, the UK has a certain degree of influence there. Secondly, because any deployment requires the EU to have first carried out advocacy work in the country in question, the region and the sub-region. Here again, the British have been able to make a valuable contribution in diplomatic terms.

The ATALANTA mission can be cited as an example. Today, it is seen as one of the CSDP's biggest success stories. The number of acts of piracy off the coast of Somalia has drastically fallen in recent years. If the result of this mission can be considered positive, this is partly thanks to the diplomatic work carried out by London. ATALANTA started to produce good results after the EU signed judicial cooperation agreements with Kenya and the Seychelles, so that pirates arrested can be tried and imprisoned in these countries, rather than released shortly after their arrest. And the role of British diplomacy in securing the offices of these two Commonwealth countries was vital.

These powers of persuasion that set British diplomacy apart, particularly among the countries of the Commonwealth, could be in some danger after Brexit. Being a member of the EU (the largest trading bloc and donor of development aid in the world) is a considerable amplifier of diplomatic power and influence. Once Brexit has gone through and the United Kingdom stands in the international arena to negotiate, it will no longer have the intrinsic force that EU membership lends its members behind it.

Whatever fate has in store for the United Kingdom, for its own part the EU will have to think about how to offset the loss of London, which will certainly be a complicated challenge, but by no means an insurmountable one. Other member states, such as France, will have to step up and plug the gap left by the British in certain parts of the world. The EU delegations may also be strengthened to do this. But overall, despite the disadvantages, CSDP missions still have a future after the British leave.

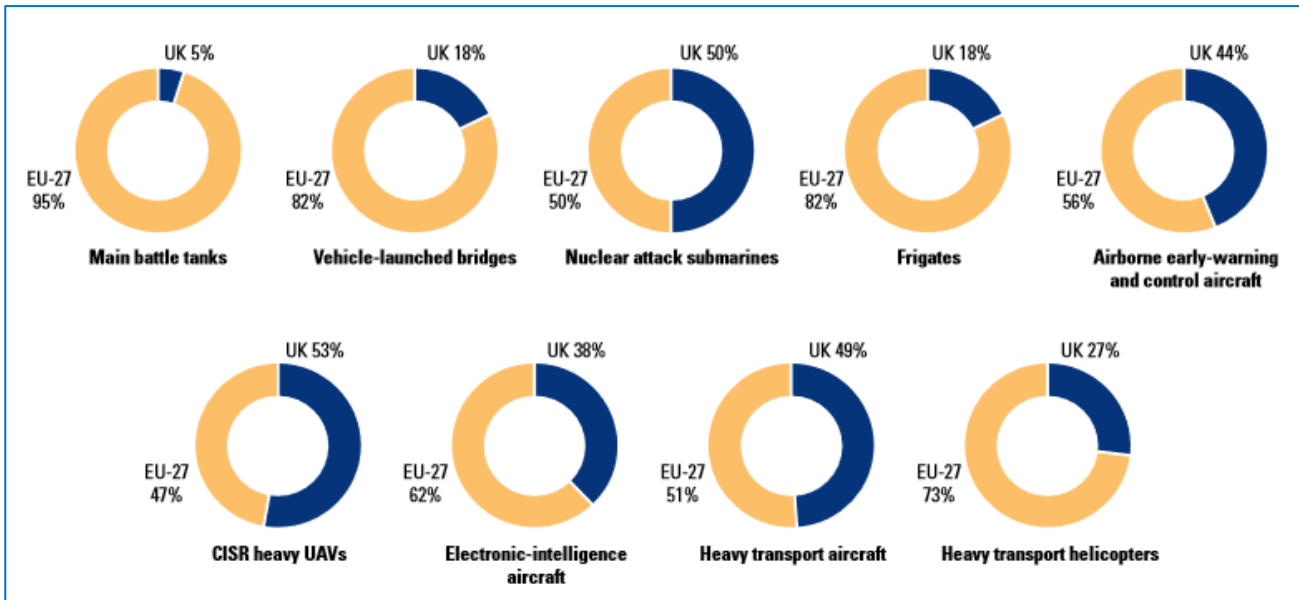
However, this reasoning is only valid as long as CSDP missions remain as they are today: small in scale and low in intensity. The EU has never carried out robust operations or, to put it in more explicit terms, it has never gone to war. However, the CSDP was designed and created partly to ensure that the EU is able, if

