



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

DOCUMENT A/1903

12 May 2005

FIFTY-FIRST SESSION

Second part of the fiftieth annual report
of the Council to the Assembly on the activities of the Council
(for the period 1 July to 31 December 2004)

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

*Second part of the fiftieth annual report
of the Council to the Assembly on the activities of the Council
(for the period 1 July to 31 December 2004)*

TABLE OF CONTENTS

- I. ESDP developments
- II. Activities of the Permanent Council (and the Council Working Group)
- III. Activities of the Western European Armaments Group
- IV. Activities of the Western European Armaments Organisation Research Cell (WRC)
 - 1. WRC Performance in 2004
 - 2. WEAO Membership

APPENDIX

Briefing by Ambassador Hamer, representing the Dutch Chairmanship-in-Office of WEU and the EU at the half-yearly meeting of the Assembly's committees with the WEU Permanent Council

I. ESDP developments

On the occasion of the informal meeting of representatives of the Permanent Council with the WEU Parliamentary Assembly on 20 October 2004, the Netherlands Presidency of the EU presented the developments in the area of European Security and Defence Policy. Substantive information was provided on progress in the area of military and civilian capabilities, on developments relating to the civil-military cell and the European Defence Agency, as well as on EU-UN and EU-NATO cooperation in crisis management. Parliamentarians were updated on the status of ongoing and new ESDP missions such as the EU Police Mission to the former Yugoslav Republic of Macedonia, EUPOL PROXIMA, the EU Police Mission (EUPM) in Bosnia and Herzegovina (BiH) and the new Rule of Law Mission EUJUST Themis in Georgia. The EU Presidency informed parliamentarians of the preparations for the EU military operation ALTHEA, which was finally launched on 2 December 2004, taking over NATO's SFOR peacekeeping responsibilities in BiH.

II. Activities of the Permanent Council (and the Council Working Group)

No meetings of the Permanent Council or of the Council Working Group were held during the period 1 July to 31 December 2004.

Mr Javier Solana was appointed by the Council as Secretary-General of Western European Union for a period of three years, with effect from 25 November 2004 and with the possibility of a two-year extension subject to Council decision.

The customary informal meeting between Members of the Council and the Committees of the Assembly was held on 20 October 2004 in Brussels within the framework of the conference marking the 50th anniversary of the signing of the Paris agreements modifying the 1948 Brussels Treaty. The WEU/EU Netherlands Presidency was represented by Ambassador Alphons C. M. Hamer, Netherlands Permanent Representative to WEU and Representative to the EU's Political and Security Committee, who briefed the Parliamentarians on ESDP developments.

The Council continued to be informed of WEAG and WEAO matters. On 15 November 2004 the Council took note of the report of the WEAG Staff Group on the 23rd meeting of WEAG National Armaments Directors held in Noordwijk (Netherlands) on 21 and 22 October 2004.

The Council approved the 2001 accounts of the WEU Institute for Security Studies (ISS) and WEU Transatlantic Forum and granted financial discharge to the Director of the WEU ISS for the year 2001. The 2001 accounts of the Secretariat-General, the Paris Ministerial Organs, the Multinational Advisory Police Element (MAPE), MAPE EU, MAPE Luxembourg, the WEU De-mining Assistance Mission (WEUDAM), the WEAG/WEAO Pension Fund, the Operational Fund and the Provident Fund were approved by the Council and discharge was granted to the WEU Secretary-General for his financial management for the year 2001.

Following the Council decision, an appeal was lodged with the Belgian *Cour de Cassation* against a judgement by the Brussels employment appeal court calling into question WEU's immunity from legal process and execution.

III. Activities of the Western European Armaments Group

1. Defence Ministers of the 19 Members of the Western European Armaments Group (WEAG) met together in Brussels on 22 November 2004 under the Netherlands Chairmanship of WEAG. Ministers recalled that since the last WEAG Ministerial meeting of 16 May 2002 several important developments in Europe had taken place in the field of armaments cooperation. They referred in particular to the decision of the EU General Affairs and External Relations Council (GAERC) on 12 July 2004 to adopt a Joint Action establishing the European Defence Agency (EDA).

