Brexit’s Troubled Flank:
The Departure Deal and EU Defence Integration

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Vital Int

- A review of long term strategic trends demonstrates that the EU is unquestionably heading towards a Common Military, via several concurrent strands.
- This includes a heavily integrated Single Market in Defence, which overlaps with industrial, commercial and judicial obligations arising from the trade aspect of the Brexit end deal.
- UK Government policy over Brexit will still keep the UK within the gravity well of this process.
- Its policy is putting the future of NATO at risk over the long term, as well as the UK’s strategic relationship with North America.
- The UK has listened to lobbying by Veterans for Britain and partially mitigated some of the damage in the treaty text signed off in November 2018. But there remains a Defence Backstop in those deals.
- HMG’s decision to make a unilateral commitment to the EU over both Defence and Security, while failing to ambitiously adapt and alter the partnership, is a catastrophic Brexit negotiating error that will be deeply regretted in the future.

Executive Summary

One element that has not featured prominently in the public debate over the future shape of the post-Brexit deal has been over Defence, and more broadly the encompassing range of Security and International Relations with which the issue is closely bound.

The Barnier Model envisages a deal comprising four pillars, in which two are the old Justice and Home Affairs and Defence pillars re-established from Maastricht Treaty days. The Chequers approach has also envisaged a form of pillar structure in which both form separate units. In both cases, close institutional cooperation is anticipated. In both cases, Parliament does not seem to have been given much opportunity to consider the ramifications or its ability to provide future oversight, and safeguard national interests.

This paper reviews the risks arising from a lack of strategic reflection on the nature of those ties, given that the EU is now in a period of acceleration towards a Defence Union. A dispassionate audit of past trends, stated objectives, and highlighted ambitions clearly indicates that the side arrangements already being made during transition generate real risk
for the UK’s strategic global interests; and consequently, that element of the negotiations also needs a radical rethink, and instructions to civil servants engaged in ongoing planning needs to change.

Consequently, we review in these pages a history of the development of a Common Security and Defence Policy, alongside its twin the Common Foreign and Security Policy, revealing the indisputable course of direction towards the declared aim of a Common Defence. We show how it has taken place over five phases and now is advancing apace with a mandate that unblocks major integrational opportunities for the EU.

We briefly explain how this process is part of a wider horizon of integration across a range of other policy areas, meaning that firewalling within a close association agreement with the EU (such as Chequers provides) is ultimately an impossible task.

And we contextualise UK historic engagement on Defence with its European neighbours from the Treaty of Dunkirk onwards, showing the policy bipolarity between the sure anchor of NATO, and the flexing shift from multilateral intergovernmental arrangements between European states that the EU is now authorised to swallow up.

There are now four key threats from being too closely tied to EU Defence structures;

- The pursuit of a Single Market in Defence, which creates a new risk to the UK’s independent strategic capability;
- The creation of a major Defence budget, with procurement leading the way, and where UK finances may be diverted away from UK theatre requirements;
- Permanent Structured Cooperation (PESCO) – the creation of structures that increasingly duplicate and in time will rival NATO, notwithstanding current shallow caveats;
- The generation of common assets and common units, thus providing the kernel of a future common European standing army.

In the language of the Chequers Cabinet agreement and the White Paper that followed, the UK Government does talk in terms of the principality of NATO and of its separate status. But the pragmatic reality when speaking with diplomats is that European capitals are behind the scenes divided along very different fault lines. Different alliances flow over different aspects of future Defence integration, with some Governments prepared so sign off on certain arrangements while objecting to different proposals.

This fluidity creates a dangerous dynamic in Brussels negotiations, since it is the very prerequisite required for states to concede that ends up generating motion towards deeper Defence Union, and across a wider range of policy areas. As the process is slow, the evolution follows over time, but the nature of the EU treaties and the acquis communautaire means it never recedes and the direction is one way.

For this very reason, expressions inserted at the demand of certain EU states that EU Defence integration will not undermine NATO cannot be taken at face value. The aspiration is undermined by the practical effect over time of assigning strategic ambitions, creating big
budgets, identifying defence obligations, harmonising forces, creating common units, and creating a single Defence industry (with all the shutting down of peripheral factories that will follow). NATO is under real threat from this since the EU ambitions run on a steady long term trend.

The UK Government meanwhile is running a Brexit policy on defence that aspires to being institutionally close to the entities pursuing this process. It will therefore share the risks and damage when these policies develop. It will encourage elements of Whitehall to pursue even further the policy of the past twenty years, of pooling resources in order to cut UK costs, and with it independent capability. Too close an institutional affiliation meanwhile leads to too close a UK orbit, and no prospect of an easy escape vector when the ongoing process of EU integration bites into the bone.

Given proven trends, and demonstrable ambition, that time will come. The UK will then, by negligence, have contributed to a catastrophic Defence rift between the continents of Europe and North America. And of more direct and immediate concern, it will have triggered the breakdown the unique and irreplaceable Defence and Security relationship the UK has with the US.

NOTE: as the subject matter is acronym-heavy, a short glossary of some of the key phrases is provided in Annex C

1. Transition and end state: where we are at

The Brexit negotiations in November 2018 generated two texts. The Transition Agreement (TA) set out the mechanisms and terms for the UK to move from EU membership into a new agreement. The Political Declaration (PD) for its part set out in outline the anticipated future treaty, though with little actual obligation to deliver on it.

The UK Government’s policy has been to seek to minimize changes from the current level of Defence and Security Cooperation. For this reason, they comprise two of the four ‘pillars’ set out in the model end structure HMG has been pursuing.

Problematically, however, this has come at the very time when the EU itself has been accelerating its integration in these areas. Meanwhile, with the notable exception of interim financial commitments, HMG has been reluctant to obstruct or significantly shape these developments during what may retrospectively turn out to have been a surge period. Reports indicate that within the Council, European Governments take significantly shifting views, supporting some measures while opposing others. The UK focus on ‘loyal cooperation’ during this process, at the same time as other EU states have been pushing a far harder line in other areas of what equally constitutes a vital interest (future economic partnerships, or the Northern Irish border, in particular), demonstrate a certain one-sidedness to the UK approach. On top of this, a peculiarly disjointed Whitehall approach has seen the UK signing up to schemes that it otherwise would have blocked further upstream.
Consequently, while the UK has avoided direct engagement in overt aspects of Defence integration, the sheer scale and range of the activity and treaty competences involved (from institutional expansion through to industrial harmonization) means the UK remains in the future at risk of being sucked into EU Defence integration by unwary footfall.

In particular, the Transition Agreement

- Is subject to the Northern Irish backstop, meaning that any clauses are hostages to being surrendered at a later date to release Ulster from a separate customs and regulatory union, and keep the UK united;
- Does not obstruct continued UK involvement with EDTIB, ie Defence industry integration, during the critical initial set up period, thus setting the framework of future expectations;
- Does not obstruct major UK engagement with the European Defence Agency and other key emerging institutions during the same period;
- Introduces into its Protocol on the Sovereign Base Areas jurisdiction for the Luxembourg Court, plus potential costs and revenue loss along with administrative burdens relating to managing the Customs Union with the Republic of Cyprus;
- Also locks in the controversial non-refoulement clause for asylum seekers seeking to land there in order to reach UK soil – which will encourage people dying while making the attempt;
- Obliges the UK (but not the EU) under A129 to refrain in international activity from following any line “which is likely to be prejudicial to the Union’s interests” – a somewhat broadly-interpretable line.

The Political Declaration

- Is subject to end agreement, so might not happen at all, or in watered-down form;
- Locks in the problematic relationship between the UK’s Common Law Courts and the European Court of Human Rights, including elements with security and armed forces effect, which was previously on the Conservative Party’s agenda to finally fix;
- Includes UK engagement in a variety of Defence and Security sectors with a shortfall in strategic caveats relating to long term EU ambitions, the role of NATO, and democratic oversight;
- Contains clear portals to close UK-EU R&D work, but without acknowledging the political factors and risks underpinning EU preferential activity as a competitor rather than a partner to the US);
- Proposes future UK potential membership of the European Investment Bank, which has been identified as a source for underwriting future major EU Defence spending;
- Includes several potential or outright ‘passerelles’ or ‘rubber clauses’, that authorize deeper levels of integration in the future without requiring democratic sanction first;
- Permits under A104 UK involvement in developing aspects of PESCO, the core of European Defence integration, as well as encouraging UK participation in the development of EDTIB;
- Signs the UK up to the EU’s (questionable) satellite intelligence work.
What this means is that the UK has agreed to a **Defence Backstop**. It has not threatened to entirely withhold cooperation, except in NATO and non-EU environments such as the multilateral procurement agency OCCAR. It has signed up to cooperation while stating it has reservations, without carefully establishing future thresholds. This will, inevitably, lead to further integration, just over a slower timeframe than would have happened had the UK remained an EU member.

One positive, though, ought to be highlighted in the talks. Article 104 of the Political Declaration does briefly frame UK cooperation in matters relating to the Defence industrial base, by saying,

> “both Parties should preserve their respective strategic autonomy and freedom of action underpinned by their respective robust domestic defence industrial bases”

This is actually an important caveat and whoever introduced it, presumably the Secretary of State for Defence, ought to be congratulated. Jimmying this clause in (it clearly runs counter to the sense of the text) provides a safety mechanism that reduces the direct threat arising to the integration of the UK’s domestic industrial Defence capacity, which EDTIB is designed to rationalise and regionalise.

The attempt to introduce a lock reveals that someone has been listening to Veterans for Britain concerns.

If only more in Whitehall had, and much earlier.

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**2. The Defence pledge in the referendum**

Defence and Security featured as elements of debate during the Brexit referendum campaign. The Remain side argued that EU membership was critical for ongoing security on both counts. The Leave side argued that Defence was best secured through NATO, and Security did not need all the baggage of the Justice and Home Affairs pillar to implement.

Vote Leave, the officially-designated withdrawal campaign for the referendum, said in its defence section on its website,

> “Defence cooperation in Europe is obviously a good thing. The problem with the EU’s approach is that it is not about cooperation - it is about centralising control of defence in Brussels, just as the euro centralised control of the economy in Brussels. It is dangerous to keep giving away control of defence and security to the Brussels bureaucracy. It is safer to take back control and then negotiate a new deal based on international cooperation. We can keep cooperating with our allies without handing over permanent control to people in Brussels we can never vote out.”

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The site also briefly set out a series of risks associated with being too closely aligned with the EU Defence project – the increasing jurisdiction of the European Courts, procurement issues, physical capability and competence, and the enduring threat to an independent foreign policy (symbolised by the UN seat and P5 status). On NATO, it warned,

“The NATO alliance managed Europe’s defence against the Soviet Union in the Cold War and organised European action against militant Islam after 9/11. NATO is the single key component in Britain’s - and Europe’s - security, but it is a component that is being undermined by the EU.”

Perhaps most visible of all was the warning that the EU had the ambition to build its own army. The campaign warned,

“For over 50 years, the EU has tried again and again to create a European army. The EU has already introduced a ‘Common Security and Defence Policy’ but Brussels wants much more control. Last year, the President of the European Commission, Jean-Claude Juncker, said he would like to see the introduction of an EU army. The European Commission has said that EU defence integration is not ‘just a political option but a strategic and economic necessity’.

“Article 42(2) of the Treaty on European Union provides that ‘the common security and defence policy shall include the progressive framing of a common Union defence policy. This will lead to a common defence, when the European Council... so decides.’ The Commission describes this as ‘a roadmap to common defence.’ This is being used to accelerate plans for a European Army.”

It added,

“If we vote to remain in the EU, the Commission will take more and more control.”

Any Brexit treaty arrangement that leaves these threats unaddressed will not be delivering on referendum pledges.

3. The Need for safeguards in the negotiations

The UK’s negotiating strategy needs to be focused on providing specific safeguards while generating docking ports. In other words, there needs to be considerable flexibility in ensuring that UK arrangements are not welded in and immutable as the EU develops its integrationist ambitions, while allowing facilitation of cooperation in areas and theatres where the UK has identified an area of common interest. This itself requires a liaison structure so there is an awareness of what proposals are going on, at an early enough stage to provide meaningful buy-in without signing up to a programme that does not take into account UK needs – an example might be the UK at a late stage buying into work on a joint naval programme by then already set up to cater for a Baltic fleet.
Liaison activity, however, does not require full membership which has too often across Whitehall been the natural default of those planning relationship terms with the EU in the past.