⁷⁹ BAKKER Anne, DRENT Margriet, ZANDEE Dick, ['European defence: how to engage the UK after Brexit?'](#), *Clingendael Report*, July 2017.

needs be, to re-establish peace by use of force: in other words, by fighting. These responsibilities are laid down in the European Treaties.

The EU's capacity to evolve towards this objective could be greatly compromised by the withdrawal of the UK. Without it, the EU will lose not only 25 % of the overall military capability of its members, but also, more precisely, 20 % of the capability set out in the EU Force Catalogue⁸⁰. It will also lose the vital strategic resources it lacks, for instance in the fields of tactical and strategic transport and in ISR (Intelligence, Surveillance and Reconnaissance). In this context, it is the level of ambition identified by the EU's Global Strategy and its Implementation Plan on Security and Defence that may suffer.

The strategic resources of the United Kingdom compared to those of the EU



Source IISS⁸¹

As for the possibility of the British to participate to CSDP missions as a third country, as negotiations stand actually this is by no means a done deal. As we have seen throughout this study, particularly concerning the Framework Participation Agreement, if the United Kingdom is not given, as it wishes, involvement in the political decision-making and strategic direction of CSDP operations, it will probably decline to engage alongside the EU⁸². This is undoubtedly the message London intended to get across to its European partners when it announced it was withdrawing the Battlegroup it was to have made available to the EU in the second half of 2019. In reality, the British did not really have any choice, as Brussels had clearly established that third countries could not take on the role of framework nation in a Battlegroup. However, the fact that London had announced in advance that it was withdrawing its battalion (at the same time suggesting that the decision was its own and not imposed by the EU) is charged with political significance.

⁸⁰ House of Lords EU External Affairs Sub-Committee, *'Brexit: CSDP Missions: Uncorrected evidence'*, 11 January 2018, Q.8.

⁸¹ Table taken from the following article: GIEGERICH Bastian, MOLLING Christian, *'The United Kingdom's contribution to European security and defence'*, The International Institute for Strategic Studies (IISS), German Council on Foreign Relations (DGAP), February 2018.

⁸² This option was explicitly referred to by CHALMERS Malcom, *'Brexit and European Security'*, *Briefing Paper*, RUSI, February 2018.

CSDP MISSIONS: THE UK'S DEMANDS	CSDP MISSIONS: THE EU'S RESPONSE
To influence the political decision-making process concerning the deployment of CSDP missions through a presence on the EU's decision-making bodies or the creation of new dialogue structures	No involvement in EU decision-making and no representatives on EU bodies. Only non-binding and non-systematic dialogue in forms still to be established will be considered.
To sign a unique and deeper FPA, allowing it to accede to the strategic direction of the operations in which it is prepared to engage. Other third countries would not enjoy the same conditions.	All FPAs could be amended to increase the involvement of third countries in missions. Access to command will, however, remain limited, although it could be more open to countries providing major contributions. No special FPA for the UK.
To make the Northwood HQ available to an EU mission and to be able to appoint a British national to head up its command.	No
To be able to continue to be a framework nation of the Battlegroups.	No

The role that London may play in CSDP missions will ultimately depend on the FPA reform currently being discussed by the European institutions. In this framework, despite the problems, compromises could be envisaged. New FPAs could provide for third countries to have a certain degree of involvement in the command of operations to which it has made a substantial contribution, but this will not call into question the principle that this command will remain solidly in EU hands. There is, therefore, some room in the negotiations on FPAs and CSDP missions.

The question of framework nations of the Battlegroups, on the other hand, is far more of a problem. As already suggested in this study, Battlegroups could eventually be linked to other EU policies, such as the PESCO, for instance. Joint financing tools are, moreover, under consideration, to facilitate their deployment. In this context, it is impossible to imagine that a third country could take the role of framework nation of a Battlegroup. Here, there is no room in the negotiations for a compromise.

