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SUMMARY

European citizens, including British ones, have been in favour of a common EU foreign and security policy. However, this policy field will be strongly affected by Brexit. This policy paper analyses the implications for the EU and the UK in the fields of diplomacy, development and crisis management.

A clear-cut Brexit would significantly reduce the EU's soft, civilian and hard power potential. However, the impact is less dramatic if one considers the somewhat limited propensity of the UK to put its resources at the EU's disposal. In addition, the UK has been the most influential veto player concerning the further development of the EU's Common Security and Defence Policy.

The UK will lose an important power magnifier. It will no longer have a seat at the EU's decision-making tables. It will lose influence on the world's leading donor club, a leading civilian crisis management player, and a military alternative to NATO. In addition, the UK's ability to project power is affected by the immediate consequences of the Brexit vote, including the pound's depreciation and the political investment in the negotiation process.

The picture is thus mixed, but both sides are likely to lose from a clear-cut divorce. This paper suggests ways towards a win-win solution for foreign and security policy cooperation.

First, the EU should seize the opportunity and current sense of urgency to relaunch its foreign and security policy and sharpen its profile as a comprehensive power. The EU and the member states should put their full weight behind the implementation of the Global Strategy. They should work on systematic and pragmatic ways to generate common political will, react swiftly to crises and conflicts and deliver in the field of defence cooperation.

Second, the EU and the UK should seek to reconnect after Brexit to cooperate closely on foreign and security policy. The paper sketches four possible models of cooperation ranging from less to more integrated options:

- Strategic partner: loose cooperation and consultation
- Norwegian model: regular consultation and alignment
- 'Norway Plus': selective inclusion in informal and operational decision-making
- 'Foreign Affairs Council Plus': systematic inclusion in formal decision-making

The paper concludes that selective and informal inclusion via a 'Norway Plus' model that builds on and goes beyond existing forms of variable geometry could be mutually beneficial.

The UK and the EU will continue to face common external challenges and remain bound by a set of common interests and values. Turning foreign and security policy into a constructive niche in the negotiation process would thus be in the interest of citizens on either side of the Channel.

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INTRODUCTION

f there is one lesson of the British referendum of 23 June 2016, it is that the European Union (EU) has to respond better and more visibly to the expectations of its citizens. This is not an easy task as the demands of European citizens often diverge. Yet, one area where these demands have been convergent throughout the past decade is foreign and security policy. Eurobarometer polls indicate that a solid majority of European citizens have been in favour of a common EU foreign policy. Support for the Common Security and Defence Policy (CSDP) has been even higher and consistently above 70% since the early 2000s. In spring 2016, it was the most popular EU policy with an approval rate of 74%¹. Even a majority of British citizens has been in favour of it throughout the past decade².

SOLID MAJORITY OF EUROPEAN CITIZENS HAVE BEEN IN FAVOUR OF **A COMMON EU FOREIGN** POLICY"

However, foreign and security policy is also a field that will be strongly affected by the departure of the UK. This policy paper analyses the consequences for the EU and Britain in light of the empirical evidence. The focus lies on three traditional pillars of the so-called comprehensive or integrated approach linking diplomacy, development as well as defence and crisis management. The EU and the UK have based their international roles on the aim of linking these areas in a coherent and synergistic fashion. For the sake of space and analytical depth, this paper neglects other relevant components of the broader

comprehensive approach such as trade, enlargement, climate and energy policies.

The analysis shows that Brexit will significantly reduce the EU's soft, civilian and hard power resources. However, the UK is likely to continue cooperating with its European partners through flexible diplomatic formats. The EU will remain the world's leading provider of civilian power. In addition, the UK has been rather reluctant to put its hard power resources at the service of the CSDP and has often blocked its further development. The EU will thus be weakened in numbers, but the impact on its capacity to project power should be less dramatic than often portrayed. Meanwhile, Britain will lose most of its influence on EU decision-making as well as access to the bloc's comprehensive toolbox as a power magnifier. Add to this the more immediate political and economic consequences of the Brexit vote in terms of the resources bound by the negotiations and the depreciation of the pound.

The picture is mixed, but both sides are likely to lose. This paper suggests ways towards a win-win solution for foreign and security policy cooperation. First, the EU should seize the opportunity and current sense of urgency to relaunch its foreign and security policy. Second, both sides should seek to reconnect after Brexit and to cooperate closely on foreign and security policy. The paper presents four models of cooperation and recommends selectively integrating the UK by building on existing forms of differentiated inclusion.

The UK and the EU will continue to face common security challenges in their shared neighbourhood. Turning foreign and security policy into a constructive niche in the negotiation process would be in the interest of citizens on either side of the Channel.

1. European Commission, Eurobarometer, 2016.

^{2.} Based on Eurobarometer polls conducted between 1999 and early 2016, an average of 55% of UK citizens was in favour of a common security and defence policy among the member states while an average of 31% opposed it. Approval rates never dropped below 47% while the highest disapproval rate was 40%. On average, 15% indicated that they don't know

1. The EU's loss of power potential

If assessing what the EU loses if the UK leaves the club it is important to distinguish between the reduction in terms of potential power and the effective impact in light of the UK's propensity to put its resources at the EU's disposal. The following assesses both dimensions in the fields of diplomacy, development cooperation and crisis management based on the assumption of a clear-cut withdrawal from the EU.