But that type of looser affiliation does mitigate key risks.

In strategic terms, and the fields covered, the EU treaties already allow for the development of “a common defence.” Ambition in EU defence integration is now extremely wide ranging, and encompasses the following -

- Structural: generating permanent frameworks for activity such as standing HQs and support systems
- Policy: increasing central/communal decision-making, and common doctrine
- Financial: creating common budgets
- Industrial: generating a common EU defence industry, at the cost of shutting national production and limiting R&D capability through regional specialisation
- Organisational: generating standing units, training, and pooled/commonly-funded assets.

In terms of the risks this creates, fundamentally the problem comes down to the UK already now signing up to the establishment of new common structures, budgets, and decision-making which carry implied or explicit legacy commitments. In some cases, UK delegates at civil service or ministerial level have signed off proposals on the assumption that the UK would not be governed by them after Brexit, only to have counterparts subsequently overturning that assumption through an apparent lack of joined-up government.

At the very least, this ambiguity has made the task of Brexit negotiators subsequently more complicated wherever they have later had to clarify or assert they will not pursue them.

Some proposals are easy for the UK to avoid, like signing off on a common EU Engineers Corps. Others are more complex or obscure. They include –

- Generation of EU defence entities that duplicate and thus undermine NATO counterparts (notwithstanding explicit claims that they do not)
- Strategic development, meaning the UK has endorsed new jointery before DfExEU has reviewed it
- Rationalisation of procurement, generating potential Single Market obligations even after Brexit
- Legal implications arising from CJEU oversight, both commercially and operationally

From a UK perspective, as a major security player and a Permanent Member of the United Nations Security Council, this carries an elevated series of innate risks;

- A threat to UK Strategic Assets over time being pooled, or conversely being erroneously counted on by EU planners;
• A threat to the UK’s status as the only European member of the Five Eyes Community, given increased risk to US data through increased general pooling with less secure agencies;
• A threat to NATO, currently defended only by assertions that no threat exists;
• The ambitious but under-resourced operational aims of the European External Action Service, a largely untested agency;
• Interference with the way national armed forces are administered, for example in supporting the wider introduction of trades unions into European militaries;
• The impact on UK defence industry and strategic resources;
• The generation of genuinely pooled financial resources in defence, with the consequential risk that this encourages member states to cut defence budgets even further;
• Decisions on UK defence priorities being made by the EU;
• Misallocation of resources based on narrower strategic horizons and regional politics;
• Wastage due to duplication of NATO capabilities;
• Increased discrimination of non-EU members of NATO, if the United Kingdom glues to the EU parallel model;
• De-coupling of US-Europe defence and security;
• Nato-EU deadlock over Turkey/Cyprus.

It is perhaps a paradox of Brexit that the UK, as one of the two key military powers of the EU, will strengthen NATO and render the Western alliance more effective the more removed it now makes itself from the core military ambitions of Brussels. Its importance is recognised by the EU itself as it seeks to tap into UK capabilities wherever its own are lacking.

4. Security, Defence, and Diplomacy: the EU’s longstanding strategic ambitions

At this point it will be useful to demonstrate beyond doubt that the EU’s direction of travel is unambiguously towards a Common Defence. The observation is surprisingly widely rejected ignored by commentators in both academia and journalism who tend to apply a limited prism to events, rather than observing both the historic trend and the statements of intent for how things will develop in the years to come. It behoves the UK in planning for post-Brexit relations to correspondingly also think in the long term.

The pointers came at Maastricht, itself on the heels of the fall of the Soviet Bloc and with it the reunification of Germany. It made sense for Germany’s neighbours to want to lock in their partner, now enlarged by a third in population terms and relieved from direct (Soviet) threat. This time rather than just pool steel and coal production, creating closer linkage with the military itself would be the focus. Unlike the 1950s, the strategy worked.
Under the Maastricht terms, a new Defence competence was included, though at this stage in a separate treaty that was intergovernmental in nature. The Common Foreign and Security Policy (CFSP) pillar covered foreign policy and defence. A Justice and Home Affairs (JHA) pillar covered crime and terrorism.

Significantly, the text expressly acknowledged from the outset that a shift from the three pillars structure may in time lead to a common defence. Conditionals in EU treaties being legal enablers, this was really therefore a matter of ultimate timing.

The Amsterdam Treaty (1997) collapsed part of Pillar Three and JH; and the Nice treaty (2001) then brought both into the main treaty, thus rendering them both directly EU core affairs for the institutions to engage in, and carrying with it and greater ECJ implications.

With the Treaty of Lisbon came with further commitments. Art 42.2 stated,

“The common security and defence policy shall include the progressive framing of a common Union defence policy. This will lead [NB] to a common defence, when the European Council, acting unanimously, so decides.”

Lisbon also created the European Defence Agency as an official EU Institution. The result is now that it is operating as a magnet for further integration, not only in terms of procurement but also in operational tactics, and strategy.

### 4.1 An undoubted trend

Annex A sets out, in outline, a number of the key dates in the development of both the Common Defence Policy and the EU’s Common Diplomatic Policy. It runs to several pages even when the font is reduced, but the implications on where it is heading are self-evident.2

We might from the list identify five phases. Phase One covers the period where the future EEC core states sought to generate a Defence Union to unlock German manpower and to lock postwar Germany to the West, or more properly, France. As this failed, attention shifted to Plan B, economic integration. Phase Two saw some increased interest in European cooperation but with greater ongoing interest in expanding the EC’s diplomatic presence as it assumed diplomatic powers.

German Reunification led to Phase Three, which spurred on considerable Franco-German cooperation. Alongside this some multilateral entities were created outside of the EU, with wider take up spurred on by the Anglo-French St Mâlo Accords. Phase Four was triggered by

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2 For more on the contents of this table, see Chapters 8 and 9 of Change or Go, Business for Britain, 2015, https://brexitcentral.com/wp-content/uploads/2016/11/ChangeorGo.pdf; and the TaxPayers’ Alliance papers EU Diplomats
the Lisbon Treaty, which provided a solid institutional basis for these bodies to be collapsed into the EU structures, and encouraged further development in form and policy.

The EU is now in Phase Five, which is a recent development – the acceleration of Defence integration across multiple fields. It is with this background in mind that Brexit negotiators must plan.

**4.2 Wide-ranging and interconnecting**

The EU’s trend towards acquiring more competences, funding and power is not limited to a small number of spheres. The ambition is comprehensive, and the context in any sphere falls over multiple government departments.

In the case of Defence integration, what has actually happened is that the European External Action Service and its High Commissioner have over the course of many years increased their portfolio to cover elements relating to the Home Office (Counter Terrorism and Migration, for example), the Foreign Office, International Development (though a fight is going on with some MEPs over that), and Defence.

The nature of the UK’s post-Brexit arrangements over Defence will be influenced by the EU’s activities in other fields, and a coherent cross-departmental approach needs to be agreed.

This is particularly so when one considers the past tendency within the Commission to test legal boundaries. The Commission and the deeper integrationists for example have long aspired to gain competencies on North Sea energy reserves. These were blocked during the Convention on the Future of Europe, and thus did not make it into the Lisbon Treaty as the Commission had wished. However, this happened indirectly through the Commission developing a list of strategic assets over which it had an economic interest to see protected; and more directly a successful challenge to extend Health and Safety competency onto the rigs.

Mechanisms that do not protect against treaty creep through reinterpreting what the Commission is there to do risk undermining Defence, because the UK will remain a rule taker under Chequers over the Single Market, and the rulings of the Luxembourg Courts will still be a key factor against which the very consequences of a successful triggering of the dispute clause act as a deterrent. Shadowing the Single Market itself generates a foothold into wider UK Defence policy.

**4.3 The current sprint**

Any doubt on where this is now heading should have been dispelled by two very recent statements. In November 2018, President Macron openly called for the creation of a “true European Army” to counter the forces of China, Russia, and – astonishingly (since it came on
the centenary of the high point of the Meuse-Argonne offensive – the United States.³ The same day, a Commission official was quizzed on their corporate line; the response was that the current Commission had achieved more in this field than any of its predecessors. “I don’t think that this Defence identity will start with an EU army,” the spokesman said. “We’ll see that at some point in time, probably down at the end of this process, we may see something that people already describe as an EU army or an EU pooling of resources to make this EU Defence identity more visible and more meaningful.”⁴

So what, in practical terms, do these components consist of that are gradually assembling into that ultimately undisputed form? Space precludes us from analyzing in full the wide range of agreements and future proposals that have been emanating from the EEAS, Commission and EP. Our own comprehensive summary from the start of the process is 34 pages long.⁵ But the key developments are as follows.

The two core plans are called the Security and Defence Implementation Plan (SDIP), produced by the EU’s External Action Service, and the European Defence Action Plan (EDAP), produced by the EU Commission. Since they largely agreed, the result has become policy. The plans, oblige participating states to submit their ‘defence capability priorities’ towards a centralised EU priority plan, as well as to make proposals for UK intelligence services to feed into a central EU intelligence hub known as the Single Intelligence Analysis Capacity (SIAC).

The arrangements also assert the EU’s “defence decision-making autonomy from NATO”, an unusual objective given that the plans were created with the intention of tackling duplication, only to create it at the highest decision-making level.

They create the EU’s first centralised defence budget, known as the EU Defence Fund. The fund is be supported by billions of euros from the European Investment Bank (EIB) which is seeing its rules rewritten by the EU in order to prioritise defence funding. The UK is joint-largest shareholder in the EIB, and under the Chequers approach will remain so for a considerable amount of time.

The EU Defence Fund will support ‘defence capability’ projects, joint projects between member states, such as those created under PESCO. The Lisbon Treaty badges these under the “Union Framework”.

The plans are also designed to lead to the creation of a Defence Single Market, known as EDTIB, with increased defence procurement coordinated centrally by a newly empowered and augmented European Defence Agency. The precedent of quota bartering in the management of the Common Fisheries Policy augurs badly for how this will work out in practice.

⁵ http://veteransforbritain.uk/nouvelle-vague-an-audit-of-eu-defence-union-plans/
The UK Government’s approach post-Chequers appear to exacerbate the risks. The UK will be contributing finances to shared procurement with questionable levels of input over priorities. Meanwhile, factories and shipyards will be exposed to the new Single Market in Defence. There will be winners and losers in this, as some sites gain increased orders while others are shut down in favour of centralized plans favouring their competitors. However, there will be minimal accountability for these decisions which could lead to thousands of job losses in, say, Govan or Yeovil.

At present, the UK is ‘permitted’ to select its own domestic suppliers in, for example, shipbuilding and aircraft manufacture, but only because the UK may invoke the EU’s Article 346 (the National Security Clause), to avoid other EU rules which say tendering must be done on an EU-wide basis. The scope of Article 346 has recently been reduced by ECJ precedent, and the definition of national security interests is already potentially subject to amendment by the ECJ. The defence items covered by Article 346 may be amended by a unanimous decision of the EU Council at any time. If the UK adheres to this process under Chequers. This carries considerable risk for the very existence of UK Defence manufacturers.

3.4 Whitehall buy-in

It was Veterans for Britain who broke the story that senior UK civil servants were not only failing to block UK entanglement in PESCO and its associated elements, but were actually prepping for facilitating it. The story is set out on the VfB website.

As a result of following how Whitehall generally has been reacting to EU Defence cooperation, our conclusion is that civil servants fall into three groups;

- Those who ‘get it’, and who have identified the problems that arise from EU Defence integration, but who are not in a position to do much about it;
- Those who see EU Defence integration as a ‘solution’ to a declining UK generally (a state of mind in the Civil Service previously reversed under Margaret Thatcher);
- Those who have not identified there being a problem, as issues are only considered over the short term (often in the context of the annual budget and short term kit and spending shortfalls), rather than in terms of where the EU corporately will be in the future.