9 Conclusion and recommendations

We will have to wait a bit longer before we can truly understand what the Euro-British relationship will look like in defence and foreign policy matters. Negotiations on this plank did not begin until April 2018 and they will probably not have concluded by 30 March 2019, when the United Kingdom enters the transition phase and officially becomes a third country once again. The quality and intensity of cooperation between the two sides of the English Channel will depend on many things. Above all, it will depend on the state of mind and political context that the Brexit negotiations leave as their legacy.

This legacy is still confused and unclear. The United Kingdom is still in a state of shock. Since the fateful referendum on the EU, the country has been drifting into uncertainty and political instability. The EU, on the other hand, appears stronger and more confident. It seems to have rolled with every one of the punches recent history has dealt it, picked itself up and dusted itself off. During the first two phases of negotiations, Brussels was in the driving seat. London found itself in the uncomfortable position of supplicant, having to adapt and follow the pace set for it.

However, the EU negotiators must make sure that they do not get overconfident. The history of Brexit has not yet been written. There have been plenty of twists and turns in recent years and 2019 could be a year full of surprises. In May of that year, the elections to the European Parliament will be held. The Euro-British relationship could still not be set in stone, while pro-EU parties may no longer hold an absolute majority of seats. A new Commission will take its place at the Berlaymont and it is worth betting that the national capitals will make sure that it is politically weaker than the Juncker administration is (it seems they are missing the *dolce vita* of José Manuel Barroso's Brussels). In the medium term, consequently, the ability of member states to maintain close ranks over Brexit is by no means assured, particularly given the rising power of Eurosceptical parties in many of them. In Italy, they won an absolute majority ...

Against such an uncertain backdrop, two possible conclusions can be put forward. The first may seem paradoxical: although from a general point of view Brexit has sown the seed of confusion in Europe and the world, in the specific field of defence it may actually help to clarify matters. To take advantage of this, however (and this leads us neatly to the second conclusion), the future relationship between the UK and the EU will initially have to be tentative and not set in stone.

9.1 Why Brexit is clarifying things once and for all

CSDP was born and has lived on the basis of a hypothesis that Brexit has shattered. We might call it the 'British assumption'. This assumption is that defence policy carried out at EU level could not exist without the involvement of the United Kingdom: London's presence in the equation was seen as a prerequisite. The very idea of developing this area without one of the continent's major military players was quite simply seen as unrealistic.

To start with, the 'British assumption' was very useful: it helped to kick off the process that would lead to the CSDP at the Saint-Malo summit between Jacques Chirac and Tony Blair in 1998. Over time, however, this assumption has turned into more of a dogma and it has quickly become a fixture in the debate in Brussels.

Dogmas always end up obscuring good sense. And good sense should have made it possible to understand a long time ago something that was not an opinion, but a fact: the CSDP was never going to make any more progress as long as the UK was on board. Brexit will at least have had the merit of making this obvious fact visible. Since then, European defence is back in business and has made more progress in a few months than usually takes it years.

Although most of this progress is cosmetic, there is one thing that may eventually upset the apple cart and that is the EDF. This tool goes beyond all forms of cooperation in defence matters seen so far. It could usher in a genuine process of military integration, which would be a first in the history of Europe.

Of course, the EDF has been in the pipeline of the EU for some time already. However, since London announced its withdrawal, the project has taken on a surprising shape and size. Is this a sign that in the field of defence as well, the EU is finally ready to move from the stage of simple cooperation to the stage of actual integration? Nothing is less certain. But with the departure of the British, the debate is now open. And a serious tool has finally been put on the table to feed it.

The landscape, therefore, seems much clearer today: the EU must, above all, integrate the defence policies of its member states, and then it must cooperate as much as it can with close neighbours which, like the United Kingdom, do not wish to share their sovereignty in this area. This is the lesson we can learn from Brexit and it is, moreover, a lesson that Winston Churchill understood ahead of his time, when he defended the process of European integration even as he kept his country well away from the project. It is almost boring to point out how, more than 50 years after his death, Sir Winston seems to have anticipated history once again.