1.1. Less weight on the diplomatic stage

The UK is one of the EU's two most significant diplomatic players with France. It has substantial international leverage through its permanent seat in the UN Security Council as well as its G7 and G20 membership. With 238 embassies, consulates and international delegations around the world, it disposes of one of the world's densest diplomatic networks (see Table 1). The Foreign and Commonwealth Office employs 14,000 diplomatic staff and thus roughly four times as many as the EU-level equivalent - the European External Action Service (EEAS). In addition, the UK has important soft power resources including the English language, the BBC International Service and a web of special relations with partners such as the US as well as former colonies in Africa and beyond through the Commonwealth of Nations.

TABLE 1 - Britain's diplomatic weight compared

	FRANCE	THE UK	GERMANY	EEAS
Number of missions abroad	269	238	227	139
Diplomatic staff (incl. local staff)	14,800	14,000	11,231	3,484

Sources: Ministère des affaires étrangères, Foreign and Commonwealth Office, Auswärtiges Amt (2016)

Contrary to its somewhat negative reputation, the UK has also been an important political driver behind EU foreign policy. According to the European Foreign Policy Scorecard issued annually by the European Council on Foreign Relations, it has been among the EU's four top leaders across different policy areas throughout the past five years¹. The UK has been a driver behind the EU's fight against climate change as well as its enlargement policy. It has contributed to some of the EU's more recent negotiation successes. British diplomacy was, for instance, instrumental in securing a deal on the normalisation of relations between Serbia and Kosovo negotiated by the EU High Representative in 2013.

The UK has also played a leading role when it came to combining EU sanctions and diplomatic pressure. A prime example was the successful conclusion of the Iran nuclear deal in 2015. Britain contributed to the deal through the E3+3 negotiations including France, Germany, the EU High Representative, the US, Russia and China. In addition, the UK has been the main engineer behind the EU's comprehensive sanctions imposed on the Syrian regime of Bashar Al-Assad. Similarly, it has been pushing for a tough and unified EU sanctions policy towards Russia in light of the Ukraine conflict.

Brexit would thus lead to the loss of an experienced diplomatic heavyweight and active driver behind EU foreign policy. In a letter to The Telegraph from May 2016, five former NATO secretaries general also warned of this loss: "The imposition of sanctions on Iran and Russia, led from within the EU by Britain, has been a striking example of the importance of this union for our security".

^{3.} European Council on Foreign Relations, "European Foreign Policy Scorecard", 2016.

Lord Carrington, Javier Solana, Lord Robertson of Port Ellen, Jaap De Hoop Scheffer, Anders Fogh Rasmussen "Letters: At a time of global instability, Britain needs to stand united with its EU allies", The Telegraph, 10 May 2016.

At the same time, the UK has not been a fan of pooling sovereignty at the European level and of empowering the High Representative and the EEAS to speak with a single European voice. The 2012 European Foreign Policy Scorecard reported that "the UK led a diplomatic guerrilla campaign to block the EEAS (...) from speaking on behalf of the EU at the UN or the OSCE, even where precedents existed"⁵. Instead, London has demonstrated a preference for flexible, multilateral diplomatic core groups with the optional inclusion of EU representatives. The good news is that the UK is likely to continue cooperating with other EU players through such flexible formats after Brexit. After all, an 'E3+3' format could easily be relabelled as 'E2+4'.

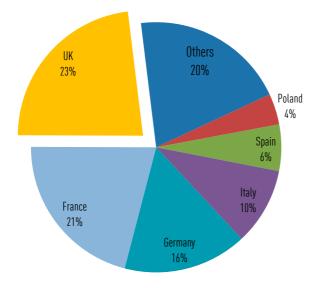
1.2. Still civilian power Europe

The UK is the world's second largest bilateral donor of official development aid (ODA) behind the United States (US) and ahead of Germany. In 2015, Britain accounted for one guarter of the EU member states' combined bilateral ODA. It is one of the five member states that have been meeting the United Nations (UN) target of spending 0.7% of GNI for development aid. In 2015, this target has even become legally binding in the UK. There is no doubt that the EU will lose a donor with expertise as well as significant financial and political clout.

And yet, British ODA is only partly allocated through the EU. The UK's total aid budget amounted to around GBP 14 billion in 2015, but only around one tenth was channelled through the EU's 'Global Europe' budget and the European Development Fund⁴. With a share of 13% and 15% respectively, the UK is the third largest contributor to EU development aid behind Germany and France (see Figure 1)⁷.

After Brexit, the EU and the 27 member states will still be the world's biggest collective aid donor. Based on the numbers from 2015, it would account for over 40% of total ODA - twice as much as the US⁸. In addition, efficiency gains achieved through joint programming should allow the bloc to make a more substantial contribution to the transformative agenda of the UN' Sustainable Development Goals than any other bilateral donor. In short, the EU will still be a civilian power after Brexit.

FIGURE 1 - Contributions to the 11th European Development Fund



Source: European Parliament Think Tank (2014)

^{5.} European Council on Foreign Relations, "European Foreign Policy Scorecard – 2012: Introduction".

Aston Centre for Europe, "Brexit: What impact on UK and EU development policy?"

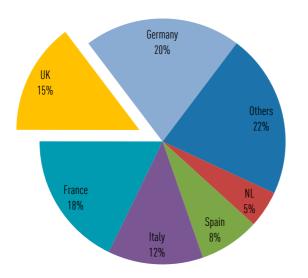
For a good overview see: Anderson, Michael and Mitchell, Ian, "Beyond Brexit: How Will EU Overseas Development Aid Be Affected?" Center for Global Development, 2016.