Ultimately, the blame for any civil servants potentially ‘going rogue’ must lie in those providing oversight. In the case of Brexit, this leads to the Cabinet Office. Unfortunately, both Security and Defence have been identified by its chiefs (in keeping with past Home Office opinions over JHA issues) as areas where the current pace of EU integration is seen as uncontroversial, and where the British Government wants to carry across current arrangements. This is not only a dangerous mix; it is a negotiating loss. The EU side is even more keen to keep close to the UK in these fields, not least because of national capabilities and also the UK’s Defence market and budget.
Failure to use this area as a negotiating point, even as counterparts deploy obstacles on trade deals which is just as much a “national interest”, is astonishingly naïve of the Cabinet Office - though entirely in keeping with its wider flawed negotiating strategy of seeking to minimize Brexit’s evolutionary changes by bulky policy pillars, rather than to set out an FTA baseline and build upwards and sideways from that.

4. Policy overspill: the example of the Common Maritime Policy

Although it is rarely discussed in such terms, the European Commission does operate a Common Maritime Policy (or at least claims to). The most visible elements of this are the Common Fisheries Policy, and the maritime elements of the maritime anti-migrant patrols in the Mediterranean. But in fact the Commission strategically groups a big range of policy areas under the heading of ‘things we do to do with the sea’.6

The CFP provides an example of how even after Brexit, other areas of policy that have an impact on fishermen and their communities could continue to be affected by any element of the acquis whose application continues to apply under the Chequers terms – anything from export rules for a loan from a shipping museum, to what nets on the market are allowed to be made of, vessel dismantling rules, and so on.

It also provides a reminder that policy overspill can apply in the most unexpected way, here providing an administrative interest for a Commissioner in everything from aquaria to sustainable tourism.7 Table A lists the areas the Commission itself identifies as falling under the competency of the Common Maritime Policy. To our knowledge, no similar list has been generated for the EEAS. It might also be noted that surveillance measures to some extent overlaps with the activities of the Navy and RAF.

Table A: Common Maritime Policy competency areas

<table>
<thead>
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<th>Priority areas for the Commission</th>
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<tbody>
<tr>
<td>o A European Maritime Transport Space without barriers</td>
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<tr>
<td>o A European Strategy for Marine Research</td>
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<tr>
<td>o National integrated maritime policies to be developed by Member States</td>
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<tr>
<td>o An European network for maritime surveillance</td>
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<tr>
<td>o A Roadmap towards maritime spatial planning by Member States</td>
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<td>o A Strategy to mitigate the effects of Climate Change on coastal regions</td>
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<td>o Reduction of CO2 emissions and pollution by shipping</td>
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<td>o Elimination of pirate fishing and destructive high seas bottom trawling</td>
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<tr>
<td>o An European network of maritime clusters</td>
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<tr>
<td>o A review of EU labour law exemptions for the shipping and fishing sectors</td>
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</tbody>
</table>

6 Source: http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/by_neptune.pdf pp6-7 but also long observed by campaign group Save Britain’s Fish

7 Communication from the Commission to the European Parliament, the Council, the European Economic and Social Committee and the Committee of the Regions - An Integrated Maritime Policy for the European Union, COM(2007) 574 final. Fisheries will fall outside of the EU/shared remit of the new treaty; but from the list we can see that other fields would not.
Beyond the above, the Common Maritime Policy also includes provision for laws, plans and funds covering:

- Maritime surveillance in
  - Navigation
  - Marine pollution
  - Law enforcement
  - Overall security
  - Fisheries policing

- The gradual achievement of an integrated network of vessel tracking and e-navigation systems for European coastal waters and the high seas, including satellite monitoring and long range identification and tracking (LRIT)

- Coordination of control of external borders and other law enforcement activities

- Maritime Spatial Planning and Integrated Coastal Zone Management (ICZM), covering
  - Maritime transport
  - Fishing
  - Aquaculture
  - Leisure activities
  - Off-shore energy production and other forms of sea bed exploitation

- Policy on maritime logistics

- Off-shore wind energy

- Recreational boating

- Cruise shipping

- Construction and technological research relating to the above

- Creation of the Motorways of the Sea/Short Sea Shipping Networks.

- Energy applications directly relevant to cross-border transport links

- Ports policy, including air pollution from ships in ports, shore side electricity, environmental legislation to port development

- Shipbuilding, and repair

- Marine equipment industries and in particular SMEs in blue biotech, offshore-renewable energies, underwater technology and equipment and marine aquaculture

- Search for oil and gas

- Renewable energies, energy transportation, diversifying energy transport routes and thus reinforcing security of supply

- Formation of multi-sectoral clusters

- Increasing the number and quality of maritime jobs for European citizens

- Improved staffing policies and working conditions (including Health and Safety)

- Maritime studies and skills and qualifications for the maritime professions

- Carbon storage

- Climate change in coastal zones

- Greenhouse gas emissions from ships

- Dismantling obsolete ships

- Fisheries management

- On-the-job safety of fishermen

- Coastal and maritime tourism

- Sustainable tourism policy

- Outermost regions and islands

- Community Disaster Prevention Strategy highlighting the risks to which coastal regions are exposed

- Taking the lead on behalf of member states in International Maritime Affairs

- Fight against illegal activities in international waters

- Strategic issues relating to the Arctic Ocean

- Increased co-operation in managing the Mediterranean and the Black Seas, and the Arctic

- Raising the Visibility of Maritime Europe – ie “raising public awareness of the value of the maritime economy and heritage, and [...] creating a sense of common purpose and identity between stakeholders”
If this appears to be an exotic comparison, the following may prove a salutary example within Defence. Currently, the Commission is underlining its role in the development of industry standards across the EU, and sees drone development as no exception to the rule. Despite treaty exemptions for Defence industries, the general rule is applied to circumvent out the specific caveat. Separately, the Commission is also testing legal boundaries through making a linkage with aviation safety, in particular the Single European Sky (SES) and Single European Sky Air Traffic Management Research (SESAR) activity. By pointing to Health and Safety aspects and specifically to its competence in aviation, the Commission is seeking to open a legislative door. This is not a new approach: indeed, in 1999 there were attempts to regulate over military air traffic control and integrate them on safety grounds with civil processes, with clear consequences to national Defence management systems.

So the very range of competences that are associated with the management of the Single Market, to which the UK under the Chequers arrangements will remain a proxy member, do allow potential leeway for the Commission to engage in policy making in Defence and Security by the back door – even if Defence itself is successfully separated into a distinct intergovernmental pillar.

5. The new Single Market in Defence

The Commission is quite open about where it hopes this increased cooperation will lead. In its Defence Action Plan, it declared,

“...The Commission is ready to engage at an unprecedented level in defence to support Member States. It will exploit the EU instruments, including EU funding, and the full potential of the Treaties, towards building a Defence Union.

“...However, the adoption of this Communication by the Commission is only a first step. [...] Based on a strong and shared commitment between the Member States and the institutions, the European Defence Action Plan can become a game changer for more European defence cooperation and greater solidarity between Member States.”

The implications in practical terms boil down to the following;

- Increased spending on Research and Technology (R&T) targeted towards the EU’s own Defence CDP priorities and strategy.

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8 EU Defence Action Plan, European Commission, COM 2016 (950), p19
9 Implementation Plan on Security and Defence, Office of the High Representative, 14392/16, 14 November 2016, p23
• An increased drive towards standardisation between EU-based suppliers, though this is less about interoperability (which is secured by NATO) than about the reduction in the number of competitors and increasing specialism in production. Policing this is to be gradually Europeanised.10
• Modifying military standards so “dual use” items can be certified (though this comes at some risk to end military capability or to wider consumer cost, depending on where the product compromise lies).11

But fundamentally the core is about generating “Regional clusters”. Each would specialize in industrial niches and aggregate large firms, small forms and research centres to specialise in specific technological areas, such as aircraft engines. The number of these will then be reduced over time. Of course, from an economic perspective this sounds ideal. However, it fails to take into consideration the manner in which these negotiations will be conducted; whether countries which have disproportionately high Defence Budget share will see Defence Sectors supported correspondingly reflected (Single Market rules suggest otherwise); whether inferior concentrations will be supported for political reasons and ‘due share’ over better ones (thus rendering the products generated less competitive); and it also neglects to take into consideration to loss of national capacity and the ability to create materiel unilaterally if ever needed due to changes in geostrategic reality. Examples of the latter include Belgium refusing to supply ammunition to the UK during the Falklands War, or, say, a putative Marxist Government in Europe interfering with exports in the future.

6. Money

It also remains unclear the extent to which the UK will continue to contribute to these programmes and institutions. UK businesses have reportedly been encouraged to apply for early stage research grants, implying that the intent is to continue to do so in the future.

The EU in any event now has a designated European Defence Fund. The UK already has liabilities arising from assets still committed to the European Investment Bank. But additionally, the EEA has already flagged up the prospect in the future of generating bonds. This carries with it risks over contingent liabilities, given the notoriety of military R&D and the capacity for overspend and strategic failure - the UK’s withdrawal from the Horizon Frigate programme for example showing the kind of difficulties that can emerge.

How this will begin to operate in practice has already been outlined. “Key Strategic Activities” or KSA will be identified, which may be technologies, skills, or industrial manufacturing capacity, and a pilot case will be picked for funding based on a “a structured dialogue between Member States and Industry.” This is a significant pointer. It suggests that funding will not be targeted necessarily at projects that are the most sought after on military grounds; but that “winners” might be picked from particular industries. Alternatively, sectors may be picked on the basis of political compromise based on their

10 Implementation Plan on Security and Defence, Office of the High Representative, 14392/16, 14 November 2016, p24
11 EU Defence Action Plan, European Commission, COM 2016 (950), pp16-17
local economic importance. Again, the “structured dialogue” suggests the planning cycle will be driven by a level of corporatism.\textsuperscript{12}

None of these bodes well for the generation of a decision-making system that generates products needed by the military, created by the most innovative designers, and necessarily built by the most efficient factories.

The ambition behind this budget is extensive. It will start with a test sum, which will then be swiftly expanded to half a billion Euros by 2020.

The Commission seeks for the EU to become a corporate player in Defence Research on the scale of a nation state. Indeed, the very size of the ultimate budget means it is likely to supplant national expenditure for the majority of member states.

For a small country this might be a considerable gain; for one of the three large national defence research investors (specifically, the United Kingdom), the prospect should be approached with more circumspect analysis and an eye on risk to UK development capability. This approach does not seem to have featured prominently in Cabinet Office considerations.

7. **Permanent Structured Cooperation (PESCO)**

PESCO provides the institutional framework to engage in deeper EU Defence integration. The institutions that are associated with it are correspondingly tasked with that process.

The direction of travel as seen by the High Representative include

> “reinforcing CSDP’s ties with Freedom/Security/Justice (FSJ) actors, notably the European Border and Coast Guard Agency and Europol, at the strategic level and in the field, to support the monitoring and security of land, sea and air borders in light of security needs;

> – building Europe’s strength and resilience, including by enhancing civilian and military capabilities, ensuring security of supply, protecting networks and infrastructure, and promoting technological innovation and defence investment”\textsuperscript{13}

Given the listing here of areas covering of several Directorates General of the Commission and a number of Euroquangos with involvement in these fields, coordination of effort will be a major task that will generate the prospect for considerable horizontal expansion of competences down the line. In other environments such an approach might be described as ‘holistic’. In any event it should set the earlier table of Common Maritime Policy interlinkage into full context.

\textsuperscript{12} Implementation Plan on Security and Defence, Office of the High Representative, 14392/16, 14 November 2016, p23

\textsuperscript{13} Implementation Plan on Security and Defence, Office of the High Representative, 14392/16, 14 November 2016, p14
The UK has not held a consistent line on this. UK officials deliberately did not seek to hinder its establishment, on the misguided principle of ‘honest cooperation’ during the Brexit process but also because of an assumption amongst the diplomats that the UK would not participate. However, the knock on effect has turned out to be considerable, since a number of the corollaries are areas where the UK has since indicated an interest.

An example here is of UK engagement in the European Intervention Initiative (EI2), which as a result of spectacular timing was launched in the very week President Macron called for an EU army. The intervention group is set up outside of NATO, but is reportedly seen by France as a means of coopting more go-ahead EU members who might otherwise be a drag on PESCO deployments.

8. Joint units and common assets

NATO already has standing joint units, and pools of assets from which contributing units can draw. Examples variously include the NATO School at Obergamergau; the NATO CBRN battalion; and the NATO Multinational Multi-Role Tanker Transport Fleet (an example of where an EDA-associated programme was successfully kept within the wider alliance, for now).

The EU’s ambition is to generate its own. Here it already has made a start.

