

4. Financing CSDP missions

According to the TEU Article 41, § 2: *‘the Operating expenditure to which the implementation of this Chapter gives rise shall also 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’*. This article makes a clear distinction between military and civilian operations.

Military operations

Based on Article 41, §3 of the TEU, the financing mechanism of CSDP military operations, known as Athena, is intended mainly to provide funds for rapid response operations. The complete list of costs covered by Athena (including transport, infrastructure, medical services, lodging, fuel, etc.) is stated in four lists annexed to the Council decision 2011/871/CFSP, which amends the Council decision 2008/975/CFSP. Personnel and other items are financed on a *‘costs lie where they fall’* basis.

Athena is managed by a trio composed of an administrator, an operation commander and an accounting officer. Their actions remain under the responsibility of a special committee composed of one representative from each participating member state, as well as EEAS and EC representatives. A permanent revision procedure has been set up and each presidency has at least one meeting on the evolution of the Athena mechanism.

Athena makes the distinction between common costs (including those incurred in preparation for or following operations) and operational costs which are directly related to operations. All the costs not explicitly covered by Athena remain under the responsibility of the participating member states, even if the special committee can decide to include it in part B of annex III.³⁶ EU exercise costs are also included even if capital acquisition, planning and preparatory phase of exercises, transports, barracks and lodging for forces are not included.

Until now, the Athena mechanism has been used for only five European Union military operations: EUFOR Althea, EUFOR DRC, EUFOR Tchad/RCA & EUTM Somalia/Mali.

36. ‘Operational Common Costs Relating to the Active Phase of a Specific Operation, Borne by Athena when the Council so decides’. Source: <http://www.consilium.europa.eu/media/1381208/at3.pdf>.

Civilian operations

Civilian operations are financed directly by the EU budget. Usually, the financial references are included in the Council decision establishing the mission and are revised following recommendations on expanding the mission.

The available funds are combined in the 'EU as global player' section of the budget. For 2011, the €303 million budget accounted for 4 percent of the section total and only for 0.2 percent of the total

4.1. Athena Mechanism

Legal Basis: 2011/871/CFSP; 2008/975/CFSP; 2007/384/CFSP; 2007/91/CFSP; 2005/68/CFSP; 2004/925/CFSP; 2004/197/CFSP

Operations	Legal Basis	Cost Covered	Financial amount of reference (in euro)
CONCORDIA FYR	2003/92/ CFSP	Expenditure related to transportation for the forces as a whole shall not be eligible for payment as common costs.	4,700,000
ARTEMIS DRC	2003/423/ CFSP	Barracks and lodging for the forces as a whole, as well as expenditure related to transportation of the forces as a whole, shall not be eligible for payment as common costs.	7,000,000
EUFOR Althea	2004/570/ CFSP	Barracks and lodging for the forces as a whole shall not be eligible for payment as common costs. Expenditure related to transportation for the forces as a whole shall not be eligible for payment as common costs	71,700,000

Operations	Legal Basis	Cost Covered	Financial amount of reference (in euro)
EUFOR DR Congo	2006/319/ CFSP	Barracks and lodging for the forces as a whole shall not be eligible for payment as common costs. Expenditure related to transportation for the forces as a whole shall not be eligible for payment as common costs. Art 31,3§ = 70%	16,700,000
EUFOR TCHAD/RCA	2007/677/ CFSP	Art 33, 3§ = 50 %	99,200,000
EUNAVFOR	2008/749/ CFSP	Art 33, 3§ = 30 %	60,000
EU Atalanta	2008/851/ CFSP	Art 33, 3§ = 30 %	8,300,000
EUTM Somalia	2010/96/ CFSP	Art 32, 3§ = 60 %	4,800,000
	2011/483/ CFSP	Art 32, 3§ = 30 % Until 09/08/2011 Art 25,1§ = 60 % From 09/08/2011 Art 25,1§ = 30% From 01/01/2013 Art 25,1§ = 100%	4,800,000

According to **Article 25, 1§** the Member States must pay their contributions at the level of 30 percent of the reference amount decided, unless the Council decides on a different percentage.

Article 32, 3§ provides the possibility for the administrator/commander to pay expenses for the operation concerned up to 30 percent on the day of legal document adoption unless the Special Committee decides another percentage.

Article 33, 3§ provides the possibility for the Special Committee to determine a depreciation rate for equipment, infrastructure and other assets which have been financed in common.