Today, Europe finally has the appointment with history that Churchill predicted. The time has therefore come to understand what the United Kingdom's place will be in European defence. To do so, we have to question where the UK will go once the divorce comes through.

9.2 Why the new relationship should initially be tentative and not set in stone

Whether they supported Brexit or whether they put up lukewarm resistance to it, the British elite have always been lucid and pragmatic. They are perfectly well aware that the United Kingdom cannot face the many security and economic challenges of this world alone. They were already aware of this when they opposed the process of European integration from the inside, as a member of the EU, and they are even more so, today, as they prepare to set their course for the open sea.

The question this raises is, therefore, very simple: do the British still intend to tackle the turbulence and uncertainty of our time with us, or have they any other plans in mind, in which Europe has no part?

The declarations and stances of Theresa May on this point appear clear, at first sight. How many times has she said that her country was leaving the EU, but not Europe? However, these words are still circumstantial. Given the vicious lies told about the EU during the Brexit referendum campaign, the UK still has a lot to prove about its real intentions.

We therefore have to ask which direction the country will take, and for good reason. Unlike their partners on the continent, 'Brexiters' have always thought, rightly or wrongly, that they could fall back on plan B, an alternative to European integration: their special relationship with the United States, of course, but also the possibility of closer ties with three other English-speaking countries: Canada, Australia and New Zealand.

Although this is only a vague hypothesis, the political, economic and strategic potential offered by this alternative should not be underestimated. Together, Canada, Australia and New Zealand are home to more than 62 million inhabitants; adding the population of the United Kingdom, this gives more than 120 million inhabitants. If the population of the United States could be added as well, this potential Anglo-Saxon bloc would represent a market of nearly 450 million consumers, which would correspond to the size of the single market of the EU once the British have left it.

Obviously, this hypothetical market would be disadvantaged by the physical distance between its operators. And naturally, it is easier to talk about trade agreements during referendum campaigns than it

is to actually negotiate them once the campaign is over. If they did see the light of day, moreover, they may well fall short of the level of economic integration offered by the European single market. That said, a free-trade agreement between English-speaking companions may have other benefits.

Firstly, it would be a wealthier market than the EU (GDP of EUR 24 000 billion as against less than 16 000 for the EU without the UK). In particular, it will be more balanced, as it would be characterised by comparable levels of socio-economic and technological development (which is not the case on the European continent). Finally, it could benefit from considerable cultural and linguistic proximity.

In short, although the British are experiencing problems and living in a climate of uncertainty since they decided to leave the EU, they are not altogether without alternative options. So, before setting the terms of any new relationship in stone, the EU must absolutely understand what the UK's eventual position will be. This imperative is particularly important since the arrival of Donald Trump to power in the US. The various political, commercial and strategic sources of friction are starting to build up between the partners on either side of the Atlantic. How will London position itself in the event of a clear and ongoing disagreement? Will it finally come to understand that its interests lie in Europe and not in America? What part will it play, should Washington oppose the EU's stated objective of strategic autonomy, which goes against American industrial interests? How will the EU-NATO relationship evolve in this framework?

It is in this context that the EU must decide the extent to which it will allow the United Kingdom to be associated with its defence policy and, in particular, its plans for strategic autonomy. With so many questions unanswered, it is important to not make any final decisions. Brexit ultimately looks like a veritable diplomatic crisis. And deep diplomatic crises take time for confidence to rebuild and the wounds on either side to heal over.

On the one hand, the EU needs to attract the United Kingdom to it, as the country is still a valuable partner in political, military and industrial terms. At the same time, however, nobody is indispensable: initially, a certain distance will have to be kept. As stated above, the United Kingdom still has a lot to prove to the EU, despite Theresa May's fine words. The degree of openness towards European defence policies must therefore depend on how London behaves and the positions it takes over time. Whatever else it is, it must be progressive. If the British are really as valuable as they claim to be in terms of CFSP/CSDP, they will have to show it over the coming years. This cannot be done overnight. It will take time, and the EU must take time to evaluate.