^{8.} Organisation for Economic Cooperation and Development, "Official Development Assistance 2015", OECD.org.

1.3. Less hard power potential

In terms of power resources, the consequences of Brexit are most significant in defence. The UK is currently the EU's most powerful military player alongside France. In 2015, Britain's defence budget accounted for roughly one quarter of the EU's combined defence expenditure (see Figure 2). Together will Greece, Estonia and Poland it is one of the four EU member states that currently meet the target to spend 2% GDP on defence. In addition, it is among the world's five official nuclear weapon states.

FIGURE 2 - Member state defence expenditures in 2015



Source: SIPRI Military Expenditure Database (2015)

Combined, the EU-28 is the second most important military spender after the US. However, its military power has been on a path of decline since the end of the Cold War. Brexit will reinforce this trend and make China the world's second biggest military spender. As NATO Secretary-General Jens Stoltenberg repeatedly stressed, 80% of NATO's defence spending will come from non-EU allies after Brexit as well as three out of four battalions deployed on the Alliance's Eastern flank⁹. In addition, the EU will lose one of the few member states with significant experience in out of area and combat operations.

When it comes to EU crisis management, the distinction between the loss of potential and effective power is crucial. With the exception of the naval operations in the Horn of Africa and the Southern Central Mediterranean¹⁰, the British contribution to the EU's Common Security and Defence Policy (CSDP) has been rather small. In 2014, it contributed less than 50 personnel to land-based CSDP operations and thus roughly one per cent of total staff in military CSDP operations¹¹. Its military contribution has often been less significant than that of smaller EU member states such as Latvia, Ireland, Austria or Luxembourg¹². Though the UK has been a proponent of civilian CSDP missions, its contributions have not matched its potential. In 2014, the country deployed a total of 83 staff to the EU's civilian missions and thus around 5% of total mission staff.¹³ It was only the seventh biggest contributor behind countries such as the Netherlands or Finland.

^{9.} Stoltenberg, Jens, "Panel discussion: 'Can the great idea of Europe persist'", Passau, 10 October 2016.

^{10.} The UK holds the command over the anti-piracy operation EUNAVFOR Atalanta off the coast of Somalia, but has only rarely committed a ship. It has made a substantial contribution to the antismuggling operation EUNAVFOR Sophia in the Southern Central Mediterranean with the commitment of the destroyer HMS Diamond and roughly 330 troops at the time of writing

^{11.} Van Ham, Peter, "Brexit: Strategic Consequences for Europe – A Scenario Study", Clingendael Report, February 2016.

^{12.} Gros-Verheyde, Nicolas, "Brexit. Le Britannique est-il nécessaire à l'Europe de la défense ?", Bruxelles 2, 15 October 2015

^{13.} UK Stabilisation Unit, ..Working in European Union Common Security and Defence Policy Missions – Deployee Guide", October 2014.

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There has thus been a gap between the UK's significant power resources and its willingness to use them in the framework of the EU. This gap reflects the UK's traditional Atlanticist leanings and its emphasis on NATO as Europe's primary security provider. Wary of duplication with the Alliance, London has blocked the CSDP's institutional development. It has vetoed attempts to create an integrated civil-military headquarters or to raise the budget of the European Defence Agency (EDA)¹⁴. Sceptical of capability development under the EU umbrella, Britain has emphasised intergovernmental defence cooperation. A prime example was Franco-British defence pact of 2010. While the UK has not been the only veto player in CSDP it has certainly been the most influential one.

To sum up, Brexit will entail important losses in terms of the EU's soft, civilian and hard power resources. However, the UK is likely to continue cooperation through flexible formats in the diplomatic realm. Combined, the EU will remain the world's leading provider of civilian power through its development and humanitarian aid policies. Concerning hard power, the loss is less significant if one considers the UK's relatively small contribution to the CSDP. In this field, the EU-27 could even move forward on a number of dossiers that the UK has been blocking. Overall, the EU will be weakened in numbers, but the impact on its capacity to project power together will be less dramatic than often portrayed. Brexit could even benefit the EU if it seizes the opportunity to work towards greater cohesiveness and efficiency.

TABLE 2 > Potential vs. effective impact of Brexit on EU power

POLICY AREA	POTENTIAL POWER RESOURCES	EFFECTIVE CONTRIBUTION TO EU POWER
Diplomacy	 One of the EU's two UN Security Council members EU's second largest diplomatic service Activist foreign policy driver 	 Reluctance to empower EU diplomatic actors Preference for flexible bi- or multilateral formats (UN, NATO)
Development	• World's second largest bilateral ODA donor	• Significant but smaller contribution via EU channels
Security and crisis management	 One of the EU's two nuclear powers EU's biggest military spender Extensive experience with military operations and integrated approach 	 Relatively small contribution to CSDP missions and operations Most influential veto player in CSDP

Source: author's compilation

2. The UK's potential loss of influence

In his speech of 9 May 2016, then British Prime Minister, David Cameron, warned of isolationism and argued that EU membership amplifies Britain's global power as well as its ability to prevent conflict between European countries¹⁵. These arguments were echoed by five former NATO secretaries general: "Brexit would undoubtedly lead to a loss of British influence, undermine NATO and give succour to the West's enemies"¹⁶. Polls showed that one fifth of 'Bremainers' named the fear that the UK would "become more isolated from its friends and neighbours" as the main reason for their 'in' vote¹⁷. Concretely, what will Britain lose when it leaves the club?