First there are the EU elements. For example, it has a Satellite Intelligence Centre in Spain. It operates the Galileo programme under a Space competence introduced by the Lisbon Treaty. There is a Fusion Cell and CT analytical capacity in the INTCEN, the EU Intelligence Assessment and Situation Centre (EU INTCEN), to which can be added the Intelligence Directorate of the European Military Staff (EUMS INT)

Then there are the multinational elements that under the PESCO settlement are to be encouraged to come under the EU umbrella, including Eurofor, Eurocorps, Euromarfor, and the European Air Group to which the UK is a contributor.

Then there are distinct bilaterals, such as the German/Dutch Corps, which also for now has been associated predominantly within NATO orders of battle but which over time may shift across.

The Commission’s Action Plan aspires to greater pooling of both resources and personnel. It states that it seeks to set up

“A capability window’ to support the joint development of defence capabilities commonly agreed by Member States. This would be financed through the pooling of national contributions and, where possible, supported by the EU budget.

“The research window’ and the ‘capability window’ will be complementary but distinct in their legal nature and sources of financing.
“The ‘windows’ will be complemented by a coordinating mechanism in the form of a **Coordination Board**, bringing together the Commission, the High Representative, the Member States, the European Defence Agency, as well as industry as appropriate.”\(^{14}\)

There are key and notable exemptions: it does not include actual defence operations or other elements necessary to manage defence capabilities such as training, personnel and logistics. But that very ambition is contained in the proposals being pushed from the EEAS;

“The High Representative sees scope for many more multinational forces across other arms and services than presently exists, that could then form the core of EU activity;
This could build on existing models of cooperation such as with Eurocorps, the European Gendarmerie Force, and the European Air Transport Command. In the same vein, the dialogue with regional ‘clusters’ of (defence) cooperation among EU Member States could be fostered.

Action 9: Member States to consider relevant multinational structures or initiatives in the area of security and defence in view of reinforcing cooperation with the EU or deepening existing frameworks of cooperation. In particular, to consider developing a concept to make better use of existing national or multinational deployable headquarters made available to the EU, on a rotational basis, with a focus on training, mentoring and advising”\(^{15}\)

Mogherini for example proposed “developing a rapidly available common pool of strategic lift assets for the deployment of EU Battlegroups.” Separately, MEPs proposed the establishment of “an [sic] corps of military engineers created to address some very practical challenges related to climate change effects and natural disasters in third countries.”\(^{16}\)

The Council has now approved this ambition, and given carte blanche to explore the possibilities by “developing proposals and business cases for replicating the success of the multinational European Air Transport Command (EATC) in other domains.”\(^{17}\) The High Representative has already named three “concrete models”;

“Investigate replicating the successful model of the multinational European Air Transport Command in Eindhoven in other areas in order to ensure increased efficiency and effectiveness of related capabilities (e.g. Surface Movement of Military Assets, Logistics at Sea and on Land).

“Explore the creation of a European Medical Command with a view to enhance synergies and interoperability of the different services; work on a European logistic hub.

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\(^{14}\) *EU Defence Action Plan*, European Commission, COM 2016 (950), p6

\(^{15}\) *Implementation Plan on Security and Defence*, Office of the High Representative, 14392/16, 14 November 2016, p27

\(^{16}\) *European Parliament Report on the European Defence Union*, TA-(2016)0435, Recital A

\(^{17}\) *Council conclusions on implementing the EU Global Strategy in the area of Security and Defence*, 14009/16, 14 November 2016
“Develop proposals on a European barter mechanism (e.g. exchange of services) designed to optimise the use of existing capabilities”\textsuperscript{18}

Notably, these reflected the leaked Franco-German proposals from two months’ earlier that included the creation of a new command centre for coordinating medical assistance, a logistics centre for sharing “strategic” assets and specifically air-lift capacities, and the sharing of satellite imagery. Consequently, we might also predict a push on other aspects of that joint document, in particular the attempt to create an EU military esprit de corps by creating a new military academy.\textsuperscript{19}

The Commission’s proposals are ambitious, and top level. It recommended the following, largely associated with central decision-making processes;

“A stronger European defence requires Member States’ joint acquisition, development and retention of the full-spectrum of land, air, space and maritime capabilities. The Global Strategy for the European Union’s Foreign and Security Policy (“Global Strategy”) identifies a number of defence capability priority areas in which Europe needs to invest and develop collaborative approaches: intelligence-surveillance reconnaissance, remotely piloted aircraft systems, satellite communications and autonomous access to space and permanent earth observation; high end military capabilities including strategic enablers, as well as capabilities to ensure cyber and maritime security.”\textsuperscript{20}

Government ministers (including the UK) then agreed that work should be taken forward on priority areas in which it was felt the EU needed to spend money on. These were listed as: Intelligence, Surveillance and Reconnaissance (ISR), Remotely Piloted Aircraft Systems, satellite communications, and autonomous access to space and permanent earth observation; high end military capabilities including strategic enablers; response to hybrid threats; as well as other capabilities, in particular those needed to ensure cyber and maritime security, and force protection.\textsuperscript{21}

This might be compared with the list generated by High Representative Federica Mogherini, who identified as her priorities for EU activity as the following;

“– Intelligence, Surveillance and Reconnaissance, Remotely Piloted Aircraft Systems, satellite communications, and autonomous access to space and permanent earth observation;
“– high-end military capabilities, including strategic enablers;
“– cyber and maritime security.
“These initial priority areas include the four flagship capability projects supported by the European Council in 2013, namely regarding Air-to-Air Refuelling (AAR),

\textsuperscript{18} Implementation Plan on Security and Defence, Office of the High Representative, 14392/16, 14 November 2016
\textsuperscript{19} “France and Germany propose EU ‘defence union’”, EUObserver, 12 September 2016
\textsuperscript{20} EU Defence Action Plan, European Commission, COM 2016 (950), p2
\textsuperscript{21} Council conclusions on implementing the EU Global Strategy in the area of Security and Defence, 14009/16, 14 November 2016, p8
Remotey Piloted Aircraft Systems (RPAS), Cyber, and Satellite Communication (GovSatCom)."

Taken together, this generates a significant list of top level assets. An increased role by the EU institutionally would make Brussels far more central to the OODA loop of both Defence management but also of international affairs, and indeed far more capable of independent analysis and ultimately of decision-making.

Whitehall so far has gone along with this.

9. The Chequers concessions

What does the Cabinet Office stance mean even if implemented in an unadulterated form, and how tightly associated with this EU direction does it leave the UK if implemented?22

Let’s here consider policy as set out in the wider corporate agreement signed off by ministers, then formalized in the negotiating White Paper. The following highlight some of the problems in official text even before the Commission sought to rewrite it.

9.1 Elastic vocabulary of instruction

Some of the language deployed in the White Paper is open to ranging interpretations. This may have suited negotiators seeking to find a commonality with their counterparts, but is less helpful when civil servants are seeking to define the thresholds and limits of what their mandates actually are. That is particularly true when Defence integration is continuing outside of the negotiating room by other officials who may be left unclear as to what the UK’s optimal end state objective will be.

The problem with lack of clarity begins in the core official line. The ambiguous commitment is to “maintain operational capabilities on internal security, and ensure that the UK has an independent foreign policy, with suitable arrangements to work with the EU as required.” The word “suitable” carries a heavy burden here, and does little to alleviate the highly problematic pledges of support already given over the previous 18 months by Whitehall to the active development of EU Permanent Structured Cooperation (PESCO).

Within the White Paper, the UK acknowledges that CSDP is an encompassing field, and that the UK will be a participant across it, but without clear pigeon holing from the outset;

“the UK seeks an ambitious partnership covering the breadth of security interests including foreign policy, defence, development, law enforcement and criminal justice cooperation. It should be supported by ongoing cooperation through partnership programmes and key safeguards such as individual rights, data protection and robust

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governance arrangements, to underpin the trust which is essential to such a close relationship.²³

The extent of the coordination is set out in terms of profound width and depth;

“complex and overlapping challenges are likely to remain security priorities for the UK and the EU over the next decade. To respond effectively will require a transformative approach, using the widest possible range of capabilities at the disposal of the UK and the EU. They require an unprecedented depth and breadth of cooperation to keep people safe across the whole of the continent.”²⁴

And again where it talks of a “closer, more intense and more productive cooperation than the EU enjoys with any other partner.”²⁵ Separately, the neologism in terminology is that of “the UK’s and the EU’s shared security context.”²⁶ The range of cooperation is ambitiously spelled out as to

“support joint action on wider security issues, including asylum and illegal migration, cyber security, cooperation on counter-terrorism, civil protection and health security.”²⁷

Devoid of tight caveats, those provide ample scope for government departments in the future to pursue extensive levels of bilateral engagement.

Standing alone these are not automatically a concern, but the context makes it so. For example, the wording in one section portrays the UK as a pro-active enabler for EU Defence ambitions;

“Collaboration on defence and security capabilities will ensure that armed forces remain capable and interoperable, that the best use of defence budgets is made and that support is given to the innovation and global competitiveness of the European defence industrial base, putting European defence industry in the best place to compete in the global market. Europe’s ability to act autonomously and effectively will be enhanced with the UK at the EU’s side.”²⁸

What does this lead to in practical terms? We might reflect on the example of the European Defence Fund, which is already now being set up since Member States including the UK signed it off. The Capability Window, Research Window and Preparatory Action on Defence Research (PADR) are parts of the ‘European Defence Fund’ mentioned in the Chequers Plan in which the UK has declared an interest. As it happens, the UK is already participating in these, as well as in associated elements such as the Cooperative Financial Mechanism (CFM). Official policy in effect has been to seek to cement buy in of areas largely off the

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²³ White Paper, p51
²⁴ Ibid., p54
²⁵ Ibid., p64
²⁶ Ibid., p53
²⁷ Ibid., p53
²⁸ Ibid., p67
Parliamentary radar, signed up to by UKREP on the original (erroneous) assumption that the UK would later opt out.

9.2 Excessive proximity

In some areas the UK is clearly signing up to EU programmes and agencies that have already been criticized for carrying too heavy a level of EU integration. In the Security field, the White Paper in particular commits the cardinal error of too ardently seeking to participate in Europol and Eurojust (and other agencies and elements) without sufficiently qualifying the level of partnership. The example is salutary.

Europol operates a variable geometry of association. While for example it has an agreement with Australia, it has a more general strategic agreement with China, and is in the process of finalising the end status for Denmark – the EU member that left.

The Copenhagen example is telling. Successive Danish Governments have been far more wary of the political risks and ambitions associated with Justice and Home Affairs (JHA) cooperation than the British Home Office. An audit in 2009 showed the UK already waiving opt out rights in 68 cases while Denmark had done so in only 4. The UK should take Denmark as its lead.

Again, we are not advocating ruling out cooperation with the EU collectively or with individual states, particularly with certain specific pragmatic operational aspects upon which it is sensible not to dwell. But we do strongly counsel the Government to step back from the institutions, which have an agenda and an ambition of their own.

While it may be in keeping with the historic tendency of the Prime Minister while in the Home Office to affiliate more closely with the JHA pillar than many in her party thought prudent at the time, it would be an error to grab for that option now. Yet it appears that the trend previously run in areas of Security is also now being applied across to Defence, because of the apparent interest in an excessively close association with the EDA.

9.3 The EDA – ‘Defence’s Europol’

Despite the designated role of the EDA as the core element to emerging Defence Union, the White Paper accepts it as the optimal lynch pin for future association. It states,

“Future UK participation in EDA programmes and initiatives will be beneficial for both parties. There are precedents, for example via a third country Administrative Arrangement. The UK is also open to continue contributing to the EU’s Force

29 The objective being to “protect shared law enforcement and criminal justice cooperation capabilities, including the ability to share time-sensitive data and information, practical cooperation to investigate serious criminality and terrorism, and cooperation through the EU agencies Europol and Eurojust”, p53
Catalogue to support the EU’s assessment and prioritisation of its capability requirements.”

This is through agreements on every aspect of what the EU has been working on with its Defence Union plans. It accepts at face value buying into EU Defence procurement and research plans;

“The UK will work constructively with the EU to develop arrangements to facilitate mutually beneficial cooperation in future, respecting the EU’s decision making autonomy. These arrangements should ensure that Member States can benefit from the EDF, while also working closely with third country partners on projects of mutual interest. The UK is seeking the best possible deal for the European defence industry and the UK’s and the EU’s mutual prosperity and security.”

