

## Chapter 6 Financing CSDP

Brief overview of the funding mechanisms for CSDP civilian missions and military operations.

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According to Article 41 (2) TEU *"Operating expenditure to which the implementation of this Chapter gives rise shall ... be charged to the Union budget, except for such expenditure arising from operations having military or defence implications and cases where the Council acting unanimously decides otherwise. In cases where expenditures is not charged to the Union budget, it shall be charged to the Member States in accordance with the gross national product scale, unless the Council acting unanimously decides otherwise. As for expenditure arising from operations having military or defence implications, Member States whose representatives in the Council have made a formal declaration under Article 31 (31), second subparagraph, shall not be obliged to contribute to the financing thereof."*

Pursuant to Article 41 (3) TEU, *"The Council shall adopt a decision establishing the specific procedures for guaranteeing rapid access to appropriations in the Union budget for urgent financing of initiatives in the framework of the common foreign and security policy, and in particular for preparatory activities for the tasks referred to Article 42 (1) and Article 43. It shall act after consulting the European Parliament. Preparatory activities for the tasks referred to in Article 42(1) and Article 43 which are not charged to the Union budget shall be financed by a start-up fund made up of Member States' contributions. ..."*

### Overview of the missions and operations of the European Union June 2010

Civilian missions: ongoing missions / completed missions

Military operations: ongoing operations / completed operations

**"Strenghts take into account international and local staff"**

Unless the Council unanimously decides otherwise, civilian crisis-management operations are funded from the CFSP budget, which is established following the budgetary procedure laid down for the Union budget. The Union´s CFSP budget was grew from approx. 35 million euros prior to 2004 to approx 280 million in 2010. Operations with military implications or defence operations cannot be financed from the Union budget. For the common costs of such operations, the Council of the EU established a special mechanism (ATHENA) in March 2004 (see below).

The Treaty of Lisbon introduced a provision stating that: *"The Council shall adopt a decision establishing the specific procedures for guaranteeing rapid access to appropriations in the Union budget for urgent financing of initiatives in the framework of the common foreign and security policy, and in particular for preparatory activities for the tasks referred to Article 42 (1) and Article 43. It shall act after consulting the European Parliament."* (Article 41 (3), first subparagraph TEU).

### **FUNDING MILITARY OPERATIONS**

ATHENA was set up by the Council on 1 March 2004. This mechanism administers the financing of common costs of EU operations and charged to the Member States in accordance with their GNP. A review is foreseen after every operation and at least every 18 months respectively. ATHENA is managed by a Special Committee (SC) composed of representatives of EU States

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LANDSVERTEIDIGUNGSAKADEMIE

### Athena

- Set up by Council on Mar. 1, 2004.
- Administers the financing of common costs of EU operations.
- Charged to the Member States in accordance with their GNP.
- Review foreseen – after every operation/at least every 18 months.
- Managed by Special Committee (SC) composed of representatives of EU States (contributors). European Commission attends SC meetings.

SCHUTZ & HILFE

(contributors). The European Commission attends the SC meetings.

The Operations Commander is the authorising officer for the operation he commands. Where there is no Operations Commander, ATHENA's administrator is the authority officer. Member States have the choice either to pay contributions in anticipation of a possible rapid reaction operation or to pay within five days.



For details on the Athena mechanism please explore the dedicated EU Council website pages.  
(Click on the left icon)

### **START-UP FUND**

Article 41 (3) TEU, an innovation inserted by the Treaty of Lisbon, provides that: *"Preparatory activities for the tasks referred to in Article 42 (1) and Article 43 TEU which are not charged to the Union budget shall be financed by a start-up fund made up of member States' contributions.*

*The Council shall adopt by a qualified majority, on a proposal from the High Representative of the Union for Foreign Affairs and Security Policy, decisions establishing*

- *the procedures for setting up and financing the start-up fund, in particular the amounts allocated to the fund;*
- *the procedures for administering the start-up fund;*
- *the financial control procedures.*

*When the task planned in accordance with Article 42(1) and Article 43 cannot be charged to the Union budget, the Council shall authorise the High Representative to use the fund. The High Representative shall report to the Council on the implementation of this remit."*

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