^{14.} On 15 November 2016, the EDA's budget was raised for the first time since 2010 from €30.5 to €31 million: EDA, "Outcome of EDA Ministerial Steering Board", 15 November 2016.

^{15.} Cameron, David, "Speech on the UK's strength and security in the EU", London, 9 May 2016.

^{16.} Carrington et al., Letter, op. cit.

^{17.} Lord Ashcroft Polls, "How the United Kingdom voted on Thursday... and why", 24 June 2016.

2.1. No seat at the EU table

"Either we influence Europe, or it influences us"¹⁸. These were Cameron's words in May 2016, reminding of the famous saying: 'if you're not at the table, you're on the menu'. Leaving the EU foreign and security policy club entails losing a seat in the European Council, the Foreign Affairs Council as well as the informal Defence Ministers' Council. In all of these formats decisions of foreign and security policy are taken by unanimity. The UK thus loses the option of influencing the decision-making process and of blocking measures it opposes.

After the referendum, the Foreign and Defence Secretaries have emphasised that the UK is leaving the EU but not Europe. They have stressed that the UK will not retreat into splendid isolation - that it will not turn its back on Europe and the world. They underlined the determination to strengthen intergovernmental and bilateral cooperation with European partners and the US.

Nevertheless, the UK will lose access to the EU's comprehensive approach standing for its capacity to bundle a vast range of policies and tools stretching from sanctions and trade to enlargement and neighbourhood policies. The UK has been a political driver behind sanctions against Russia but it would have had far less leverage without the combined economic weight of the other 27 member states. The same goes for the negotiations on Iran's nuclear programme. The UK was at the forefront of diplomatic negotiations on the normalisation of relations between Serbia and Kosovo as well as with Bosnia and Herzegovina. Yet, part of its diplomatic leverage stemmed from its access to the EU's enlargement policy and pre-accession instruments and funds. These are only some examples illustrating how Britain has used the EU as an amplifier of power.

Will a renewed special relationship with the US compensate for the loss of this power amplifier? Unlike his predecessor, US president-elect, Donald Trump, stated that post-Brexit Britain would not be at the 'back of the queue' concerning a bilateral trade deal. UK Prime Minister Theresa May swiftly congratulated Trump on his victory and stated that she looked forward to build on "an enduring and special relationship based on the values of freedom, democracy and enterprise"¹⁹.

THE NEW **RELATIONSHIP WITH THE US COULD WELL BECOME A LITTLE MORE SPECIAL** THAN THE UK MIGHT WISH FOR"

It remains to be seen to what extent these values will indeed be shared. On trade, Trump has displayed a preference for protectionism coupled with the promise of an 'America First' policy focused on protecting US jobs. He extended his 'America First' approach to NATO and called the unconditional security guarantee into question. He criticised some European allies for not contributing enough and announced he would tell them: "fellas you haven't paid for years, give us the money or get the hell out. (...) Maybe Nato will dissolve, and that's OK, not the worst thing in the world.²⁰" Trump also signalled that the US would lift sanctions on Russia and seek to dismantle the nuclear deal

with Iran. The UK had been a key driver behind both dossiers. Comments issued during an electoral campaign always have to be taken with a grain of salt. And yet, the new relationship with the US could well become a little more special than the UK might wish for.

2.2. Loss of an aid multiplier

The UK will also lose its seat at the table of the world's biggest donor club. It will thus lose global leverage, geographic reach and influence on the distribution of funds. The UK has played a role in pushing the other member states to enhance their aid contributions and to focus more on the world's poorest countries. The UK has also used the EU as an aid multiplier on several occasions.

^{18.} Cameron, "Speech on the UK's strength and security in the EU", op. cit.

^{19.} May, Theresa, "PM congratulates Donald Trump on his election as the next US President", 9 November 2016,

^{20.} Trump, Donald, in: Financial Times, "Trump brands Nato 'obsolete' ahead of tough Wisconsin primary", 3 April 2016.

One example was the response to the Ebola outbreak in West Africa in that started in 2014. The UK persuaded leaders at the level of the European Council to increase financial contributions and to upgrade their joint response via the EU's Emergency Response Coordination Centre as well as broader international donor coordination. A second example is the Syrian conflict, in which the UK has been the second biggest bilateral donor after the US. It has been pushing for collective European contributions ahead of the London conference of February 2016 where the EU collectively pledged over €3 billion.

2.3. One less alternative to NATO

When Cameron warned of the negative impact of Brexit on European security, representatives of the leave camp countered that the main security guarantor and primary alliance was NATO and not the EU. After the vote, government representatives reinforced their commitment to NATO and transatlantic security cooperation.

However, this argument neglects the functional division of labour that has developed between the EU and NATO. While the EU is facing a military capabilities gap, NATO is facing a civilian capabilities gap. The EU has the ability to deploy military and civilian operations and missions as part of the comprehensive approach. In addition, it disposes of a range of civilian instruments that are needed to counter complex new security challenges such as hybrid or cyber threats. Leaving the EU also means losing influence on an important and internationally recognised civilian security toolbox that is largely viewed as being complementary to NATO.

