



## FINANCIAL ASPECTS RELATED TO THE DEVELOPMENT OF COMMON SECURITY AND DEFENCE POLICY – ATHENA MECHANISM –

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*The efforts on creating, at EU level, a functional mechanism to support the operational commitments got materialised by the establishment, in February 2004, of a new instrument. Much better known as ATHENA Mechanism, it was dedicated to the overall administration of common costs associated with military crisis management operations.*

*This article puts forward a comprehensive picture of the main evolutions meant to lead to the development of this instrument, while analysing the implications for the operational domain, generated by augmenting the procedures for financial management of certain costs under the auspices of Common Security and Defence Policy.*

*Keywords: CSDP; military operations; crisis management; military financing; ATHENA Mechanism;*

## INTRODUCTION – FIRST UNDERTAKINGS

At the end of March 2003, the European Union launched in the Balkans its very first military crisis management operation. This undertaking was integrated in a more cohesive effort to consolidate the operational profile of European security and defence cooperation. The mentioned approach was meant to steadily continue for the next decades through a significant number of missions and operations deployed in various geographical areas.

The implementation of the mentioned approach was one of the most laborious processes, becoming gradually one of the most important strands associated with the European project in the field of defence. Furthermore, the specific character of the analysed initiative is closely related to the specific nature of the way in which the EU security and defence component has evolved, in accordance with the political consensus between member states but in the absence of a normative framework.

The development of European cooperation in the field of security and defence included, from the very beginning, the topic of ensuring the adequate financial resources for this project. The implementation process was conducted in a tailored way, taking into account the specific character of the Common Security and Defence Policy (CSDP), and induced by the normative and institutional context of the EU. Thus, the defence aspects were approached from the perspective of intergovernmental patterns, underpinned, first and foremost, by the national prerogatives and exercising consensus as the main procedure. From this perspective, the EU Treaties framed the practical aspects of cooperation in the field of defence, contributing essentially to a synergic development of procedural framework in the context of CSDP advancement. It also includes the development of a dedicated system for the management of the financial implications derived from the CSDP operational component.



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The main features of this undertaking are not necessarily related to the systems used by other organisations (e.g., NATO), being generated from a more flexible perspective corresponding to the normative framework of CSDP. It is worth mentioning that the EU Treaty provisions include certain restrictions on the possibility of using the EU budget for expenditures arising from operations having military or defence implications (Art. 41 TEU). Obviously, this approach generated the need for adapting the way in which financial resources are provided in order to ensure a proper functioning of the defence cooperation under CSDP. The main option was to develop ad-hoc mechanisms based exclusively on the political consensus between member states. Using this approach was induced by the necessity to support political ambitions for the development of EU crisis management profile through financing operational aspects and contributing to the improvement of capability shortfalls.

## **OPERATIONAL PERSPECTIVE ON THE FINANCIAL COMPONENT OF THE DEFENCE AND SECURITY COOPERATION**

Operationally, these efforts should be seen from the perspective of developing a functional model for providing financial resources, based on the primary legislation of the EU, but through a tailored approach and in support of national contributions in operations. The main parameters of the mechanism for financing the operations with military implications were adopted in the middle of the year 2000 through the decisions of the General Affairs Council – GAC (Luxembourg, 17 June 2000). Based on the provisions of the EU Treaty which allow that “*where the international situation requires operational action by the Union, the Council shall adopt the necessary decisions*” (Art. 28), the consensus achieved in Luxembourg contributed significantly to the effort of establishing the governance of financing military operations. In the aftermath of the GAC meeting the focus was placed on identifying the types of costs related to military operations and associated contributions of member states. In spite of the initial aspects, this undertaking was capable to rally the political support of the member states for defining an operational budget based on distinct regulations.

There were established two types of expenditures associated with military operations:

❖ *Common expenditure* – which cannot be assumed only by participating member states for covering the costs for facilities and capabilities that are of common interest in conducting the operations. Specifically, the following costs were considered: transport; communications; movement in the theatre of operation; infrastructure (barracks, lodging); support for deployed forces.

❖ *Individual costs* – including the expenditures associated with the presence in operations, which were to be ensured by contributing states according to the principle “costs lie where they fall”.