In the fields of defence and foreign policy, therefore, the Europeans must not be in too much of a hurry to adopt a rigid treaty that will be hard to modify for entry into force from 2021, such as an association agreement. The Euro-British relationship cannot be set in stone from that day forwards. A less formal agreement (such as a Memorandum of Understanding) could be a better option in this context. It would be able to evolve more easily over time and in changing circumstances, which would make it possible to keep the British in the position of knocking on the EU's door (as they are at the moment). This should gradually prompt them to move closer to the continent once again, rather than to move away from it. In the longer term, once their position is clear, a formal and, if circumstances allow, ambitious relationship may be considered.

The starting point for this relationship (which must continue to evolve) must be to inaugurate dialogue that is partly formal and partly informal. A certain degree of regularity and formality must be in place to keep the British interested and prevent them from reacting by rejecting the Union. But it must remain limited. Eventually, this formal dialogue could then be reinforced by informal channels of dialogue, depending on the needs and agenda of the EU. In paragraph 4 of this study, we saw that the EU has the administrative tools for this to be a possibility.

As for the CSDP missions, the UK and the EU are not necessarily obliged to sign an FPA straightaway in order to cooperate in this field. At this stage and under the current circumstances, this might get British

backs up and push them away from the CSDP missions. The idea, instead, is to draw them into the policy so as to encourage them to do more than in the past. Alternatively, an FPA could be drafted that is sufficiently vague to give the EU room for manoeuvre in defining the terms and degree of association of the British in an operation.

Concerning capability, access to certain individual projects of the EDF, the PESCO, as well as Galileo, should also remain limited initially. These are tools that are at the service of a clear and specific objective, which is the strategic autonomy of Europe. Before it can have a greater degree of participation in these policies, London will have to show that it is prepared to support their underlying purpose.

By way of conclusion, on the day the divorce comes through, the relationship between the EU and the UK in defence and foreign policy matters must be limited, but open and in a position to go on developing. The Europeans must then put the ball in the British court: it must be for them to prove that they deserve more. Possibly, at the end of this process, they will finally end up cooperating with the EU more and better than they ever did as a member state. London has ultimately never had such a constructive attitude towards European defence as it has done since it triggered Brexit. It was the prospect of losing it that taught London its value.

Visit the European Parliament's homepage on [Brexit negotiations](#).