The final sentence is telling, accepting the terminology of the EU’s ambitions: the concept of a “European defence industry” in the singular. It more widely suggests that policy here is being drafted in too close consultation with certain margins of big business, mirroring wider problems with how Downing Street policy has been drafted in recent months, rather than by stepping back and reflecting upon wider horizons – it continues,

“The future security partnership should support the effective operation and collaboration of UK and EU defence companies, facilitating complex supply chains.”

Which while fair is also precisely the line of thinking that encouraged the Downing Team civil servants to plan around trying to mimic Single Market or Customs Union membership.

As a result, Whitehall policy effectively also risks locking the very Defence industry it seeks to protect into the EU’s rationalization and cutting process that will be the fate of that sector in the next few years.

9.4 Ambivalence over NATO

The White Paper cuts some of the ground from under its own feet. In the course of a single paragraph it highlights the centrality of that alliance, while expressing an interest in deep bilaterals, and acknowledging the EU’s claims to have an important military role;

“NATO will remain the cornerstone of European defence and security, supported by strong multilateral and bilateral alliances and partnerships. The EU has an important, complementary role to play, including helping to prevent crises, countering hybrid threats, enhancing resilience and stabilising post-conflict situations.”

Anything that introduces ambiguity on the absolute primacy of the NATO alliance should have been redacted.

30 Ibid., p67
31 Ibid., p67
32 Ibid., pp75-6
9.5 US invisibility

The cornerstone of UK’s security is the US alliance, both within the NATO structures and on separate terms. Recognition of the importance of that link should have been made explicit within the White Paper, even if only as a casual reference, to avoid providing those who support UK affiliation to the EU’s Defence Union with a false impression.

It is only relatively recently that the full importance of the US link has entered into public consciousness, since much of it until a few years ago remained heavily classified, and much of the remainder was simply taken for granted. These include;

- UK-US and slightly wider (Five Eyes) intelligence links. These are based on decades of built-up trust, cooperation, and partnership. They make the UK what one might call the ‘leading European information power’. But, like the below, they are not set in concrete and could easily be fatally undermined by poor strategic choices by pursuing excessively close EU security partnerships in the future.

- Procurement partnerships, leading to joint R+D work in areas where capacity is generationally ahead of anything done within the EU.

- Privileged technological access, for example access to parts of the F-35 strike fighter programme.

- Nuclear cooperation, of even greater value given test ban limitations.

- Submarine cooperation, still little appreciated.

Additionally, we can point to;

- UK conceptual affinity; notwithstanding recent conflicts, the country is still more likely to participate in ‘coalitions of the willing’ than many other EU states – and just as significantly, to have the capacity to get there.

- Doctrinal compatibility – a greater level of risk taking, though this has been undermined by the ECHR in recent years, and by a poor level of Government support for servicemen when challenged by ambulance-chasing lawyers (in effect, a breach of the Armed Forces Covenant).

- The fundamental truth of scale: the US has a military capable of deploying and achieving an end result, unlike the EU which is not a credible single partner for any mission of scale.

As a consequence, UK military focus should, unequivocally, be on maintaining and developing the UK-US link, coupled with UK bilaterals with other traditional allies (especially Five Eyes and close Commonwealth), and set within the parameters of the NATO alliance. Failure to make these priorities unambiguous in the minds of all those working on Brexit planning has been a Whitehall leadership failing.
9.6 Wrong focus

In parts of the White Paper the UK is cheaply acknowledging EU ambitions in other areas. An example here which has a bearing on wider CFSP engagement relates to disease prevention. A case study provided relates to cooperation over the Ebola outbreak “where cooperation between the UK, Member States and the European Commission mobilised international resources and helped halt the spread of the disease across West Africa.”\(^{33}\)

In point of fact, the lead responsibility for handling incidents of this type rests with the World Health Organisation. While international cooperation clearly enabled action, statements of this kind encourage those who support increased EU integration to generate competing entities. The (EU’s) European Centre for Disease Prevention and Control, in particular, has largely emerged out of competency creep and political ambition, rather than a strict need to duplicate what WHO’s regional office in Europe was set up to do.

Statements such as are included in the White Paper only serve to encourage DG Health and Food Safety’s ambitions, with wider ripple effects in other policy areas.

9.7 Galileo

The UK’s position on the satellite system is that:

“The UK wants Galileo to be a core component of the future security partnership. The UK’s continued participation in Galileo is in the mutual interests of the UK and the EU, benefitting European competitiveness, security, capability development and interoperability.”\(^{34}\)

Initially, the EU’s Brexit negotiators threatened to pull the plug on UK participation in an attempt to intimidate the UK side, until it was correctly pointed out that the UK had rights as a shared asset, and happened to own the land on which certain key land stations sat. The EU’s line has been clarified thanks to a European Parliamentary Question to Rupert Matthews, MEP;\(^{35}\)

“The Galileo programme is of significant economic, societal and security-related value to Europe. Under the current legal framework, as agreed by the EU of 28 Member States, third countries can participate in the Galileo programme under specific conditions and with the exclusion of certain security aspects. On 6 June 2018, the Commission proposed a Regulation establishing the space programme of the Union and the European Union Agency for the Space Programme aiming to, inter alia, ‘enhance the security of the Union and its Member States [...] and its strategic autonomy.’ [Article 4 (1) c].

\(^{33}\) Ibid., p54
^{34}\) Ibid., p69
^{35}\) E-002284/2018
“Further to the United Kingdom’s sovereign decision to leave the European Union, the United Kingdom will become a third country as from March 2019. The Space programme is designed to apply as of 1 January 2021 and therefore for a Union of 27 Member States. As outlined in the European Council guidelines of 23 March 2018, ‘regarding certain Union programmes [...] any participation of the UK should be subject to the relevant conditions for the participation of third countries to be established in the corresponding programmes.’ Third countries can be associated to the Programme under the conditions listed in the Article 7 of the Regulation.

“The Commission is committed to reach an agreement on the United Kingdom’s orderly withdrawal from the Union on 30 March 2019. So far, no decision on the future participation of the United Kingdom in the Galileo programme has been taken. This is part of the discussions on the future relationship between the EU and the United Kingdom.”

However, the cat is now out of the bag. Again, this is an area Veterans for Britain have reviewed elsewhere in a detailed audit that can be found on our website. A critical point to note is that the actual strategic value of the system to the UK, particularly if it remains on good terms with the Americans, is highly questionable. The same applies to UK association with the fairly nugatory EU space intelligence programme. A better deployment of resources would likely be to associate ourselves more closely with other Five Eyes states Canada and Australia (and perhaps New Zealand) and focus on the secure communications side of satellites. At the very least, the UK should not be signing up to ‘Galileo as usual’ merely because, HS2 style, so much money has already gone into it.

### 9.8 Ambiguity of commitments

In the wider Security sphere, the White Paper pledges the following;

“To respond effectively will require a transformative approach, using the widest possible range of capabilities at the disposal of the UK and the EU. They require an unprecedented depth and breadth of cooperation to keep people safe across the whole of the continent.”

This was then followed by a section that included this objective;

“Many of these tools work together to provide an integrated operational system to identify, pursue and prosecute criminals and terrorists. The UK therefore proposes an ambitious partnership with the EU that goes beyond existing precedents in this area”

This was developed in narrative terms by talking of a “tailored partnership.”\(^{36}\) But the specifics accompanying this allowed for a major range of interpretation. How binding would

\(^{36}\) Ibid., p63
be the “mechanisms to discuss and coordinate the implementation of existing and new sanctions”? What level of permanent institutional association would be associated with “arrangements to enable cooperation on crisis management operations, including using civilian and military assets and capabilities to promote global peace and stability”? What precise and fixed “commitments” are associated with a “collaborative and inclusive approach to European capability development and planning”? What shape will the “cooperative accord” take on joint development and external programming? How will the institutional elements operate with “continued cooperation on EU strategic space projects, including their secure aspects”? What precisely is entailed within the mooted Security of Information Agreement?

Some of the key questions here relate to the generation of fixed institutional locks; budget obligations; chinks into which the Luxembourg Court might enter, particularly over privacy rights and human rights; and future competence creep back into Defence by the Commission in areas where the Single Market could be used as the excuse d’entrée.

9.9 Funding questions

Future funding obligations into EU Defence remain uncertain. The implications are that there is an assumption of flexibility to cater for the UK opting into deployments; but in institutional terms, in terms of the UK’s EIB assets, and in terms of UK buy into joint procurement, it does seem as if several hundred millions of UK funds are in play.

We might additionally point to the ambiguity contained in the Government’s commitment to develop a “Shared Prosperity Fund”, which is the UK’s continuation of regional and social funding. The White Paper separately identifies a number of areas where it aspires to close “Socio-economic co-operation”. This risk associated with this is continuing to pay into EU Regional and EU Social Funds and TENs. The UK has done extremely badly out of these in the past, getting roughly half its money back. If this really is the intent, then it augurs badly for funding commitments in other areas including in Defence. Ambiguity here might usefully be erased.

9.10 Good parts under-developed

These concerns are not to rule out positive aspects of the White Paper, but to encourage these to be emphasized more in the negotiations.

Flexibility, adaptability, and de-institutionalisation are emphasized as a basis on page 64 of the text;

“Future UK-EU foreign policy, defence and development cooperation is likely to require a combination of formal agreements enabling coordination on a case-by-case basis. Given the particular intergovernmental nature of foreign and defence policy, it is especially important that the partnership must respect the sovereignty of the UK and the autonomy of the EU and its Member States.”
It continues,

“The future security partnership should enable flexible responses where different situations and policy issues require them.”

This is precisely the right approach. The problems arise when other aspects of the White Paper undermine them in practical delivery.

We might therefore summarise the problems associated with the White Paper – and everything that falls out from the wider policy approach – as follows;

- Ambiguity over future binding commitments;
- Lack of definition over future information exchanges, with a consequential lack of acknowledgement of this having a potential impact on other UK programmes with non-EU states (especially the US);
- Uncertainty over the precise role of the CJEU, for example over whether the UK would be subject to its rulings over data protection, which has implications across Defence - for instance in Open Source intelligence, data sharing, data holding, and general cooperation between agencies and with foreign agencies;
- Institutional inevitabilities arising from committing to “planning”, which inevitably implies a level of bureaucracy, an entity, or a standing HQ;
- Frictionless vocabulary with few handrails preventing a slide from cooperation and coordination into endorsing ever closer defence union in the future also slowly absorbing UK elements;
- The UK’s precise offer to host an operational HQ, and contribute to EU battlegroups.

Could the White Paper have emerged differently? We would suggest if you look back further, you can see a trend of policy slippage from the Cabinet Office.

These proposals might for context productively also be compared with the speeches made by the Prime Minister at both Munich and Florence. The key cross cutting point was that Whitehall was seeking to engage closely across the EU’s CSDP structures. This identified collectively the fields of Security, Defence, international deployments, crisis management, migration management, International Development, sanctions, and general foreign policy. The UK was also pledge to remain party to the Emergency Support mechanisms, though here we already note with some alarm that its legal basis had been misused to oblige the UK to support the Greek bailout.

The UK further declared an intent to develop more bilaterals, but without adding any caveat relating to the fact that under CSDP these are being collapsed into the EU.

37 Speech by the Prime Minister at Munich, 17 February 2018: https://www.gov.uk/government/speeches/pm-speech-at-munich-security-conference-17-february-2018; Speech by the Prime Minister at Florence, 22 September 2017: https://www.gov.uk/government/speeches/pms-florence-speech-a-new-era-of-cooperation-and-partnership-between-the-uk-and-the-eu; analysis of key points from across all the ‘Road to Brexit’ speeches:
In terms of infrastructure, the UK had already bought into EU Defence structures. Downing Street intended to associate closely with the European Defence Agency and procurement integration, a line that again failed to acknowledge policy developments, in this case adding any caveats that might avoid the strategic consequences for the UK Defence industry.

These elements did not show a vocabulary of divergence, nor even an implicit threat of withholding this carrot if trade cooperation is not in play. What these suggest is that the UK has not treated CSDP elements seriously, identifying them as areas where the EU27 have been largely keen to get buy in from their counterparts. The key quotes from the speeches, both of which significantly precede Chequers, are set out in Box B.