Afterwards, the Seville European Council (21-22 June 2002) endorsed this formula, while highlighting the importance of creating an efficient financial management system. At the same time, it was stipulated that it was not meant to finance the capabilities engaged by member states in military operations. Therefore, the costs related to deployment, sustainment and redeployment had to be covered by the member states that owned the capabilities. On this path, it was also assumed the relevance of the idea to create a budget for financing the common costs of EU military operations. At the same time, a special emphasis was placed on defining institutional and procedural features in an as comprehensive as possible manner, in order to capitalise on the participation of third countries in operations. Last but not least, defining a sound and effective system was also needed for managing the financial aspects derived from the implementation of NATO-EU cooperation agreements<sup>1</sup> in operations.

Moreover, the merit of Seville’s decisions should be seen from the perspective of providing the very first inventory of common costs that could be managed through such mechanism. For member states, this undertaking was perceived as a potential factor to alleviate own contributions, while potentially implementing a fair sharing of costs associated with operations, irrespective of concrete participation.

<sup>1</sup> Known as “Berlin+” Agreements, they are cooperation arrangements signed on 15 December 2002 between NATO and EU. Through them were defined the practical aspects of cooperation in operational field, with a focus on procedures and institutional interaction in the context of EU-led operation conducted with the recourse to NATO command and planning capabilities.



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It can be seen as a way to redistribute some expenditures components between member states, in addition to the individual regular contribution to the budget. The main principle in this endeavour was to define contributions for all member states, based on overall financial regulations applied in the EU. In this respect, the common costs were structured along two components:

- Common costs associated with financing certain activities at HQ level (static and deployable) for EU operations. It would include: headquarters (HQ); operational headquarters (OHQ); force headquarter (FHQ); command element at headquarter level (CCHQ). The expenditures that could be financed in common, according to the Presidency Report, (Haine, 2003, pp. 14-15) were dedicated to:
  - transportation costs – to and from the theatre of operations to deploy, sustain and recover;
  - administrative – offices, lodging, utilities, building maintenance;
  - contracting personnel in support of operations (civilian staff and international consultants);
  - communication – acquisition of services, renting and use of additional equipment;
  - transportation/travel within the area of operations (fuel, maintenance, renting vehicles, insurances);
  - lodging for HQ in theatre – acquisition, renting, facilities recovery;
  - public information – media and public information campaign;
  - representation and hospitality.
- Common costs associated with providing support for the forces deployed in the theatre of operations:
  - infrastructure – essential expenditures for fulfilling the missions (airports, railways, roads, electric networks, water);
  - additional equipment based on the request of operation commander;
  - distinct marks for forces – badges, flags, uniforms and so on;
  - medical – renting air medevac capabilities.

These aspects should be seen in the specific context of that period in which the main focus was placed on launching first substantial EU operational commitments under the European Security and Defence Policy (ESDP). The main priority was to consolidate the EU operational footprint in the Western Balkans, including by taking over largest components of NATO activities in this area. Thus, the financial management became very important, Seville decisions creating the necessary conditions for launching the first EU military operations (31 March 2003 – EUFOR Concordia/Macedonia; 12 June 2003 – EUFOR Artemis/D.R. of Congo).

Operational realities indicate, very soon after the deployments of EU contingents, the stringent need for a truly financial management system. The option of ad-hoc management, used for the mentioned operations was rather limited to involving only the Contributors Committee<sup>2</sup>, which was not enough to encompass both the complexity of the situation on the ground and the institutional dynamic of the EU. Moreover, the functional parameters of the military operations required a certain degree of predictability with regard to the availability of financial resources, especially in the initial phases of preparing and deploying forces in the theatre. In the absence of such certitudes, delays in generation process were unavoidable, with negative impact for operations deployed at long distances and in a demanding environment.

The importance of having initial financial availability could be seen from multiple perspectives. Firstly, it would help to overcome the diversity of national procedures by creating a minimum financial start-up to facilitate a timely initiation of operations. Secondly, it would allow more flexibility in synchronising the financial negotiations between member states with the demanding timeline required by operational generation process and, subsequently, by the deployment in theatre. The experience of the operations conducted by the EU in the Balkans testifies that this kind of discussions are constantly complex, generating lengthy negotiations (Missiroli, 2003, p. 13). Last but not least,



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<sup>2</sup> Contributors Committee is the main structure responsible for the daily management of various aspects pertaining to a given operation. It comprises the representatives of all contributing states, its meetings being coordinated by the Operation Commander.



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the financial predictability becomes more relevant due to the need for urgent and practical solutions for equipment and acquisition of means necessary for conducting the operation (Emmerson, Gross, 2007, p. 51).