Recommendations and their line of argument in brief

- **Since its creation, the CSDP has been based on the idea that a European defence policy could not exist without having UK on board. The opposite was true.**
 - ➔ The EU should see BREXIT as an opportunity and start a process of integration rather than mere cooperation.
 - ➔ The level of the EU-UK cooperation should depend on the level of EU integration: the more the EU will be able to integrate its defence policies, the better and deeper it will be able to cooperate with the UK.
 - ➔ The EDF is the main tool the EU has at its disposal to promote a serious defence integration process. The EP must ensure that the EDF rules and budget will be made available for a real European agenda instead of national agendas.
- **The EU must decide the extent to which it will allow the United Kingdom to be associated with its defence policy and, in particular, to its plans for strategic autonomy. Before doing so:**
 - ➔ The EU and the EP should initiate a debate on the meaning of 'strategic autonomy' ('strategic' for doing what? 'autonomy' from whom?). The debate should allow to answer the following question: *Can the UK still be considered an appropriate player to contribute to the EU's strategic autonomy? Or, to put it more simply: should the EU be building its strategic autonomy with the UK, or should the EU be autonomous also from that country?*
 - ➔ Before making any final decision on EU-UK relations in the area of CFSP/CSDP, the EU should observe what the UK international posture will be after Brexit. It will be important to see how the UK will behave toward the EU goal of strategic autonomy, particularly if the US will oppose this goal. The EU must take time to assess these questions.
- **Meanwhile, the EU should endorse a 'wait and see' strategy toward the UK. It should adopt a balanced and cautious opening-closing approach, aiming at both attracting the UK and keeping it at a certain distance:**
 - ➔ The EU-UK relation should indeed remain flexible and changeable: the degree of openness towards European defence policies must be progressive (or regressive) depending on how London behaves over time and what it puts on the table.
 - ➔ For this purpose, in the medium term the EU should not adopt a rigid treaty that will be hard to modify, at least for defence matters. An association agreement as proposed by the EP should not include CFSP/CSDP cooperation, or it should remain vague about it. In these areas, a MoU or several MoU on various sectors related to defence could represent a better and more flexible option.
 - ➔ The EU should establish a framework for dialogue with the UK that should be partly formal and partly informal. The formal dialogue should remain limited initially.
 - ➔ Nevertheless, the UK should also benefit of informal channels of dialogue. In particular, the EU should fully use the possibility to invite occasionally external observers to attend part of EU Council meetings, according to its agenda and needs. In this regard, the existing rules concerning the presence of third countries observers at the EU Council and European Council can be considered as appropriate already. They offer the flexibility and the guarantees the EU needs to manage this tool according to its interests and will, without compromising its decision-making autonomy (see paragraph 4.1).
 - ➔ The way third countries are associated to NATO is perhaps not a good example for the EU. NATO is an alliance and a purely intergovernmental organisation. The EU is a semi-supranational organisation aiming to reach political integration.
 - ➔ The UK and the EU are not necessarily obliged to sign an FPA straightaway in order to cooperate in this field. At this stage and under the current circumstances, this might get British backs up and push them away from the CSDP missions. Alternatively, an FPA could be drafted that is sufficiently vague to give the EU sufficient room for manoeuvre in defining the terms and degree of association of the British in an operation on a case-by-case basis.
 - ➔ In the framework of PESCO, EDF and EDA, the EU-UK cooperation must initially be limited to a project-by-project basis. The UK should not be involved in the overall management of these tools. This may change over time according to the context, the UK behaviour and its concrete willingness to share the underlying objectives of these policies (strategic autonomy, European sovereignty).

10 Bibliography

EU Documents

- 2016 - Conseil de l'UE, 'Commentaire du règlement intérieur du Conseil, règlement intérieur du Conseil européen et règlement intérieur du Conseil', 2016.
- 2017.04.05- European Parliament, 'Resolution on negotiations with the United Kingdom following its notification that it intends to withdraw from the European Union', (2017/2593(RSP)).
- 2017.04.29 - European Council, 'Guidelines'.
- 2017.11.29 – Speech by Michel Barnier at the Berlin Security Conference in Berlin.
- 2017.12.11 – EU Council, Council Decision (CFSP) 2017/2315 establishing permanent structured cooperation (PESCO) and determining the list of participating Member States.
- 2017.12.13 - European Parliament, 'Resolution on the state of play of negotiations with the United Kingdom', (2017/2964(RSP)).
- 2017.12.13 - European Parliament, Resolution on the Annual report on the implementation of the Common Security and Defence Policy, (2017/2123(INI)).
- 2017.12.15 - European Council, 'Guidelines on Phase 2'.
- 2018.01.11 - European Commission (TF50), 'Internal EU27 preparatory discussions on the framework for the future relationship: Security, Defence and Foreign Policy', TF50 (2018) 25 - Commission to EU.
- 2018.01.24 - European Commission, 'Space policy: Galileo Security Monitoring Centre back-up site moves to Spain', 24 January 2018.
- 2018.02.07 - European Commission (Task Force 50), 'Position paper on the Transitional Arrangements in the Withdrawal Agreement', TF(50) 30.
- 2018.02.26 - European Parliament, Report on the proposal for a regulation of the European Parliament and of the Council establishing the European Defence Industrial Development Programme aiming at supporting the competitiveness and innovative capacity of the EU defence industry, A8-0037/2018.
- 2018.02.28 - European Commission (Task Force 50), 'European Commission Draft Withdrawal Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community', TF50 (2018) 33.
- 2018.03.07 - Council of the European Union, 'Draft guidelines'.
- 2018.03.13 - European Parliament, 'Draft of the resolution adopted the 13 March 2018'.
- 2018.03.19 - European Commission (TF50), Draft Agreement on the withdrawal of the United Kingdom of Great Britain and Northern Ireland from the European Union and the European Atomic Energy Community, TF50 (2018) 35 – Commission to EU27.