**Box B: Prime Ministerial remarks on CSDP at Florence and Munich**

We are also proposing a far reaching partnership on how we protect Europe together from the threats we face in the world today; how we work together to promote our shared values and interests abroad; whether security, spreading the rule of law, dealing with emerging threats, handling the migration crisis or helping countries out of poverty.

The United Kingdom has outstanding capabilities. We have the biggest defence budget in Europe, and one of the largest development budgets in the world. We have a far-reaching diplomatic network, and world class security, intelligence and law enforcement services.

So what we are offering will be unprecedented in its breadth, taking in cooperation on diplomacy, defence and security, and development.

And it will be unprecedented in its depth, in terms of the degree of engagement that we would aim to deliver.

It is our ambition to work as closely as possible together with the EU, protecting our people, promoting our values and ensuring the future security of our continent. (Florence)

And the UK will continue to offer aid and assistance to EU member states that are the victims of armed aggression, terrorism and natural or manmade disasters. (Florence)

in the face of these challenges, I believe it is our defining responsibility to come together and reinvigorate the transatlantic partnership - and the full breadth of all our global alliances – so that we can protect our shared security and project our shared values. (Munich)

upon leaving the EU, it is right that the UK will pursue an independent foreign policy. (Munich)

That is true whether fighting the ideologies of Daesh, developing a new global approach to migration, ensuring the Iranian nuclear deal is properly policed or standing up to Russia’s hostile actions, whether in Ukraine, the Western Balkans or in cyberspace. And in all these cases, our success depends on a breadth of partnership that extends far beyond the institutional mechanisms for cooperation with the EU.

That means doing more to develop bi-lateral co-operation between European nations, as I was pleased to do with President Macron at last month’s UK-France Summit.
It means building the ad hoc groupings which allow us to counter terrorism and hostile state threats, as we do through the 30 strong intergovernmental European Counter Terrorism Group – the largest of its kind in the world.

It means ensuring that a reformed NATO alliance remains the cornerstone of our shared security. (Munich)

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We need a partnership that respects both the decision-making autonomy of the European Union and the sovereignty of the United Kingdom.

This is fully achievable. The EU’s common foreign policy is distinct within the EU Treaties and our foreign policies will keep evolving. (Munich)

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If the EU and its remaining Member States believe that the best means to increase the contribution Europe makes to our collective security is through deeper integration, then the UK will look to work with you. And help you to do so in a way which strengthens NATO and our wider alliances too, as EU leaders have repeatedly made clear. (Munich)

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First, at a diplomatic level, we should have the means to consult each other regularly on the global challenges we face, and coordinate how we use the levers we hold where our interests align. In particular, we will want to continue to work closely together on sanctions. We will look to carry over all EU sanctions at the time of our departure. And we will all be stronger if the UK and EU have the means to co-operate on sanctions now and potentially to develop them together in the future. (Munich)

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Where we can both be most effective by the UK deploying its significant capabilities and resources with and indeed through EU mechanisms – we should both be open to that. (Munich)

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On defence, if the UK and EU’s interests can best be furthered by the UK continuing to contributing to an EU operation or mission as we do now, then we should both be open to that. (Munich)

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And similarly, while the UK will decide how we spend the entirety of our foreign aid in the future, if a UK contribution to EU development programmes and instruments can best deliver our mutual interests, we should both be open to that. (Munich)

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The UK wants to agree a future relationship with the European Defence Fund and the European Defence Agency, so that jointly we can research and develop the best future capability that Europe can muster. (Munich)

The notable exception has been over the Galileo programme, where the UK has pursued engagement contrary to some protestations from EU circles about the UK being excluded. Though it might simply be noted there that the Commission has identified that as a common asset in which the UK under international law possesses a claim to a share.
10. Barnier’s pillars - and the need for a Samson strategy

In a powerful recent intervention, Lord Owen reviewed the strategic imperatives governing the UK’s internationalism, and in particular its capability to protect and preserve its fundamental interests. While focusing on issues that were considerably more distant than the Channel, he made a critical observation;

“The Ukraine crisis exposed the flaws in Europe’s post-Cold War development...In the Ukraine crisis the EU not only proved inadequate as a conflict regulator but itself became the source of conflict. The EU’s ill-prepared advance into what was always recognised to be a contested neighbourhood provoked the gravest international crisis of our era, but once the crisis started Europe was sidelined.

“Anyone who wants the UK to tie themselves in on 1 April 2019 to remaining closely involved in the EEAS (European External Action Services) does not understand the opportunities Brexit carries with it. We constantly hear Brexit discussed only in economic terms. Regaining control of one’s own foreign policy is a plus. Learning the lessons of the folly of British detachment from the handling of the Ukraine by the EU is essential. It should also be remembered that it was the pushing forward of all the pretensions of EU defence policy in the wording of the Agreement which made the Kremlin believe that while Ukraine might never become a member of NATO the EU defence policy was to be the new replacement for Article 5 with an implied automatic commitment to come to its defence.”

His conclusion was that

“There is only one multilateral organisation for defence that is serious in the world and that is NATO. Created in 1948 it carried forward the command and control structures that we developed for D-Day. Congress accepted NATO whereas they did not accept Woodrow Wilson’s League of Nations. NATO has proved itself under successive US SACEURs. It is the British responsibility post-Brexit to demonstrate to the American people, irrespective of who is President, that we are determined that NATO should survive and that we, post-Brexit, will make a full-hearted commitment and not play games with EU defence.”

“All this means that on exiting the EU on 31 March 2019 as I have already indicated we should no longer be a member of the EU’s EEAS, an organisation which incidentally is restarting the debate on whether it should be conducted under Qualified Majority Voting (QMV). We should switch UK resources – money, diplomats and military figures – from the EEAS to NATO.

“We should retain, of course, at all times a deep-seated security relationship with the EU in terms of sharing intelligence, fighting terrorism, joint police activity, and forging mechanisms for the closest cooperation between the wider Europe and EU defence. But we are not – and should not be – institutionally part of EU defence.

38 Speech to the Henry Jackson Society, April 2018
Some structures within it may prove to be of mutual advantage to have British participation but we cannot make that decision in the short period available to us between now and when we leave the EU on 31 March 2019. It may be possible to come to firmer conclusions by 1 January 2021 when our negotiations on a free trade area and other matters will have hopefully come to an agreed end by the EU deadline of 31 December 2020."

We hope that being cited in this paper will not prove an impediment to Lord Owen’s promising career. However he has summarised the quintessentials with remarkable accuracy and thus deserves to be cited in full.

A similarly important set of points were made by the late Admiral Sir ‘Sandy’ Woodward. As these are particularly telling, and relate to the question of the natural choice of ally, we add these in full as Annex B for the reader to later reflect on separately.

Fundamentally though, the Chequers plan does not comprehensively deliver on four salient aspects.

Firstly, the future Defence Arrangement fails to address the problems set out during the referendum campaign (see Section 1), where EU membership carried with it too close a level of affiliation to EU Defence and wider ambitions. If the UK is taking back control, it is subjective – and so far with limited evidence of meaningful oversight. At the very least, UK association should be deployed as bartering or leverage in other areas. It does look as if both Security and Defence, both strong cards for the UK, were frittered away by Downing Street as instant concessions since they are mutually considered to be items of European national interest; that approach is flawed when one considers how economic well being and a smooth transition can equally be interpreted as a matter of national interest.

Secondly, by actively lobbying to keep close institutional association with the emerging PESCO infrastructure, the UK is tacitly endorsing those capacities as a proxy substitute for NATO. The very absence of UK defence budget funding, R&D resources, and assets and capabilities should be deployed as a disincentive for the EU pursuing this binary approach, especially as there is division amongst capitals with some trying to find reasons that strengthen their argument supporting favouring the NATO route as the general default.

We might here add that this does not mean that the UK would never completely rule out operating alongside EU forces; it does mean that the UK does not need to become part of EU Force Structures, or command. London should correspondingly block moves to collapse what used to be the Franco-British Air Group, now the European Air Group, into EU establishments. In this particular example, were that to happen it would for example likely act as a disincentive for further Canadian participation. Again, adopting a prevailing tendency of seeking interoperability with lower tech European counterparts risks rendering ineffective the often already-stretched levels of interoperability the UK has with its key military ally, the United States. Or to put it another way from a few years back, ‘the United States doesn’t like to go to war with powers that don’t do night vision.’
Finally, the evident decision to associate within a new framework inside the EDA is highly problematic. It is the core of future ambitions, especially those relating to procurement rationalisation. It makes far more sense to come to an arrangement that allows a couple of desk officers to monitor what procurement proposals are being mooted, then engage at any early time before the procurement process fixes the capability criteria. It is already the case that a significant share of research begun within the EDA is subsequently transferred into other fora, especially OCCAR which is a non-EU procurement organisation, and this seems to be a more appropriate model for avoiding the politics. Of course the UK should cooperate with European partners, but it should not pick on ideological grounds but on value for money, capability, and promise of delivery – especially where partners risk reducing their own share of purchases and driving up end unit prices. As it turns out, in many cases the optimal partner will be North American, particularly where there is a high tech lead. But this will not always be the case and in some sectors it makes perfect sense to cooperate with one or two European states.

It might also encourage thinking about the requirement for the UK to invest in more in on-shore defence industrial capability and in Defence R&T (directly, or by incentives, or secondary technology spurs: different parties will likely have different views).

As part of this process however, Whitehall also needs to start reflecting on whether 2 per cent will cut it as Defence spending in this decade and the next. That is a different debate but one that is also long overdue.  

11. Firewalling European Cooperation

What the Chequers arrangements should more expressly do is firewall UK engagement against four specific threats – against future ambitions and direction of travel; against the Single Market Creep, and court rulings and treaty competences being exploited by the Commission and misjudged by the Luxembourg Court; also the threat of existing competence exploitation that arises from the Commission enjoying legitimate crossover in competences; and the threat of the Commission and EEAS interpreting close UK affiliation as a green light to continue to generate parallel structures that risk fatally unlinking NATO.

The EEAS reading of what is going on is telling. For her part, the High Representative sees the new high level capabilities and ISTAR assets as delivering independent corporate EU decision-making earlier in the decision-making cycle, in order to facilitate the prospect of the Mutual Defence clause being successfully triggered. Mogherini explains the mechanisms for achieving this as through expanding existing EU structures and improving existing EU Intelligence capabilities (which incidentally has the extra advantage of not requiring treaty change, and thus not triggering further referenda).

Also featured is the plan to improve CSDP responsiveness by enhanced civil/military intelligence to support anticipation and situational awareness, through the Single

Intelligence Analysis Capacity (SIAC) as the main European hub for strategic information, early warning and comprehensive analysis. This includes horizon scanning, updated situational assessment in support of political/strategic decision-making, and civil/military 24/7 situational awareness for the planning and conduct of missions and operations.

The Council approved and signed off the development of “autonomous situational awareness”, and added that regular exercises should be conducted to improve capacity.

From a UK perspective, it needs to avoid too close an association with this emerging intelligence agency. Unproven and inherently liable to be insecure, affiliation would risk the UK’s privileged status as the only European power within the Five Eyes Community.

Moreover, close affiliation with any of these structures will only serve to encourage Whitehall budgeteers to consider pooling to be a viable and effective alternative to asset ownership, simultaneously also reducing the assets available to Western allies since that view is likely to be shared in counterpart Finance ministries.

The worst case scenario meanwhile is that UK tacit approval of these plans will encourage further integration that, under EU mechanisms, will prove difficult for EU27 members to later revisit and slacken. While not representative of the centre ground of those reflecting on the future direction of the EU, it is worth briefly mentioning the plans supported by the Slovenian Presidency. Its Ljubljana Initiative, leaked last year, offers a first draft suggestion for a new EU Constitutional Treaty. It proposed amongst other highly contentious elements a federal administrative pooling of external border control, security, Defence, intelligence and foreign affairs as they “all pertain to the Union’s external action. They call for coordinated and consistent treatment” in this case largely by the EU President himself, though notably the European Parliament would be given a greater say in actual military deployments. Indeed under its Article 184, “the Parliament shall establish the European Defense Agency and the common European Defense Forces composed of the European Army, European Navy and the European Air Force,” to be set up in addition to national forces (a little bit like the distinction with the US National Guard).