In view of the establishment of the EDA and the intention of the Agency to assimilate or incorporate relevant principles and practices of WEAG as appropriate (paragraph 8 of the Preamble of the Joint Action), Ministers recognised that European armaments cooperation in the future would take place within the European Union and that there was no longer a need for activities in the framework of WEAG.

Therefore Ministers decided to terminate these activities and to close WEAG. Ministers tasked their National Armaments Directors (NADs) to implement their decision in coordination with the EDA, taking into account any political, administrative, procedural and legal aspects, and to close WEAG no later than 30 June 2005.

Ministers recalled that European armaments cooperation actually started in 1976 with the establishment of the Independent European Programme Group (IEPG) which was transferred in 1992 to WEU and relabelled WEAG in 1993. Ministers appreciated that their decision to close WEAG ended more than 28 years of European armaments cooperation outside the European Union and opened a new chapter in the context of the EDA. In this light, Ministers strongly supported the importance of concluding Administrative Arrangements between the EDA and Norway and Turkey as soon as possible.

In view of the decisions above, Ministers invited the Netherlands to continue their Chairmanship until the effective date of closure of WEAG no later than 30 June 2005.

2. WEAG NADs met in Noordwijk (Netherlands) on 21-22 October for their Autumn 2004 meeting. Recognising the establishment of the EDA, NADs' discussions mainly focused on the decision to close WEAG no later than 30 June 2005, and they decided to task the WEAG Staff Group to provide, no later than mid-February 2005, a detailed plan to support this tasking in conjunction with the EDA, taking into account any political, administrative, procedural and legal aspects.

With regard to **Panel I** (Harmonisation of Requirements and Programmes) work, NADs noted the status of preparation of the documents to be 'transferred' to the EDA, including the document on Lessons Learned by Panel I. They noted the 2004 version of the Panel I Database (D-104) and endorsed the Operational Capability Taxonomy included therein. Finally, NADs also noted that the Panel, for the time being, had identified one additional sub-group and another under consideration, bringing to seven the potential list of sub-groups which could be offered to the Agency.

Concerning **Panel II** (Research and Technology), NADs agreed that the WEAG Annual Research Report Plan (WARRP) was a sound base for further work and noted the proposal that the expertise, experience, and proven structures and processes of WEAG in the field of defence R&T be preserved in a fully functioning form until the closure of WEAG.

NADs approved the WEAG 2005 budget (closure at 30 June 2005), with the understanding that relevant items related to the closure of WEAG would be frozen until the appropriate decisions were taken by WEAG and confirmed by the WEU Council.

IV. Activities of the Western European Armaments Organisation Research Cell (WRC)

1. WRC Performance in 2004

As at October 2004, the performance statistics for the WRC were as follows:

- The WRC currently has 138 active research projects recorded: 55 under the EUCLID MOU, 12 under the THALES MOU and 71 under EUROPA ERG No. 1, of which 40 projects are under staffing within the nations concerned. A further 37 projects are under evaluation.
- From the 138 active projects the WRC runs 65 active contracts for a total value of €303 168 323, shared between governments (€184 977 573) and industries (€118 190 750) while 36 are nationally contracted.
- In the last 12 months, the WRC has let 18 contracts for new Research and Technology (R&T) cooperative projects, with a total value of €106 003 060. A further 11 are in negotiation at the moment. During the second six months of 2004, the WRC issued contracts for nine cooperative R&T projects. These projects have a total value of €77 418 800 divided between a Government contribution of €53 286 900 and an industry contribution of €24 131 900.
- In the last 12 months, the WRC has let 18 contracts for new Research and Technology

(R&T) cooperative projects, with a total value of €106 003 060. A further 11 are in negotiation at the moment. During the second six months of 2004, the WRC issued contracts for nine cooperative R&T projects. These projects have a total value of €77 418 800 divided between a Government contribution of €53 286 900 and an industry contribution of €24 131 900.