UK Documents

- 2017.01.17 - Speech by the British Prime Minister, Theresa May: 'The government's negotiating objectives for exiting the EU: PM speech', Lancaster House.
- 2017.02.02 - HM Government, Department for Exiting the European Union, The United Kingdom's exit from, and new partnership with the European Union, White Paper.
- 2017.04.28 - Inter-Parliamentary Conference on Common Foreign and Security Policy and on Common Security and Defence Policy (CFSP/CSDP), Valletta, Malta.

- 2017.04.28 - Crispin Blunt, 'Post-Brexit EU-UK Cooperation on Foreign and Security Policy', Discussion document submitted to the Inter-Parliamentary Conference on the CSDP, Malta.
- 2018.04.28 - Speech by Crispin Blunt: 'Post Brexit EU-UK cooperation on foreign and security policy', speech by Crispin Blunt at the Inter-Parliamentary Conference on the CSDP held in Malta.
- 2017.07.10 - UK Ministry of Defence, Explanatory Memorandum to the European Scrutiny Committee, COM (2017) 295.
- 2017.09.06 - HM Government, 'Collaboration on science and innovation: a future partnership paper', 6 September 2017.
- 2017.09.12 - HM Government, Department for Exiting the European Union, « Foreign policy, defence and development: a future partnership paper », Policy Paper.
- 2017.09.22 – Speech by the British Prime Minister, Theresa May: 'A new era of cooperation and partnership between the UK and the EU', Florence.
- 2017.10.13 - HM Government, 'Sentinel-5P successfully launched to monitor world's pollution', UK Space Agency.
- 2017.11.08 - House of Commons, 'The aerospace industry: statistics and policy', Briefing paper 00928.
- 2018.01.11 - House of Lords EU External Affairs Sub-Committee, 'Brexit: CSDP Missions: Uncorrected evidence', 11 January 2018.
- 2018.02.17 - Speech by the British Prime Minister, Theresa May: 'PM speech at Munich Security Conference', Security Conference in Munich.
- 2018.02.21 - HM Government, 'Draft text for discussion: Implementation period'.
- 2018.03.02 - Speech by the British Prime Minister, Theresa May: 'PM speech on our future economic partnership with the European Union', Mansion House (London), 2 March 2018.

Literature and some press articles

ALCANTARA, M., CLAMADIEU, S., 'Brexit: impact sur le partenariat franco-britannique et la coopération européenne en matière de défense', *Revue de Défense Nationale*, March 2018.

BAKKER, A., DRENT, M., ZANDEE, D., 'European defence: how to engage the UK after Brexit?', *Clingendael Report*, July 2017.

BARLIER, F. (coordination), *Galileo: un enjeu stratégique, scientifique et technique*, L'Harmattan, Paris, 2008.

BISCOP, S., 'Brexit, strategy and the EU : Britain takes leave', *Egmont Papers*, February 2018.

BLACK, J., HALL, A., COX, K., KEPE, M., SILFVERSTEN, E., *Defence and security after Brexit - Understanding the possible implications of the UK's decision to leave the EU*, Compendium Report, RAND, 2017.

BOND, I., 'Plugging in the British EU foreign policy', Centre for European Reform – Konrad Adenauer Stiftung, March 2018.

CAMERON, F., 'After Brexit: Prospects for UK-EU cooperation on foreign and security policy', *Policy Brief*, European Policy Center, 30 October 2017.

CHALMERS, M., 'Brexit and European Security', *Briefing Paper*, RUSI, February 2018.

COOPER, R., DASSU, M., ISCHINGER, W., VIMONT, P., 'Keeping Europe safe after Brexit', *Policy Brief*, European Council on Foreign Relations, 20 March 2018.