In addition, an informal geographic division of labour has emerged between the EU and NATO. The latter has shown little appetite to engage in African theatres - a trend that was reinforced by the American 'pivot' to East Asia. The implications could be seen in the cases of Mali and the Central African Republic in 2013-14 where the EU, led by France, engaged while NATO stayed out and the Americans provided limited support. An earlier example that was a clear British priority was military engagement in Somalia in response to the surge in maritime piracy in the Horn of Africa in 2008. The UK would initially have preferred engaging militarily through NATO, but the latter was overstretched with other commitments such as the operation in Afghanistan. The UK thus took over the command of EUNAVFOR Atalanta, a highly effective counter-piracy operation in the framework of the CSDP. Though it provided the Operational Headquarters, 80% of the costs of the operation were carried by other EU member states²¹.

2.4. Less national power resources

Foreign Secretary Boris Johnson underlined that Brexit also means that the UK will be able to "speak up more powerfully with our own distinctive voice"². However, in the short- to medium term, the leave vote is likely to have negative repercussions for the UK's ability to project power. Depending on the style of negotiations (hard vs. soft), the process could lead to an erosion of trust with European partners - a key currency in international relations.

UNPACKING 40 YEARS **OF EU MEMBERSHIP IS** THE SINGLE BIGGEST TASK FACING THE CIVIL SERVICE SINCE THE SECOND WORLD WAR"

Beyond these more abstract considerations, the negotiations will bind national resources and personnel. In the years to come, British officials will be busy renegotiating over 1,100 bilateral and multilateral agreements that the EU has concluded on issues ranging from trade to energy and human rights²³. A memo, written by external Deloitte consultants and leaked in November 2016, suggested that additional work related to leaving the EU would require hiring 30,000 extra civil servants. The government rejected these claims, but as the Head of the Association representing leading public servants stated: "Whether the memo represents a considered government position or not,

22. Johnson, Boris, "Conference speech", 2 October 2016, The Spectator

^{21.} UK Government, Cabinet Office, "The UK's cooperation with the EU on justice and home affairs, and on foreign policy and security issues", 9 May 2016.

^{23.} Van der Loo, Guillaume and Blockmans, Steven, "The Impact of Brexit on the EU's International Agreements", Centre for European Policy Studies, July 2016.

it's clear that unpacking 40 years of EU membership is the single biggest task facing the civil service since the second world war"²⁴.

Meanwhile, the scale of the economic impact is still uncertain. In the wake of the vote, the pound dropped by 10%. In just one night, the value of the UK's aid budget decreased by more than \$1.4 billion²⁵. The pound's decline continued. Between June and August 2016, it fell by around 15% against the dollar. If this decline is sustained, estimates indicate that Britain's Ministry of Defence could face additional annual costs of £700 million – around 2% of the national defence budget²⁶.

TABLE 3 - Immediate and prospective impact of Brexit on the UK

POLICY AREA	IMMEDIATE LOSS	PROSPECTIVE LOSS	
Diplomacy	 Potential erosion of trust with EU member states Resources and time spent on Brexit negotiations 	 Seat and voice at the EU table Access to the EU's comprehensive toolbox 	
Development	• Effect of the depreciation of the pound on aid budget	Influence on the world's biggest donor club	
Crisis management	• Effect of the depreciation of the pound on defence spending	 Access to an alternative to NATO Influence on renowned civilian crisis management player 	

Source: author's compilation

The UK will certainly remain a key global player after Brexit and will seek to reassert its image as a "strong and dependable partner"27. However, it will lose access to the EU - the world's largest trading bloc and donor club - as a force multiplier. In the short-term, its capacity to project national power will be reduced. The fact that, as Foreign Secretary Johnson stated, the UK will finally be able to impose a ban on ivory on its own - an item that has divided the EU – is unlikely to compensate for this dual loss²⁸.

3. Prepare the way for a win-win situation

In terms of global reach, Brexit is bad news for the EU and the UK. One side is losing significant power resources; the other is losing a power magnifier. The voices of both will be weakened in this increasingly multipolar world. The number of threats and challenges emanating from the shared neighbourhood increases and domestic voices calling for protection are growing louder. The EU should view Brexit as a wake-up call and enhance cohesion and efficiency to strengthen its international role. Both sides should work towards mutually beneficial cooperation arrangements while limiting the erosion of trust.

3.1. Relaunch: a European Security and Defence Union

Brexit and the outcome of the US election have made the question about Europe's role in the world more pressing. Should it lower its ambition and just focus on developing its civilian power profile? The answer - clearly spelled out in the EU's 2016 Global Strategy - is no²⁹. The strategy stresses that the EU needs to strive for strategic autonomy, including in the military domain. The reasons are twofold. First, recent history has shown that the EU is likely to face strategic surprises in its broader neighbourhood that require responses with a 'hard edge'. Second, the new US administration, and by derivation NATO, will be much less willing to get engaged

^{24.} In Asthana, Anuska and Mason, Rowena, "Memo about Whitehall Brexit problems was for 'internal audience', says Deloitte", The Guardian, 15 November 2016.

^{25.} Murphy, Tom, "Brexit causes value of U.K. foreign aid to drop by \$1.4 billion", Humanosphere, 24 June 2016.

^{26.} Taylor, Trevor, "The Ministry of Defence's Post-Brexit Spending Power: Assumptions, Numbers, Calculations and Implications", RUSI, Brexit Briefings, 12 August 2016.