The EUCLID, THALES and SOCRATE MOUs were suspended with effect from 1 September 2004, and no new projects will be placed under them.

2. WEAO Membership

Further to the WEU Council's decision in April 2002, Hungary has become a member of the Western European Armaments Organisation (WEAO) with the signature of an Amendment to the WEAO MOU by Defence Ministers on 17 September 2004. The Amendments to the EUROPA MOU to include Romania and to ERG No; 1 for the participation of Poland and Romania in cooperative defence research projects were also signed by the Ministers at the same date.

3. Activities currently carried out by the WEAO may be taken over at some time in the future by the EDA. The extent to which this may occur, and the relevant timescale for such a takeover, remain to be determined. The WEAO is nevertheless maintaining its current level of service to cooperative defence R&T among the WEAG members.

APPENDIX

*Briefing by Ambassador Hamer, representing the Dutch Chairmanship-in-Office
of WEU and the EU at the half-yearly meeting of the Assembly's committees
with the WEU Permanent Council¹*

Brussels, Wednesday, 20 October 2004

Ambassador Hamer congratulated the Assembly on the 50th anniversary of the modified Brussels Treaty. He recalled that the WEU Council had ceased to meet at ministerial level in 2001 and that the only remaining WEU activities at that level concerned armaments cooperation within WEAG and WEAO. Hence the Council's annual report to the Assembly would be very short. Nevertheless, in his capacity as Chairman-in-Office of the PSC, the Ambassador was prepared to present the latest ESDP developments.

Regarding the future of WEU and its Treaty, the Dutch Presidency had launched an informal process of reflection among the member governments with a view to taking on board the spectacular changes that had occurred since the entry into force of the Nice Treaty. Since Nice, all the operational activities formerly exercised by WEU had been transferred to the European Union. Hence WEU's contribution to the development of the ESDP within the Union had been essential and without it there would be no ESDP as it existed today. Nevertheless, the consequence was that WEU's activities in this area had now ceased. WEAG and WEAO's activities had continued with a view to the integration of their functions in the newly established European Defence Agency.

Since the signing of the Treaty establishing a Constitution for Europe, the European Union had acquired a mutual assistance clause which was less binding than Article V of the modified Brussels Treaty. The wording of that clause reflected the new thinking on this issue. The Dutch Government was of the opinion that WEU had fulfilled its tasks and that the time had therefore come to denounce the modified Brussels Treaty. But in response to an initiative to that end taken by the Netherlands, the Council had deemed that this was not the appropriate time for action. The Council had not yet determined its position on the substantive issue.

The Council had not discussed the future of the Assembly. The position of the Netherlands was that scrutiny of the ESDP was to be shared between the national parliaments and the European Parliament. Since the European Parliament had no power to exercise scrutiny over decisions taken at European level, there was a democratic deficit. The Dutch Government did not envisage a role for the Assembly in that connection. Any parliamentary oversight must be established within the EU structures.

The Netherlands, it was true, would have preferred to see a more ambitious solution found for the parliamentary dimension within the EU Constitutional Treaty.

The Protocol on the role of the national parliaments in the European Union made provision for bringing together national parliamentarians and members of the European Parliament in the COSAC framework for conferences on the ESDP. One possibility that could be envisaged would be to transfer the expertise of the WEU Assembly Secretariat to COSAC.

During the interim period between now and the entry into force of the Constitutional Treaty the Council was prepared to continue its cooperation and dialogue with the Assembly on the basis of the three points set out by the President of the Assembly in his letter of 14 October 2004 to the Dutch Presidency.

¹. The members of the WEU Permanent Council are also members of the European Union's Political and Security Committee (PSC).