It must be underlined that these proposals have not received widespread support, although it has been claimed that two other heads of state have been sympathetic. Nevertheless, the fact that a head of state is endorsing such a proposal helps to demonstrate where, in an environment based on compromise and salami slicing, where the mean line across many negotiations over many years will fall.

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40 An analysis, with a link, can be found at
12. Conclusion

Commentators reflecting on EU Defence and Security policy have based their analysis on a flawed premise. Rather than considering benefits and risks set into the short term cycles of budgets, personal postings, the vantage point of a ministerial office, or of parliaments, they should have considered the *generational* strategic direction. Considered in these terms, the trend becomes clearly one of incremental integration, at perceptible cost to UK interests, and now widening and accelerating.

Despite Brexit, persistent UK Government policy indifference across many of these strands will leave the UK still within the gravity well of this process. Escape velocity will not been reached under current Whitehall plans.

One might meanwhile reflect that the EU High Representative expresses the ambition to rationalise defence planning between EU member states, justifying it as a matter of “efficiency” and “credibility”. But efficiency comes at a UK cost of capability, and credibility won by the EU comes at the cost of UK’s own.

The European Parliament two years ago remarked on this new acceleration at the point the pedal began to be pressed. In the very opening of a key report, MEPs noted,

> “Member States have so far shown a lack of will to build a European Security and Defence Union, fearing that it would become a threat to their national sovereignty.”

That brake was significantly reduced after 2016, when the EU moved onto Phase Five of the process. Yet Whitehall is still thinking in terms of freewheeling during gradual change, even as the gears have gone up.

UK policy has come at a further cost. Commenting on the perceived repercussions of a hard Brexit, seen as a "horror scenario for the EU", the Hungarian pro-Opposition daily Nepszava said ahead of the Salzburg summit:

> "London has two major strengths, the loss of which will be sensitive to Europe: the City and the army. [...] Europe does not have a strong national army, apart from the British and French forces. The EU’s largest economic power, Germany, has not really developed this sector."

To the cynic, it would almost seem that the Cabinet Office has forgotten how to negotiate, having delegated it to the European Commission for too long.

There have been localized acts of perspicacity and prudence in middle management, and some sagacious rearguard actions led on individual policy items by ministers acting off the

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42 https://nepszava.hu/3008776_a-ket-fo-tetel-a-brexit-es-orban-salzburgban (a middle size social democrat paper: translation from BBC Monitoring).
Cabinet Office radar. But overall this whole story has been one of a good hand persistently played badly by Whitehall.

This is not a matter of the deck needing reshuffling; the UK needs to quit while ahead and walk away.
Annex A – Timeline of CSDP integration

The following timeline demonstrates the full context and the strategic direction of EU Defence, Security, and Foreign Policy integration. As with slow motion photography, the effects need to be seen in their whole to be properly understood.

<table>
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<tr>
<th>Phase</th>
<th>Defence</th>
<th>Foreign Policy</th>
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<tr>
<td>Phase 1 – Security as the failed basis for integration</td>
<td>1947 Anglo-French Treaty signed at Dunkirk, targeted at future German aggression. 1948 Treaty of Brussels expands membership of the Anglo-French Treaty, leading to the Western Union Defence Organisation. 1949 NATO formed. 1950 Pleven Plan mooted for a supranational European defence system (common forces, defence budget and armaments industry) incorporating Germany. 1954 Proposal for a European Defence Community rejected by French National Assembly. Germany allowed to enter the WEDO (becoming the WEU), and focus in European integration shifts to economic route (EEC) 1960 Fouchet Plan proposes wider cooperation on issues including defence and foreign policy, a more intergovernmental approach and outside of the EEC. This is rejected. Major pause in European defence integration, to last three decades.</td>
<td>1954 European Coal and Steel Community (ECSC) information office opens in Washington. It is manned entirely by US nationals until 1958. 1956 ECSC opens a liaison office for Latin America, in Santiago de Chile. First full diplomatic mission in London also opens (the UK at this stage not being a member).</td>
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<tr>
<td>The Long Pause</td>
<td>1966 France withdraws from NATO’s integrated command. 1967 Following a British proposal, NATO forms the EUROGROUP committee to improve coordination of the continent's members.</td>
<td>1964 New semi-autonomous non-profit agency established. The European Agency for Cooperation (EAC) is funded under a Commission grant, to recruit and manage, under renewable contracts, the heads of mission and staff to man the Commission offices in the associated countries. They generally do not enjoy diplomatic status. 21 offices run essentially as offshoots of DG VIII rather than the whole Commission. 1971 European Court of Justice (AETR Judgement) rules that external activity by member states is subject to EEC supremacy. The Commission’s international role will thus automatically expand with legislation and harmonisation. 1972 Washington legation becomes full embassy. 1973 By this year, some 320 people are serving in these offices; 120 Europeans (mainly civil engineers and agronomists) and 200 local staff. 1975 Lomé Convention. Development aid spurs representation. The number of missions in these countries (now upgraded to full delegations of the Commission) doubles to 41 in three years; diplomatic immunity for lead staff first given. 1977 European Commission sits in on G7 meetings.</td>
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<td>Phase 2 – Tentative adjustments</td>
<td>1984 WEU relaunched in order to improve NATO cooperation with neutral states. 1986 Westland Affair. 1988 Kohl and Mitterand agree in principal to closer defence structural cooperation. 1990 Unification of Germany as Soviet threat recedes. European defence budgets cut in the context of a world recession.</td>
<td>1980 By this year, there are 50 delegations around the world, with over 1,000 personnel working in them. This is around the same figure as the Belgian Foreign Office. 1981 Commission opens a delegation in Australia, principally to deal with nuclear fuel and in order to defend the Common Agricultural Policy. 1982 Report to the Council on the external competences of the Community. This contains the acknowledgement that: “The Commission has a nucleus of a foreign service. Its external delegations are doing work directly comparable to Member State embassies.” 1988 Reform: absorption of staff into the Commission mainstream. Number of officials serving in delegations rises overnight from 165 to 440. The local staff number 1,440. There are 89 missions, on all continents except Antarctica. 1990 By this year, the majority of posts are considered full diplomatic missions by their host countries, and</td>
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### Phase 3 – Anchoring the Reunited Germany

<table>
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<tr>
<th>Year</th>
<th>Event</th>
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<tr>
<td>1991</td>
<td>Franco-German Security and Defence Council becomes operational.</td>
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|      | Maastricht Treaty clauses on Common Foreign and Security Policy; a common defence policy which might in time lead to a common defence. Includes provisions for enhanced co-operation in the field of armaments, with a European armaments agency as a proposal to be examined further. EMU criteria place further demands on defence budgets. War in Bosnia. Alternating WEU/NATO-flagged Adriatic blockade begins. Council of the WEU sets out Petersbourg tasks, effectively putting the WEU at the service of EC policy decisions. 1993 British and French airborne and marine elements "twinned." WEU sets up Western European Armaments Group. 1994 Franco-British Air Group formed. Eurocorps parades in Paris. 1995 Ad hoc EU working group on a European Armaments Policy first formed (POLARM). 1996 OCCAR formed. Franco-German summit at Nuremburg declares, "In the European Union our two countries will work together with a view to giving concrete form to a common European defence policy and to WEU's eventual integration into the EU." It also pledges that Germany would be consulted before French nuclear weapons were used. Very badly received by the President of the Assemblée Nationale. 1997 France's Europe Minister calls for the extension of the Franco-German "common concept" on security and defence to the whole of the EU. This is no less a person than Michel Barnier. Amsterdam Treaty formalises the role of the WEU previously agreed, and adds "peacemaking" to the treaties. Principle of QMVs attached. Royal Ordinance closure at Bridgewater after a takeover by a French company removes the last British manufacturer of high explosive. An attempt by GEC to take over Thomson-CSF on the other hand is blocked. European Commission highlights aerospace industry (including electronics and missiles) as a target for consolidation and restructuring in the face of US competition. 1998 First common Code of Conduct on Arms Exports. Poeritschach meeting: UK endorses separate European defence activity, but British policy is ambiguous. St Málù summit. Anglo-French bilateralism advanced, but at the cost of lifting the UK veto on EU defence integration. Contemporary reports explain the decision as a deliberate British concession in the context of the retreat from a commitment on joining the Euro. 1999 Cologne Council: UK endorses giving "the European Union the necessary means and capabilities to assume its responsibilities regarding a common European policy on security and defence." As part of the "maintenance of a sustained defence effort, 'y intelligence, strategic transport, and command and control will increase harmonisation of defence.

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<tr>
<th>Year</th>
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<tr>
<td>1991</td>
<td>The European Communities becomes the 161st Member of the Food and Agriculture Organisation (FAO), the oldest of the UN's specialised agencies. This is the first time that the future EU will enjoy a status comparable to a Member Nation in a UN body. EC Membership also crucially introduces the concept of the &quot;alternative exercise of membership rights&quot; between the EC and the Member States, which applies not only to voting rights but also to speaking rights. This means that the Commission now speaks, negotiates and votes on issues of Communities competence, while the presidency speaks, negotiates and votes on issues of Member State competence. 1993 The Treaty of Maastricht specifically refers to the External Service for the first time (raising the question as to its earlier legal basis). Under the new Common Foreign and Security Policy, delegations now have a more proactive political role. Recruitment remains haphazard. Anecdotally, one senior figure recalls basing selection on performance in a staff football match.</td>
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44 Jack Dromey as spokesman for the MoD Defence Unions criticised this decision; *Sunday Telegraph* 28 September 1997. The French Government, by contrast, obliged their closures under the deal to be reversible in time of emergency.
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<th>Phase 4</th>
<th>2009 Lisbon Treaty expands upon EU defence institutions especially in procurement, introduces what amounts to a mutual defence clause, and greatly boosts the post and profile of the CFSP manager (subsequently Baronness Ashton). Wogau Report (despite lack of legal competence) calls for more defence integration, the establishment of a European Civil Peace Corps, and the development of shared capabilities: “A common defence policy in Europe requires an integrated European Armed Force which consequently needs to be equipped with common weapon systems so as to guarantee commonality and interoperability.” SAFE programme proposed to “synchronise” militaries through opt-ins and nationally-focused specialisation under EEAS.</th>
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<td>Meanwhile, under the policy of ‘deconcentration’, responsibility for implementation of assistance programmes is devolved to local offices. €6.5 billion from the EU budget is administered in this way by the European Commission. 2002 The High Representative becomes one of the partners in the Quadripartite Commission for the Middle East. 2003 Delegation network is by now accredited to over 150 countries. Manned by more than 5,000 staff, it is one of the largest European diplomatic services in its own right. Embassies are often housed in more than one building, with 50–100 staff working within them. Within Europe, Commission embassies are openly involved in supporting Yes campaigns for accession countries.</td>
<td>2005 “It is plain from the DG External Relations website that the outcome of the referendums in 2005 in the Netherlands and France does not seem to have given the Commission pause for thought” (retrospective from House of Commons EU Select Committee, 27th Report). EU staff serving abroad has gone up by a third since 2000. 2006 Full accreditation to the Vatican (and in the following year full accreditation to the Order of the Knights of Malta) demonstrates the extent of diplomatic representation. Delegation in Iraq. 2007 Delegations in Switzerland, East Timor, Azerbaijan, Montenegro and the African Union. Upgrading of offices in Armenia and Cape Verde. There 118 delegations in third countries and 5 delegations at centres of international organisations. 2008 Measures for a delegation in Uzbekistan and permanent representation at the Council of Europe, as well as the upgrading of offices in Kyrgyzstan, Tajikistan, Yemen, Nepal, Togo, Djibouti and Liberia.</td>
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As a brief comparison, it is worth here noting how the United States armed forces developed as a common entity over the first decades of its existence as a federal entity. The process was slow, gradual, stymied unlike today by a relative lack of technological innovation over short timeframes, but still led to a common military.

An observer at the time taking a snapshot view at a random moment would have seen little apparent movement towards US defence integration. However, had he compared the situation in 1792 at the time of the Legion of the United States, 1802 and Jefferson’s Military Peace Establishment Act, and 1812 with the impetus generated by the war with Britain, the trend over time would have been obvious – despite a powerful states’ rights faction opposing precisely such integration. And this at a period without the powerful stimulus of rapidly evolving technology.