All the above-mentioned elements were meant to highlight the complexity of the tasks to which the development of the financial mechanism should respond in a practical way. Additional challenges were related to the development of the EU concept for rapid military response, which led to the adoption of the Headline Goal 2010<sup>3</sup> and, subsequently, the generation of Battle Groups. The focus placed by European defence cooperation on rapid reaction capabilities would consolidate, in its turn, the sense of urgency regarding the need of a financial system to provide required resources for operational commitments in this regard.

### **NORMATIVE FRAMEWORK AND INSTITUTIONAL ASPECTS REGARDING THE ATHENA MECHANISM**

The mentioned expectations were met on 1 March 2004, when the European Council adopted the decision to create a new instrument dedicated to the financial management in relation to EU military operations (2004/197/CFSP, *Official Journal of the European Union* L063, 2004, pp. 0068-0082). Known as “ATHENA Mechanism”, it had the necessary legal profile in order to perform financial activities and to sign administrative arrangements. The primary function was to ensure the management of financial contributions advanced by the member states, its activity being monitored by those countries. In the aftermath of this decision, ATHENA was meant to develop continuously in terms of correlating normative framework with operational evolutions including the development of capabilities that could be employed in EU operations, such in the case of Battle Groups

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<sup>3</sup> The new Headline Goal, adopted by the EU at the European Council in 17-18 June 2004, is much more known as Headline Goal 2010 (HLG2010). The main feature was the qualitative approach in capabilities development and generation process for operations, including the EU rapid military response. The nucleus of this approach was represented by the Battle Groups Concept which envisaged the development of highly deployable force battalion level structure (1,500 personnel) and sustainable up to 120 days. For further details regarding HLG 2010 see [https://www.europarl.europa.eu/meetdocs/2004\\_2009/documents/dv/sede110705headlinegoal2010/\\_sede110705headlinegoal2010\\_en.pdf](https://www.europarl.europa.eu/meetdocs/2004_2009/documents/dv/sede110705headlinegoal2010/_sede110705headlinegoal2010_en.pdf), retrieved on 18 April 2021.

[Council Decision 2011/871/CFSP of 19 December 2011; Council Decision 2015/528 (CFSP) of 27 March 2015].

From the structural perspective, the management of ATHENA involves three entities – administrator, operational commander and accounting officer. Their activity is under the control and guidance of the Special Committee in which all participating<sup>4</sup> countries are represented. The meetings of this structure take place regularly under the chairmanship of the country that fulfils the six-month Presidency of the EU Council. This format has the potential to ensure a better interaction between ATHENA and EU structures, since the Commission has the possibility to attend to these meetings regularly. At the same time, third countries contributing to military operations can participate in the Special Committee meetings except the voting sessions.

The main role in implementing the Committee decisions is with the Administrator who is designated for a three-year mandate by the Secretary General of the EU Council, informing the Special Committee. The Administrator is responsible for the coordination of financial aspects related to all EU military operations. Moreover, it has the main role in drafting the ATHENA annual budget, being authorised to adopt the necessary decisions for implementing it. At the same time, it will ensure proper interaction with competent national authorities, while representing the EU in relations with other international organisations on competence domains.

With regard to the financial management at operational level, the role of Operation Commanders is exercised by monitoring the expenditure made in implementing the decisions adopted by ATHENA Committee. At the same time, their contribution is highly relevant in the process of drafting the annual budget, being simultaneously the sole evaluating authorities on how the financing mechanism is working in the field. The executive component of ATHENA Mechanism is the full responsibility of the accounting officer, who is designated in a similar way for a three-year mandate. Besides the duties related to regular



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<sup>4</sup> With the exception of Denmark that has an opt-out for participation in military aspects of CSDP. The Danish position was adopted following the referendum on Maastricht Treaty in June 1992. In this vein, Denmark does not participate in military operations and, consequently, it does not contribute to the Athena Mechanism.





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financial activities, he is responsible for providing advice and expertise for the national structures involved in this area.

The interaction between the three actors – administrator, operational commander and accounting officer is particularly relevant in the process of drafting the annual budget. Without being an iterative process, the outcome is to consolidate the predictability character of the financial mechanism and to enhance the synergy with operational realities. Regarding the last-mentioned aspect, the ATHENA way of working was correlated with the main phases of the generation process for operations. The main sequences taken into account were:

- *Preparation phase* – between the decision to launch an operation and nomination of the operation commander.
- *Active phase* – between nomination of the operation commander and decision to cease the activity of the operational headquarter.
- *Withdrawal phase* – between the cessation of operational actions and the end of force and equipment repatriation.