With regard to the ESDP, **Ambassador Hamer** made the following remarks:

ESDP – civilian aspects

“Civilian ESDP is one of the quiet successes of the EU’s foreign and security policy. Three civilian operations are currently deployed. One police mission in Bosnia (EUPM) and one in FYROM (Proxima), as well as a Rule of Law mission in Georgia. Other operations are currently under consideration: Civilian ESDP missions in Congo (IPU Kinshasa) and Iraq. It is also been suggested that the EU could become involved in policing activities in Sudan/Darfur. I’ll be more than happy to provide more detail on these operations if you so require.

All the developments in the civilian area illustrate the importance of the civilian dimension of ESDP and the added value it can bring to crisis management. Bosnia shows the importance of civilian crisis management in the areas of policing and the rule of law. The EU is working hard to ensure an integrated (civil/military approach) to crisis management. But civilian crisis management is not just useful as a complement to military crisis management. The instruments for civilian crisis management can also be used independently where a military operation is no longer justified but where an international presence in important sovereign areas like police and justice can have a stabilising effect (FYROM, Georgia). Such activities are less intrusive than a military presence. Civilian ESDP is more than just an assistance programme. It also clearly has an important political dimension (reflected for example in the chain of command: civilian missions are led by a HoM – EUSR – SR/HR - PSC).

For the EU to be able to provide an effective response across the full range of civilian tasks and in various different types of civilian-only and combined civil-military engagements, it needs to build up capabilities. In that sense, civilian crisis management is no different from military crisis management. Capabilities are at the heart of the matter.

The next important step in the further development of civilian capabilities will be the Civilian Capabilities Commitment Conference in November. This conference is an important milestone for different reasons. First of all the new member states will be able to commit themselves with capabilities in this area. That will hopefully result in a substantial increase in the commitments made. Other MS will be in a position to confirm and update their commitments made. The Conference should give an important new impetus for further improving the quality of capabilities committed through improved deployment time and training.

ESDP – defence/military aspects

Operations

The preparations for Operation ALTHEA, to be deployed after SFOR leaves Bosnia, are well advanced. A Concept of Operations has been approved, force generation has taken place, 10 third countries have been invited, the Committee of Contributors has had its first meeting and, most recently, the OPLAN was approved by the Council.

Operation ALTHEA will be an EU-led Operation with use of NATO assets and capabilities. DSACEUR was appointed as Operation Commander early July. The Operation Headquarters in Mons has been established. The new DSACEUR, General Sir John Reith, succeeded Admiral Feist as EU Operation Commander late September.

Earlier this month the Force Headquarters in Sarajevo reached Initial Operational Capability, with a view to reaching Full Operational Capability by early December, when Transfer of Authority from SFOR to EUFOR takes place. The Commander of EUFOR, Major General Leakey (UK) has already taken up his duties in theatre.

Eighty percent of the SFOR forces will transfer to EUFOR, while the departing twenty percent (US) will be replaced by additional European forces. Finland will act as the framework nation in sector North-East (Tuzla). The Presidency is very content that countries such as Bulgaria, Rumania, Norway and Turkey will participate in the largest EU Operation so far. As members of the Committee of Contributors they will have the same rights and obligations in terms of the day-to-day management of the operation as EU member states taking part in the operation.

No effort has been spared to ensure a smooth transition from NATO to the EU. This includes the delineation of tasks between EUFOR and the remaining NATO Headquarters in Sarajevo, arrangements on availability and use of reserve forces and on sharing of intelligence. Operational cooperation will be assured, in particular as Commander EUFOR and the Commander of the remaining NATO Headquarters will be co-located at Camp Butmir near Sarajevo.

Let me finally stress that with the start of Operation ALTHEA, the EU will have several operations running in parallel in Bosnia and Herzegovina (EUPM, EUFOR, EUSR/HR, EUMM, European Commission activities). The EU now has a unique opportunity to use all available instruments in a coherent and effective manner. The EUSR, Lord Ashdown, will play the central role in steering all instruments in theatre.