- DE FRANCE, O., GIEGERICH, B., MARRONE, A., MAULNY, JP, TAYLOR, T., 'The impact of Brexit on the European armement industry', *ARES Report*, issue 19, August 2017.
- Defense-aerospace.com, 'Quick overview of India's aerospace Industry'.
- DELAPORTE, M., 'Fair Winds And Following Seas For Post-Brexit Anglo-French Military Relations', *Breaking Defense*, 9 February 2018.
- DUPAS, A., *La nouvelle conquête spatiale*, Odile Jacob Sciences, Paris, 2010.
- Finabel Study, *Brexit: Its implications on European Union's Defense Policy*, Finabel, March 2018.
- GIEGERICH, B., MOLLING, C., 'The United Kingdom's contribution to European security and defence', The International Institute for Strategic Studies (IISS), German Council on Foreign Relations (DFAP), February 2018.
- GRESILLON, G., 'Galileo : le Brexit menace de marginaliser Londres', *Les Échos*, 28 March 2018.
- HOLLINGER, Peggy, 'Brexit risks pushing UK out of European space contracts', *The Financial Times*, 12 April 2017.
- HOLLINGER, Peggy, 'UK given ultimatum on Copernicus space project', *The Financial Times*, 20 July 2017.
- HOLLINGER, P., PARKER, G., 'Theresa May fights to keep UK in EU satellite project', *The Financial Times*, 26 March 2018.
- IZAMBARD, A., 'Comment le missileier MBDA veut challenger les Américains Raytheon et Lockheed Martin', *Challenges.fr*, 15 March 2017.
- KEOHANE, D., 'Brexit and European Insecurity', chapter in *Strategic Trends 2017*, CSS ETH Zurich Research Collection, 2017.
- KOENIG, N., 'Towards Norway Plus? EU-UK defence cooperation post-Brexit', Jacques Delors Institute, 7 February 2018.
- LAGNEAU, L., 'Deux milliards d'euros seront investis pour la mise au point du drone de combat franco-britannique', *OPEX360*, 4 mars 2016.
- LAPSLEY, A., Hearing at the House of Lords - EU External Affairs Sub-Committee, 11 January 2018.
- MAJOR, C., VON VOSS, A., 'European Defence in View of Brexit', *SWP Comments*, German Institute for International and Security Affairs, April 2017.
- MILLS, C., 'European Defence : Where is the heading?', *House of Commons Library*, Briefing Paper Number 8216, 30 January 2018, p. 27.
- NARDON, L., VENET, C., 'Galileo: the long road to European autonomy', IFRI, December 2010.
- POCOCK, C., 'France and Germany To Develop New Fighter Without UK?', *AirOnline.com*, 2 August 2017.
- RICKETTS, P., *National Security Relations with France after Brexit*, RUSI, January 2018.
- SANTOPINTO, F., 'Le Fonds européen de la défense – L'UE au secours de l'industrie', *Les Rapports du GRIP*, 2017/5.
- TANNOCK, C., *Brexit : the security dimension*, Conservatives in the European Parliament.
- TARDY, T., 'CSDP: getting third states on board', *Brief Issue n.° 6 - 2014*, European Union Institute for Security Studies (EUISS), March 2014.
- TARDY, T., 'Revisiting the EU's security partnerships', *Brief Issue n.° 1 - 2018*, European Union Institute for Security Studies (EUISS), January 2018.

TOVEY, A., 'Industry bosses urge Britain to get back in the space race', The Telegraph, 11 February 2018.

TRAN, P., 'MBDA official: Defense industrial cooperation must survive Brexit', Defense News, 21 November 2017.

TRAN, P., 'Brexit, project delays jeopardize combat drone project, Dassault CEO warns', Defense News, 7 March 2018.

PE 603.852
EP/EXPO/B/SEDE/FWC/2013-08/Lot6/20

Print ISBN 978-92-846-2960-2 | doi:10.2861/071761 | QA-04-18-498-EN-C
PDF ISBN 978-92-846-2961-9 | doi:10.2861/988248 | QA-04-18-498-EN-N