^{27.} May, Theresa, in: Hughes, Theresa, "UK gives up foreign policy role and influence, post-Brexit", Open Democracy, 1 November 2016.

^{28.} Johnson, "Conference speech", op. cit.

^{29.} EEAS, "A Global Strategy for the European Union's Foreign And Security Policy", 2016.

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in Europe's backyard. Previous US administrations have been vocal about the call for greater transatlantic burden-sharing. President Trump will fiercely demand rather than just call for it.

The EU thus has to relaunch its security and defence policy. This does not entail leaping towards a 'European army'. The concept is as controversial for the UK as it is for a range of other member states, notably neutral and Atlanticist Eastern European ones. Instead, the EU should gradually develop a Security and Defence Union that capitalises on the bloc's added value as a civil-military power and security provider. The EU has already used the aftermath of the British vote to take some important steps in this direction. The Global Strategy, published days after the vote, defines the level of ambition, based on three overarching objectives:

- Respond to the full range of external conflicts and crises
- Build the capacities of partners to strengthen their resilience
- Protect the Union and its citizens along the nexus of internal and external security

One of its follow-up documents, the Implementation Plan on Security and Defence, endorsed by the joint Foreign and Defence Ministers Council on 14 November 2016, translates these into 13 actionable proposals (see Table 4)³⁰. The Implementation Plan will be presented to the European Council for endorsement in December 2016.

AIM	ACTIONABLE PROPOSAL	TAKEN FORWARD BY
Adjust structures, financing and instruments	Create a permanent civil-military planning and conduct capability within the EEAS for the operational conduct of non-executive military CSDP missions	Member states / Council
	Make better use of existing national or multinational deployable headquarters made available to the EU	Member states / Council
	Upgrade EU-level intelligence cooperation and reinforce links between EU INTCEN and EUMS INT	EEAS to present proposals
	Strengthen relevance, usability and deployability of the EU's Rapid Response toolbox, including the EU Battlegroups	EEAS to present proposals
	Explore options to enhance common funding for CSDP military operations in view of the review of the Athena mechanism in 2017	Member states / Council
Set capability development priorities	Adapt priority areas for civilian crisis management to changed security environment	EEAS to present proposals
	Enhance the responsiveness of civilian crisis management	EEAS to present proposals
	Specify and complement military capability priorities based on Level of Ambition and EU Global Strategy	Member states / EDA
	Review the military requirements stemming from EU Global Strategy and Level of Ambition	Member states / Political and Security Committee / EU Military Committee
Deepen defence cooperation	Set up a Coordinated Annual Review on Defence	High Representative to present proposals
	Develop proposals concerning output-oriented capability development, Key Strategic Activities, R&T, more structured cooperation, critical enablers, and Security of Supply	EDA / participating member states
Use PESCO	Explore the potential of a single and inclusive permanent structured cooperation	Member states with potential input by High Representative
Take forward partnerships	Develop a more strategic approach to CSDP cooperation with partner countries	EEAS to present options

TABLE 4 - Proposals in the Implementation Plan at a glance

Source: EEAS (2016)

^{30.} EEAS, "Implementation Plan on Security and Defence", 14 November 2016.

The Implementation Plan contains a whole range of relevant proposals. Notably, the EU-28 finally agreed to consider options for the creation of a permanent civil-military planning and conduct capability within the EEAS. This body could simplify and strengthen the existing set-up by bringing together planners from the Civilian Planning and Conduct Capability, the EU Military Staff and the member states. It could become a planning hub for non-executive CSDP operations such as the EU's military advisory mission in the Central Africa Republic. Security Sector Reform and training have become important fields of activity for the CSDP in recent years and an area where the EU's added value is internationally recognised. In addition to more efficient and rapid planning the body would allow the EU to conduct prudent planning and to adopt a more preventive approach.

The Implementation Plan also addresses the EU's military capability shortfalls and urges the member states "to allocate a sufficient level of expenditure for defence and make the most effective use of resources"³¹. It includes a commitment to a "single and inclusive" permanent structured cooperation, which could cover operational engagement through multinational formations. Other relevant proposals are the creation of a European Medical Command and a European logistic hub.

THE EU SHOULD NOT FALL PREY TO A STRATEGY-**IMPLEMENTATION GAP**"

This Plan represents an important step, but it is only the starting point. As table 4 indicates, most of the potentially controversial details concerning implementation still have to be worked out. The European Council had already adopted relevant conclusions aimed at deepening defence cooperation in December 2013 and June 2015. However, the member states are still lagging behind in terms of implementation. Now that the EU finally seems to have overcome years of 'CSDP fatigue' and strategic inertia, it should not fall prey to a strategy-implementation gap. In light of the 2017 electoral calendar that could lead to paralysis in core EU member states, the danger is real. The EU and

its member states should seize the political momentum created by Brexit and the US elections and put their full weight behind implementation. In addition, three structural weaknesses of EU external action should be addressed:

1. Difficulties to foster common political will

To foster common political will at the highest level, the European Council should meet at least annually in the format of a European Security Council³². As suggested by the French and German Foreign Ministers in July 2016, this Summit should be prepared and followed up jointly by the member states' foreign, interior and defence ministers³³. This reflects the growing link between internal and external security and is fully in line with the EU's comprehensive outlook.