Operation ALTHEA will be the largest military operation the EU has undertaken. It will prove that EU and NATO can cooperate closely together and that Berlin Plus works. Most importantly, it contributes to the security environment in Bosnia, which is not only essential for the daily life of the Bosnian people but also for the country's longer-term perspective of entering the Union's structures.

Military capabilities

The NL Presidency is focussing on progress in several related areas: Headline Goal 2010, the EU Battlegroups, ECAP evaluation and Global Deployability. Let me say a few words on each of them.

Headline Goal 2010: the HLG 2010 has its focus on qualitative improvement of military capabilities (contrary to the quantitative aim in the HLG 2003). We are now in the process of elaborating the requirements on the basis of the HLG 2010 document, approved under the Irish Presidency. Furthermore, a start should be made with the development of benchmarks and criteria for evaluating progress on qualitative capability improvement. Work is well on track. Detailed requirements and an initial list of benchmarks and criteria should be ready for approval by the November GAERC in Defence Ministers composition.

EU Battlegroups: Battlegroups are rapidly deployable and robust military formations of about 1 500 troops. They should be held at high readiness and could be employed to restore stability until a larger peacekeeping force arrives (UN-led or other). Operation ARTEMIS, the EU-led military operation in Ituri (Congo) in the summer of 2003, has set the example for the Battlegroups concept. Under the NL Presidency political commitments by Member States are expected in order to create an Initial Operational Capability in 2005 and Full Operational Capability in 2007. These commitments will have to be made at the Military Capability Commitment Conference in November.

One of the most important topics in the near future will be to discuss the harmonisation between the NATO Response Force and the EU Battlegroups. This includes the de-confliction of rotation schemes for the NRF and EU Battlegroups, standards and criteria, training and certification. These issues are being taken forward in the EU-NATO Capability Group, which is the group specifically tasked in the Capability Development Mechanism (CDM) to ensure coherent and mutually-reinforcing capability development in the EU and in NATO.

ECAP Evaluation: the European Capability Action Plan dates back to 2001. Now, three years later, the time has come to evaluate if this ECAP instrument has worked. New requirements as a result of the HLG 2010 and the EU Battlegroups concept make such an assessment all the more necessary. The ECAP evaluation is likely to have an impact on ECAP project groups and it may lead to an adjustment of the bottom-up approach as there is an increasing call for more central political steering of capability improvement. Naturally the European Defence Agency comes into play here, as the Joint Action establishing EDA gives it the co-ordinating role for ECAP implementation.

Global Deployability: the HLG 2010 and the Battlegroups set high standards for strategic transport, one of the significant capability shortfalls. The NL Presidency wants to use all possibilities to improve strategic transport, focussing not only on means and assets (for which the ECAP Project Group on Strategic Airlift is delivering good results): another tool is better coordination between member states of available assets. The Global Deployability Approach, originally a French initiative, aims to optimise the use of all available European transport capacities through the Airlift Coordination Centre,

Sea-Lift Coordination Centres, etc., ultimately leading to one Strategic Movement Coordination (air, sea and land).

Civil-military cell

During our previous meeting you were briefed on plans for the establishment of a civil-military cell. The main purpose of the Cell is to enhance the EU's capacity for crisis management planning. The Cell will comprise civilian and military elements, which are needed for complex crisis management activities which call, in most cases, for the use of both civilian and military means.

In June the European Council agreed that the Cell should begin its work before the end of the year and that the EU-NATO liaison cells at the EUMS and at SHAPE respectively should also be established by the end of 2004. Work on these liaison arrangements is going on in parallel with preparations for the Cell.

Part of the overall package is the establishment of an Operations Centre, which should be available by January 2006. Work is ongoing to settle the details. The guidance was given in the June European Council Conclusion: "(...) this will not be a standing Headquarters, that the main option for autonomous military operations remains national HQs and that a decision to draw on the collective capacity of the EUMS would be taken, upon advice of the Military Committee, in particular where a joint civil/military response is required and where no national HQ is identified". The Operations Centre should be able to plan and conduct operations on the scale of Operation ARTEMIS, according to the same conclusions.