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<th>Phase 5 – Sudden acceleration</th>
<th>2015 Paris invokes EU Mutual Defence Clause (42.7 TEU) 2016 Paris and Berlin leak joint document supporting deeper defence integration including joint units Security and Defence Implementation Plan (SDIP), produced by the EU’s External Action Service; European Defence Action Plan (EDAP), produced by the EU Commission. Both encourage significant further integration. European Parliament proposals push even further. Juncker: the EU “should also move towards common military assets, in some cases owned by the EU” 2017 Launch of European Defence Fund (EDF), the European Defence Research Programme (EDRP) and the European Defence Industrial Development Programme (EDIDP). These aspire to establish a European Defence Technology Industrial Base (EDTIB), which is a core element of the Single Market in Defence. Juncker proclaims he is seeking ‘European Sovereignty’ over Defence. Macron’s Sorbonne speech reveals his agenda. Trial run of Coordinated Annual Review of Defence. Delegation agreement between the European Defence Agency and the EU Commission also links the EDA to new EU funds and legal frameworks, principally for research and defence industries.</th>
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<td>2016 EEAS authorised to set out its own draft mandate to work on current and future security challenges related inter alia to irregular migration, hybrid threats, cyber, terrorism, radicalisation, organized crime and border management. 2017 Role of High Representative becomes intertwined with deployments, while widening into policy areas with secondary impact.</td>
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Annex B

The following was a comment made by the late Admiral Sir Sandy Woodward, Commander of the Falklands Task Force. It was made in the course of discussions around a joint submission to the Convention on the Future of Europe from a former Europe Minister, two senior military figures (the other had been DSACEUR), and two former ambassadors to Washington.45

It does seem to me that in the welter of argument and counter-argument, there is a danger that we lose sight of what ‘Alliances’ are intended to do for the signatories, together with what those signatories should have in common. It may seem so obvious as not to require re-statement, yet to many laymen, the question of Euro Defence can appear more a matter of politics than plain kindergarten commonsense. Somewhere in our statement, I would have thought we ought to have started with a short piece on why a nation embarks on an alliance in the first case.

Some while ago, I wrote myself an essay on the subject. It ran [with a few recent amendments] as follows...

Bearing in mind that ‘[military] alliance’ equates to ‘[commercial/political] partnership’ at the same time, the basic motive for any voluntary alliance must be mutual advantage across the board. They are formed to conduct wars, defensive or offensive, military or economic. Historically, alliances are made by nations of like interests and maintained only as long as those mutual interests continue. Perception of advantage will vary over time and in nature for each member. It follows that no alliance is likely to be for ever, or even necessarily for long. Alliances should be frequently examined to see if they remain relevant and changed or left if they are not. You should not volunteer to enter another unless you perceive clear advantage from doing so. Even more important, you must preserve your right to end it, when inevitably, it no longer remains to your advantage. This last point is fundamental and directly contrary to the present proposals which appear to deny members the right to leave.

Use the rules of the school playground to help you in your first steps to choice, they will not be a bad guide. As you go up the scale towards international relations, the playground rules get a bit less relevant but remain fundamental. With minor modification, let’s try them:

1 Choose the ally whose broad culture and general behaviour is most nearly in line with your own – you will be more comfortable in the long run: this obviously implies considerable knowledge of his previous behaviour.

2 Choose an ally who is both sufficiently distant to allow you a fair degree of freedom to do as you please internally, but is sufficiently close to help you when you need him.

3 Choose as an ally one that can demonstrably contribute positively and safely to the health, wealth and strength of your particular interest.

http://www.theredcell.co.uk/uploads/9/6/4/0/96409902/plan_b_for_europe_lost_opportunities_in_the_eu_constitution_debate_pdf.pdf (from correspondence with the author)
4 If the options for choice in your alliance include some who are markedly larger, stronger and all round more powerful than you, choose the one most likely to listen to you when you disagree – the one with whom you have the most political, economic and military attitudes in common.

5 Choose an ally that likes and respects you.

It will not always be an easy choice. Nor can we necessarily hope to meet all the requirements in making our choice. Sometimes there will be no choice at all. There probably isn’t now. Europe presently only partially satisfies the third rule confined to our economy and even that is arguable. By stark contrast, the United States of America satisfies them all and builds on a long term relationship which remains healthy.

So that is probably too long and perhaps too naively simplistic for higher management, yet it is no more and no less than the essential motivations for the likes of any large organisation from the Mafia, via clubs and affiliations, to NATO and the UN.

NATO was clearly enough originally formed to match/meet a perceived threat from the USSR. There is little need for it on that basis today and except as a large international military organisation capable of acting on behalf of the United Nations, I have to doubt the need for its continued existence as a military alliance though economic and political factors may seem sufficient reason to keep it going, for lack of anything better.

We are probably therefore witnessing the first moves towards the dissolution of NATO – unsurprisingly led by France, backed by a united-Germany and Russia. This move is likely to produce a fair degree of chaos in its early days, as we are already seeing over Iraq. From my personal kindergarten, I see my interests lying more with the USA than with some loose alliance of central European nations formed for little other reason than to mount some long term challenge to the USA.

But maybe I am being short-sighted.
Annex C – key phrases

STRATEGIC AREAS

▪ European Defence Action Plan (EDAP).
  What is it? The Commission’s policy document that sets out everything that the EU intends to do in policy and finance terms, to make European Defence a reality. It sets a €5bn objective for spending on capability; a €500m objective for spending on R+D; a defence policy integrated with other EU policies; a Single Market for Defence; Defence industry rationalisation; joint capabilities held at EU level; and EU engagement in security of supply (implies interventionism).
  Where are we at? Signed off by ministers.
  Problem? Underwrites all of the below.

▪ Security and Defence Implementation Plan (SDIP).
  What is it? The EEAS working plan to use EU finances and assets to deliver EDAP.
  Where are we at? Signed off by ministers.
  Problem? Core policy document, tying emerging EU defence capabilities to EU foreign policy. Sir Alan Duncan declared the UK “agreed with much of the content”. Underwrites all of the below.

FUNDING AREAS

▪ European Defence Research Programme (EDRP).
  What is it? Part of the 2021-2027 EU budget plan, relating to spending on defence research.
  Where are we at? The UK has already signed up to the precursor, the Preparatory Action on Defence Research.
  Problem? Whitehall is encouraging UK companies to engage in Phase I, but in the process generating a future lobby to push for UK participation in the full programme (which officials privately claim they expect will happen). Planning is driven by MPCC (see below)

▪ European Defence Fund (EDF).
  What is it? Combined EU budget dedicated to Defence, including the research element.
  Where are we at? On the current trajectory, the UK will be associated with the EDF because it will be able to draw funds from the European Investment Bank (EIB). In any event, HMG’s Foreign Policy, Defence and Development Future Partnership Paper states of post-Brexit cooperation, “We could also consider options and models for participation in the Commission’s European Defence Fund including both the European Defence Research Programme and the European Defence Industrial Development Programme.”
  Problem? The EU’s use of EIB funds for projects allocated in part to UK companies has the potential to further complicate the UK’s withdrawal from the EIB, a bank that exists to “contribute to EU policy and objectives” (EIB).
- **Cooperative Financial Mechanism (CFM).**
  - **What is it?** Slush fund to cover advance payments into joint projects by Member States. Uncertain additional wider intent.
  - **Where are we at?** Agreed in principle.
  - **Problem?** As with the other funding areas, the programmes themselves are associated with political baggage.

**SM AREAS**

- **European Defence Industrial Development Programme (EDIDP).**
  - **What is it?** The mechanism for spending the EU budget on developing capability and conducting research.
  - **Where are we at?** Well on way to sign off.
  - **Problem?** Planning is driven by MPCC (see below), including “rationalisation” of defence industries – ie certain national capabilities are lost as national defence industries specialise: a business gain but a strategic capabilities loss, and the potential for encouraging protectionism.

- **European Defence Technology Industrial Base (EDTIB).**
  - **What is it?** Policy intended to generate EU technological self-sufficiency in Defence.
  - **Where are we at?** Pursued since 2007, now accelerating. Key priority is integration into EU of multinational armaments agencies.
  - **Problem?** Planning is driven by MPCC (see below).

**INSTITUTIONAL AREAS**

- **European Defence Agency (EDA).**
  - **What is it?** Originally a procurement clearing house for EU R+D.
  - **Where are we at?** It is already extended beyond procurement into strategy and policy. HMG’s Foreign Policy, Defence and Development Future Partnership Paper states of post-Brexit cooperation, “This could include future UK collaboration in European Defence Agency projects and initiatives.” (See the forthcoming VfB paper on procurement.)
  - **Problem?** An integral part of PESCO institutionally, financially, and in policy terms – at the centre of the overlapping circles. There is considerable doubt whether HMG seeks to withdraw from it.

- **EU Battlegroups (BGs).**
  - **What is it?** EU mechanism for small scale deployments involving (usually) more than one EU state, on an EU mission.
  - **Where are we at?** UK is set to lead a BG after Brexit.
  - **Problem?** Inappropriate since the UK won’t be at the policy table. (NB we recognise an obscure positive side effect of BGs has been UK-RoI military cooperation in one; but the effect may be replicable under a UN banner.)
- **Multilaterals.**
  
  **What is it?** Bilateral and multilateral defence cooperation agreements, between European states but operating (for now) outside the EU.
  
  **Where are we at?** The UK is involved in several, for instance the European Air Group.
  
  **Problem?** PESCO actively encourages these to come under the EU umbrella. This may generate serious implications for the UK-France Lancaster House Treaties.

- **Military Planning and Conduct Capability (MPCC).**
  
  **What is it?** A permanent EU military HQ, under a name of convenience.
  
  **Where are we at?** Signed off.
  
  **Problem?** Planning is driven by SDIP (see above). Associated with Cooperative Financial Mechanism (CFM) – ie an EU operational military budget. UK attachment would endorse the Non-NATO option, and raise questions on CJEU input operationally.

- **Common Assets.**
  
  **What is it?** Development of pooled assets; and the creation of joint EU units.
  
  **Where are we at?** Many proposals.
  
  **Problem?** UK proactive engagement is unlikely, but would be tantamount to joining in on the development of a common military. However, access to commonly-purchased assets may be too great for the cash-strapped MoD to reject under Treasury pressure. But for context, review the history of the early US federal military under the first two Presidents.
About the Authors

Colonel Richard Kemp was an infantry officer, serving in the British Army for 30 years, including in operational theatres such as Northern Ireland, Afghanistan, Iraq and the Balkans. He was a staff officer at the Directorate of Army Plans in the Ministry of Defence and at Headquarters Northern Ireland Intelligence Branch.

He headed the international terrorism team of the Joint Intelligence Organization in the Cabinet Office and was chairman of the COBRA Intelligence Group and of the EU and Nato Intelligence Support Committee.

Later he was special advisor on international terrorism to the House of Commons Home Affairs Select Committee. He is a writer, media commentator, public speaker, film producer and strategic consultant.

Dr Lee Rotherham (@DrBrexit) is the Executive Director of Veterans for Britain. He has been an adviser to John Major’s whipless rebels, Eurosceptic MEPs, three Shadow Foreign Secretaries, the Conservative delegate to the Convention on the Future of Europe, a delegate to the Council of Europe, and government ministers.

He was Head of Opposition Research for the No Campaign in the AV Referendum, and Director of Special Projects at Vote Leave, the designated pro-withdrawal campaign during the 2016 referendum.

Outside of Westminster he has worked in publishing, teaching, heritage, and in Defence. Lee is a reservist in the British army, and has served on three overseas deployments (pictured here by the Ziggurat of Ur).
About Veterans for Britain

Veterans for Britain is led by ex-Armed Forces personnel but welcomes support from everyone who cares about the UK’s autonomy, particularly in defence.

It campaigned during the referendum for a Leave vote, and now seeks to make that a practical reality by ensuring that UK links with the EU are not constrictive or damaging the country’s strategic interests.

The UK and its Armed Forces would be freer, more effective, under more democratic control, and more able to retain their distinctive capabilities and ethos if they were without the impositions being applied by the EU in defence command, defence structures, operations, procurement, intelligence and the development of new technology.

We believe it is essential to maintain and where necessary re-establish the United Kingdom’s autonomy in defence in the context of its pre-existing alliances and to ensure it is directly and solely accountable to the UK Parliament.

You can sign up to the campaign at www.veteransforbritain.uk to keep in touch with us.

Or you can follow us on twitter @VeteransBritain.