2. Tensions between comprehensiveness and reactivity

To ensure greater reactivity, the EU should combine inclusive political analysis and comprehensive strategic planning with more refined methods of flexible implementation. The above-mentioned process could lead to the tasking of a group of interested and devoted member states to take the lead on a specific dossier. This has already happened informally on several occasions such as for the negotiations on the Minsk Agreement. Article 44 TEU also foresees such a procedure in the framework of the CSDP. An extended and more systematic usage of such flexible formats would have to guarantee transparency to those not directly involved as well as a balance of member states in terms of geography and size³⁴.

^{31.} EEAS, "Implementation Plan", op. cit.

^{32.} See: Delors, Jacques; Lamy, Pascal; Vitorino, António; Landaburu, Eneko; Davignon, Etienne, Gnesotto, Nicole; Guigou, Elisabeth; de Schoutheete, Philippe; Fabry, Elvire; Koenig, Nicole and Pellerin-Carlin, Thomas, "EU Security: A matter of political urgency", Tribune, Jacques Delors Institute, March 2016. 33. Ayrault, Jean-Marc and Steinmeier, Frank-Walter, "Ein starkes Europa in einer unsicheren Welt", Auswärtiges Amt, July 2016.

^{34.} For a good analysis on flexible formats in EU foreign policy see: Keukeleire, Stephan, "EU Core Groups: Specialisation and Division of Labour in EU Foreign Policy", CEPS Working Document No. 252/October 2006.

3. Ideological obstacles to defence cooperation

Recent years have seen a hard-fought debate about the best framework for military capability development (top down vs. bottom-up; EU-28 vs. member state clusters). In light of pressing external challenges and limited resources, the EU and the member states should go beyond ideological debates and opt for pragmatic ways to further cooperation in multiple, overlapping formats. Relevant lessons should be drawn from existing and functioning cooperation models such as the European Air Transport Command in Eindhoven or NATO's 'Framework Nation Concept'.

3.2. Reconnect: four models of EU-UK cooperation

The EU and the UK should continue to cooperate on foreign and security policy after Brexit - but how? The following outlines four models of cooperation that go beyond the baseline option of 'no status' and range from less to more integrated options. The models are based on existing cooperation arrangements as well as insights from background interviews with informed decision-makers.

3.2.1. Strategic partner

IF OUT REALLY MEANS OUT, THE UK COULD JOIN THE LIST OF THE EU'S STRATEGIC PARTNERS"

If out really means out, the UK could join the list of the EU's strategic partners³⁵. One example is Canada. In a Strategic Partnership Agreement from 2016 the EU and Canada agreed to cooperate on a wide range of foreign and security policy issues. Cooperation entails annual Summits as well as regular consultations at ministerial, senior and working levels³⁶.

The UK could complement this strategic partnership with reinforced multilateral defence cooperation within NATO and stronger bilateral foreign and security policy cooperation. The Lancaster House Treaties are the foundation for a strong

Franco-British defence partnership that could be opened to some other EU Member States. Britain also clearly expressed its intention to intensify its "security and defence relationship with Germany" in its latest Strategic Defence and Security Review³⁷.

However, a loosely defined strategic partnership would contradict statements by UK representatives. Addressing the House of Commons in September 2016, David Davis, Secretary of State for Exiting the EU, said he hoped to "maintain or even strengthen our cooperation on security and defence" and added that the UK should "have the strongest possible ties" with the EU after Brexit³⁸. After all, the UK's security and stability is much more dependent on its European neighbours than is the case of strategic partners such as Canada, India or South Korea.

3.2.2. The 'Norwegian model'

The EU already practices variable geometry in foreign and security policy cooperation with a range of neighbours and accession candidates. Norway is an interesting example as it is a non-EU NATO member³⁹. It has no separate agreement with the EU on foreign and security policy. Formal coordination is restricted to biannual consultations in the margins of the European Economic Area Council meetings. In addition, there are ad hoc and informal consultations on issues of common concern with the EEAS and Council working groups.

^{35.} The EU currently has strategic partnerships with Brazil, Canada, China, India, Mexico, Japan, South Korea, South Africa, and the US.

 ^{36.} EEAS, "Canada and the EU", 2016.
 37. HM Government, "National Security Strategy and Strategic Defence and Security Review 2015: A Secure and Prosperous United Kingdom", gov.uk, 2015.

^{38.} House of Commons, Hansard, 5 September 2016, col. 38.

^{39.} For an overview, see Norway Mission to the EU, "Foreign and Security Policy", 2016.

Norway frequently aligns itself with EU sanctions, statements or interventions. It has aligned itself with over 90 percent of EU sanctions, including those imposed on Iran and Russia⁴⁰. Norway has also contributed to the EU's development aid efforts: its bilateral pledge to the Africa Trust Fund even matched that of the UK. Furthermore, the country closely cooperates with the EU in the realm of security and defence. On the basis of a Framework Partnership Agreement, it has joined over ten CSDP mission and operations stretching from the Middle East to the Balkans. It has participated in projects and programmes of the EDA since 2006 and has been a contributor to the Nordic Battlegroup since 2008.