European Defence Agency

In July the European Defence Agency was formally established by adoption of the Joint Action. Javier Solana is the Head of the Agency and the Agency's Steering Board, which met for the first time on 17 September at ministerial level, is the governing body. The Presidency has no specific role in the Agency: our task is to support the Agency.

The initial build-up of the Agency's key personnel (26) should be completed by the end of 2004. The so-called "steady state" personnel levels required to function properly will be reached only later in the course of 2005.

The NL Presidency is in close contact with the core staff of the Agency as the ongoing ECAP evaluation is connected to the future task of the Agency of coordinating the implementation of ECAP. Once up and running, the Agency will scrutinise, assess and evaluate the commitments of Member States against benchmarks and criteria agreed by Member States.

Terrorism

The EU has a broad range of activities in the fight against terrorism. It runs across all three pillars, with a clear emphasis on the third pillar. The vast majority of decisions and actions lie within the area of Justice and Home Affairs.

The second pillar contribution is nevertheless important. It cannot be seen in isolation from the other pillars. Strengthening the EU intelligence capability, which requires close cooperation and coordination between civilian and military intelligence, is a key requirement. SG/HV Solana is making every effort to reinforce the Union's capacities in this field. The current Joint SITCEN, where both military and civilian intelligence is being fused, is an excellent basis for further strengthening this capacity.

Naturally, the appointment of the Counter-Terrorism Coordinator, Gijs de Vries, in March of this year has also helped to coordinate all available instruments at the Union's disposal with the aim of having a comprehensive and strongly coordinated approach in response to the threat posed by terrorism.

In the second pillar as such, the emphasis in its contribution to the fight against terrorism is on terrorism clauses in bilateral agreements, technical assistance and dialogue with third countries.

But there is probably more that ESDP could contribute to the fight against terrorism. In recognition of this, the Action Plan for Combating Terrorism adopted by the March European Council has tasked PSC to develop a Conceptual Framework for ESDP and terrorism.

The Conceptual Framework should provide an umbrella for all existing and potentially new ESDP activities, both civil and military, in this field.

The Solidarity Clause declared in March 2004 by the Heads of State and Government is one area to be developed in this Conceptual Framework. Another is the refinement of the database of military assets which Member States have declared for potential use in case of a terrorist attack with weapons of mass destruction. This work is currently ongoing, and should be ready for the November Council.

EU-NATO

Concerning EU-NATO of course the focus is very much on the transition from SFOR to EUFOR. A lot of effort has been invested into ensuring a smooth transition. The monthly NAC-PSC meetings continue to be used to set the clocks on both sides of town exactly on the same time. I have already mentioned the joint work on NRF and BGs in the Capabilities Group.

Needless to say that frequent contacts between the SG NATO and SG/HR Solana as well as between their respective staffs are also very important for the strategic partnership between both organisations.

Let me stress that the EU continues to implement the Nice and Nice Implementation provisions for the European non-EU NATO Allies. They are consulted on a regular basis and, most recently, have been closely involved in the preparations for Operation ALTHEA. The question of liaison arrangements at EUMS and SHAPE respectively should be settled before the end of 2004.

EU-UN

EU-UN relations have developed rapidly since the EU and UN established a Framework for co-operation in crisis management in September 2003. Both Secretariats have frequent contacts and exchanges of information. The PSC is meeting with UN officials on a regular basis.

The EU involvement in the Democratic Republic of Congo through Operation ARTEMIS in the summer of last year – at the request of the UN – has been an important boost for further military crisis management cooperation between both organisations. The ARTEMIS model has set the scene for what is now called a bridging-type of operation where well-trained, ready available and combat-type forces restore stability in a particular situation, so that peacekeeping forces (such as UN blue helmets) can take over.

An interesting new development is the EU support being developed for MONUC in response to UNSC Resolution 1565. As a first step, MONUC has been given access to SATCEN capabilities.

On the civilian side of crisis management as well, the EU and UN are cooperating closely”.