From this perspective, the budget includes, practically, the common costs identified, according to the decision to establish the ATHENA Mechanism, for every military ongoing operation. There are also the expenses related to EU military exercises, which contribute to the consolidation of operational potential with positive effects on the efficiency of ongoing military commitments. Practically, for exercises, the types of expenses that can be financed through ATHENA reflect a similar approach with the one used for identifying the common costs for operations. Therefore, it was decided to finance<sup>5</sup> (CFSP 2015/528, *Official Journal of the European Union/L 84, 28/03/2015, pp. 39-63*) expenses related to headquarters (static and deployable), which are involved in exercises, and to the similar structures used in the context of implementing the NATO-EU cooperation agreements.

The budget is drafted by the administrator, including the operational commander recommendations and a forecast on the EU operational

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<sup>5</sup> From this context are excluded the expenses related to the acquisition (buildings, infrastructure and equipment). At the same time, for planning and preparation phases of exercises were taking into account the expenses for transportation in and from area as well as lodging facilities for participants.

developments. These elements are essential for setting-up the annual ceiling, including the amount potentially to be refunded in case that some payments were made in advance during the previous year. Moreover, all member states contribute to the budget irrespective of their contribution to operations. The individual share is established based on GDP key, which is used according to the EU Treaty (Art.28). From this perspective, the final approval of the annual budget is made at the level of the Special Committee.

Within this framework, the typology agreed in Sevilla was further refined leading to a new functional matrix that introduced more granularity in getting closer the financial support to the operational dimension of CSDP. Moreover, the aspects related to the rapid reaction capabilities were approached gradually by consolidating the normative framework regarding early financing. In this regard, it was developed an early financing scheme in which interested countries could contribute to the establishment of a fund/deposit that could be used as financial resources for initial stages of operations. In implementing this approach there were envisaged two options, namely anticipated full payment of annual contribution and full payment in the five-day limit after the decision to use Battle Groups in an operation. Furthermore, countries that chose to use one of the mentioned options had the possibility to decide on committing 75% of the advanced amount for another operation. All of these aspects were meant to consolidate extensively the political support for early financing mechanism within ATHENA. Practically, more than 50% of the member states participated constantly in this scheme.

## **STRUCTURING COMMON COSTS THROUGH THE ATHENA MECHANISM**

For the common costs, the undertakings in this field did not have the same level of ambition. The progresses achieved were merely on clarifying the expense types with some positive results in extending the domains in which common financing could be applied. Even so, certain changes were made in moving beyond the HQ component, which was the main norm for defining the common cost. To an equal extent, it was a direct consequence of the operational dynamic



in the EU in which the number of operations increased while diversifying the types of missions and tasks. All of the mentioned aspects generated some adaptation of normative framework governing the ATHENA Mechanism. It was also considered the option to increase the flexibility of operational commanders in managing unexpected circumstances that may occur during and after the deployment process.

From this perspective, the ATHENA common costs structure was adjusted in the following way:

1. Operational common costs related to the active phase of an operation comprising:
  - Costs for headquarters<sup>6</sup> including: transportation (in and from the theatre of operations for FHQ and CCHQ); travel and lodging for HQ personnel; transportation in the theatre of operations (e.g., vehicles and fuel); administrative costs (offices, services, HQ building maintenance); civil personnel recruitment for HQ; communications between HQ and assigned forces; lodging infrastructure for HQs; public information (HQ information activities); representation and hospitality at HQ level.
  - Financing the support activities generated in the deployment context:
    - construction works for deployment/infrastructure required by the force (use of airports, ports, roads, disembarkation points, water reservoir, warehouse, logistics spaces, technical assistance for commonly financed infrastructure);
    - identification (IDs, medals, insignia, flags excepting uniforms and clothes);
    - medical: Medevac (Role 2, 3 and assigned facilities according to the OPLAN);
    - information (satellite imagery in case that it cannot be provided by the EU Satellite Centre).

*The ATHENA common costs structure was adjusted in the following way: operational common costs related to the active phase of an operation, additional common costs associated with the active phase, operational costs requested by operation commander and approved by the Special Committee and costs for the final stages of operations.*

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<sup>6</sup> There are taken into consideration the headquarters (static and mobile) for EU-lead operations (HQ; OHQ; FHQ; CCHQ; Mission Headquarters – MHQ, deployed in the area of operations to replace OHQ and/or FHQ functions.