NORWAY IS A **DECISION-TAKER. NOT A DECISION-MAKER**"

The Norwegian model could be transferred to the UK. However, the key issue is that influence on EU decision-making is limited. Norway is a decision-taker, not a decision-maker. For instance, contributions of third states to CSDP operations are principally "without prejudice to the decision-making autonomy of the Union". Third countries are brought in late in the planning process and are only granted full access to EU-issued documents once their participation has been approved by the Political and Security Committee (PSC)⁴¹. This also explains why the US is contributing to civilian missions, but has refused to put its military personnel under EU command.

The UK has been a member of the EU for over four decades. Its contribution to EU foreign and security policy is potentially more substantial than that of Norway or Switzerland. In terms of values and interests it is closer to the EU than most accession candidates, notably Turkey. It is therefore likely that the UK will seek to complement its special transatlantic bond with an equally special relationship with the EU.

3.3.3. 'Norway Plus'

The EU could build on existing variable geometry formats and design a sui generis 'upgraded' agreement for the UK. The EU could invite British representatives to formats such as the informal foreign ministers (or 'Gymnich') meetings, which take place twice a year. These meetings allow for an open debate on foreign and security policy and no formal decisions are taken. The EU already occasionally invites candidate countries to these meetings. The UK's potential contribution to military CSDP operations could also justify its inclusion in the informal defence ministers meetings, which also take place on a biannual basis.

Selective inclusion could be extended to the strategic and operational levels. British representatives could, for instance, be invited to coordination meetings organised by EU delegations around the world such as UN coordination meetings. To encourage continued British contributions to military CSDP operations, the EU could create Steering Boards for selected operations. These would bring together all EU as well as major third country contributors (threshold to be defined) and allow them a degree of political control. Such a novel format could also become an incentive for third countries to engage more substantially in military CSDP operations.

3.3.4. ,Foreign Affairs Council Plus

A more integrated cooperation model would entail the systematic inclusion of the UK in the EU's formal decision-making process. British representatives could, for instance, be given an observer status in the PSC or even Foreign Affairs Council. If the UK agrees to a decisional outcome it would be politically bound be it. If it disagrees, it would not have a veto right, but the option of a constructive abstention, freeing it from compliance with the decision. The UK would thus continue to sit at the table, could influence EU decision-making processes and would have maximal flexibility in terms of its own contribution.

^{40.} HM Government, "Alternatives to Membership: Possible Models for the United Kingdom Outside the European Union", March 2016.

^{41.} Tardy, Thierry, "CSDP: getting third states on board", European Union Institute for Security Studies, Brief, 2014.

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The EU Treaties do not foresee such an observer status and there are only few cases that could be taken as examples⁴². One was the inclusion of Denmark, Ireland, Austria, Finland and Sweden as observers in the Western European Union, the intergovernmental precursor of today's CSDP. Observers were allowed to attend and speak at meetings but could be required to leave the room by majority vote⁴³. Another case - never put into practice - was the EU's offer of a permanent seat or observer status to NATO military representatives in the PSC or Council in the early 2000s to assuage American concerns about the creation of the CSDP⁴⁴.

Considering the broad range of common challenges and threats, a PSC or Foreign Affairs Plus model could be useful for the EU as a means to secure Britain's continued commitment and material contributions. However, as the absence of precedents and a legal basis indicates, it would run into important political and legal hurdles. The model would break with the principle of EU decision-making autonomy that the Implementation Plan on Security and Defence strongly underlines. Other member states could perceive it as a form of 'cherry-picking plus' that would raise the probability of a contagion effect of Brexit.

CONCLUSION

Brexit will have a negative impact on the ability of the EU and Britain to project power on the world stage. The EU loses an international heavyweight and the UK access to and influence on a global civilian power. However, there are ways around this lose-lose outcome. The EU should seize the political momentum created by Brexit and develop its profile into that of a civil-military or comprehensive power. The member states will have to put their full political weight behind the implementation of the Union's new strategic guidelines and overcome national sovereignty reflexes to enhance their collective ability to act, react and deliver.

Meanwhile, the EU as a whole and the UK should work towards a mutually beneficial mode of cooperation. The overview of potential cooperation models in this paper suggests that a 'Norway Plus' model building on existing forms of differentiated inclusion could be of mutual interest. The EU could (at least partially) limit the loss of power resources. EU and British decision-making autonomy would be preserved. And both sides would benefit from mutual information and a degree of informal influence on the respective decision-making processes.

FOREIGN AND SECURITY POLICY COOPERATION SHOULD BE SUBJECT TO A SOFTER NEGOTIATION STRATEGY"

The format and intensity of cooperation will depend on the broader negotiation on the future relationship between the EU and the UK. In comparison to other items such as the access to the Single Market or the free movement of person foreign and security policy will not be a priority in the negotiations. The combination of relatively low stakes and complementary interests could make it a constructive niche of both negotiations and a future agreement between the EU and the UK. In light of convergent societal demands, namely the desire of the citizens to live on a peaceful and stable continent, foreign and security policy cooperation should be subject to a softer negotiation strategy

that allows for creative compromises.

^{42.} A special case is the active observer status in all European institutions granted to acceding countries in the interim period between the signature of their accession Treaty and full membership. The aim is to prepare the country for membership by familiarizing it with the EU's working methods. Croatia had such a status between 2011 and 2013.

^{43.} CVCE, "The composition of Western European Union and the different categories of membership", 2016.

^{44.} Van Ham, Peter, Europe's new defense ambitions: Implications for NATO, the U.S., and Russia, Marshall Center Papers, Diane Publishing, 2000, p. 22-23.

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