- Costs generated by the use of NATO capabilities for EU operations.
  - Costs for construction works or capabilities and equipment made available by a member state, international organisations or third states.
2. Additional common costs associated with the active phase based on the Council decision:
    - transportation in and from the theatre of operations for deployment, support, recovery for forces required by operations;
    - “*task force*” type multinational headquarters deployed in the theatre.
  3. Operational costs requested by operation commander and approved by the Special Committee:
    - lodging infrastructure and barracks – acquisition, renting, upgrading the facilities in the area of operations necessary for deployed forces;
    - additional equipment – acquisition, equipment renting in unexpected circumstances;
    - additional medical services;
    - information – extended spectre focused on ground situation;
    - niche capabilities (e.g., demining, CBRN, storage facilities for armaments ammunition);
  4. Costs for the final stages of operations:
    - identification of the final destination for the equipment and infrastructure funded in common;
    - management of the accounts opened in the context of operations.

## FUNCTIONALITY IN AN OPERATIONAL DYNAMIC CONTEXT

It is beyond any doubt that the development of the ATHENA Mechanism was generated by a real need to sustain the political commitments assumed by the member states to develop the EU operational role. In this vein, the record of the previous years offers a rather mixed picture from both the efficiency perspective and the level of ambition assumed in this context indicating positive results and persistence of certain limitations.



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Historically speaking, the EU military operations benefited extensively from the opportunities created by this mechanism. The record is rather impressive, with 11 operations deployed in various areas such as the Western Balkans, Africa and the Mediterranean, which received financial support through ATHENA. In fact, almost 30% of all EU operations and missions benefited from common financing. This aspect should be also seen from the perspective of the member states appetite for generating military commitments, given that the financing system for civilian operations under CSDP is much more attractive. According to the EU Treaty [Art. (42) 1 and 43], the expenses for civilian commitments (administrative and operational) are financed through the EU budget, under the heading Common Foreign and Security Policy. For the Multiannual Financial Framework 2014-2020, the ceiling was 3,145 billion € (*Multiannual Financial Framework 2014-2020 and EU budget for 2014. The figures*, European Union, 2013), which is 3,8% of the EU budget. Within this amount, the component for operational expenses is 250-300 million €, annually for all EU civilian operations. At the same time, TEU [Art. 41(3)] allows the possibility to finance from the EU budget all the preparatory measures for conducting a civilian operation, based on the adoption of a Council Decision and the information of the European Parliament. With regard to the costs associated with the personnel deployed by member states, they remain national responsibility.

Obviously, the integration of the civil management component within the Multiannual Financial Framework of the EU budget provides the necessary predictability character in sustaining the operations, while ensuring the proper conditions for extending the deployment period and continuity in implementing the mandate. It can be argued on a high degree of asymmetry between financing models for civilian and military CSDP components, in terms of both the resources volume and the procedural and institutional typologies. For the entire functioning period, the ATHENA budget was relatively constant, between 60-75 mil. € (Fiott, 2019, p. 85; Fiott, Theodosopoulos, 2020, p. 219). But this figure is merely orienting given the possibility to commit additional financial support pending on the operational evolutions, especially for the initial phases of operations. In this stages, additional expenses

could occur especially on creating the conditions for deployment and accommodation for the personnel transported in theatres of operations. An illustrative example of the magnitude of these costs, which have to be generated by ATHENA, is the case of EU operations in Bosnia and Herzegovina (EUFOR ALTHEA, since 2004), D.R. of Congo (EUFOR DR Congo, 2006) or EUFOR TCHAD/RCA, 2007, in Chad and Central African Republic. For the latter, the particular security local conditions imposed considerable logistical works, while involving an extremely high number of surveillance and air transportation actions in the area of operations. All the mentioned aspects were reflected in the amount of costs that reached approximately 120 mil., which was financed through ATHENA (EU Military Operation in Eastern Chad and North Eastern Central African Republic, 2009). A similar case is the EU operation in the D.R. of Congo, where the common costs reached 17 mil., most of which being associated with the force protection measures and activities performed by the deployed contingents. (*EU ISS Yearbook of European Security*, 2013, p. 277). As regards ALTHEA operation, the maximum level of common financing was above 71 mil. €, it thus being the largest EU military operation with more than 7,000 military personnel between 2004-2007 (Chaillot Papers, no. 75, 2005, p. 36).

Of course, these aspects could not be seen as definitory in a comprehensive analysis of the ATHENA Mechanism, being rather exceptions in the force generation process. More relevant for analytical purposes is the contribution of this instrument within the general financial envelope for military operations. From this perspective, the ATHENA efficiency is one of the debatable topics. It is commonly agreed that the ATHENA opportunities are covering only 10-15% of the entire amount involved by an operation. From this perspective, it is highly debatable how the flexibility of the normative framework should be enhanced in order to match the specifics of every single operation. In this respect, it was agreed that a regular revision of the ATHENA Mechanism should be performed every three years.

At the same time, the attention was focused on the potential expansion of the common costs. Considering the experience of the significant number of operations with different intensity



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The issue of adapting to meet the mentioned requirements was approached at the highest political level. During the European Council that took place between 19-20 December 2013, it was underlined the necessity of identifying the best options for optimising the financing mechanism (Conclusions of the European Council, 2013). From this perspective, the revision of the ATHENA Mechanism approached the topic of including the costs related to the Battle Groups deployment. The recommendations were incorporated in the decisions adopted by the European Council in March 2015 endorsing the possibility to finance Battle Groups deployment with specific provisions regarding the periodic renewal of this decision (Andersson, 2017, p. 2). Definitely, this step was a major achievement in consolidating the financial predictability with positive potential for boosting member states interest in generating military operational commitments.

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<sup>7</sup> The main multinational cooperation formulas developed in the field of transportation are: Strategic Airlift Capability – SAC (C-17); Strategic Airlift Interim Solutions – SALIS (Antonov); Movement Coordination Center Europe (MCCE); European Air Transport Command (EATC); Nordic Movement Coordination Center (NMCC); Multinational Sealift Coordination Center (MSCC).



## CONCLUSIONS

As it can be noticed, the creation of a financing management system for EU military operations was a feature that constantly followed the development of European cooperation in the field of defence. Given its importance for consolidating the EU's profile in crisis management, it was underpinned by political consensus between member states on establishing such a system. The convergence on this subject was strengthened considering the specific provisions of the EU Treaty that does not offer structural possibilities to finance military operations through the EU budget.

It is evident that, in the absence of a common perception, the establishment of the ATHENA Mechanism could not take place. The way and the pace at which this instrument developed was frequently criticised especially from the perspective of the ATHENA modest contribution to the general expenditures generated by operations.

Nevertheless, there are certain positive effects that have to be highlighted, especially in terms of facilitating the conditions for generating operations with a particular relevance for initial stages. The specific cases of the most demanding EU military operations presented above indicate without any doubt the importance of this new instrument. Thus, it can be considered the added value of ATHENA by the significant potential for employing important resources and overcoming difficulties and challenges, including the employment of rapid reaction capabilities.

Obviously, the efficiency of using this mechanism should be seen in connection with the EU high operational dynamic. Currently, the ATHENA Mechanism is financing six operations in different geographical areas (the Balkans, the Horn of Africa, Somalia, Mali, the Mediterranean Sea) with different profiles and financial features. Equally, the evolution of European cooperation in the field of defence indicates that the EU has become one of the most important international actors, underpinned by a significant number of military and civilian operational commitments conducted under CSDP auspices.

Even in the case of simple evaluation, it is evident that this tendency will consolidate in the coming period. It requires an adequate adjustment of the instruments and mechanisms that the EU could



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employ for operations. The common financing will represent one of the most important aspects that can be approached in a functional matrix that is equally adapted to the fast-changing security environment. The main implications could be seen in the rapid reaction capacity, in the ability for integrated management of the financial resources in a specific geographical area or in implementing a security sector reform programme in a country that is a receptor of EU assistance.

The ATHENA Mechanism is a cooperation framework developed in a specific stage of the development of the EU operational profile for providing necessary answers. The experience so far is a valuable acquis, which has to be taken into account in developing future financial management systems in the field of EU external action. In this vein, it is worth highlighting the political agreement reached by member states at the end of 2020, which gives green light for a new instrument for the integrated management of the financial resources for external action. Known as the *European Peace Facility – EPF*, its parameters incorporate, while maintaining certain distinctiveness, two structured pillars – military operations and assistance measures in the field of defence. The financial envelope associated with this new instrument is around 5 billion € for the Multiannual Financial Framework 2021-2027.

In the new context created by EPF, the operation component incorporated the entire normative framework of the ATHENA Mechanism allowing for a smooth transition towards a new EU financial management system in the field of defence. At the same time, this approach will contribute to consolidating the integrated character of external action. This would be facilitated by an efficient and complementary connectivity and complementarity between the operational commitments and the assistance measures designed by the EU for different countries.

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