Toward a Future EU-UK Relationship in Foreign Policy and Defense

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The Atlantic Council’s Europe Center conducts research and uses real-time commentary and analysis to guide the actions and strategy of key transatlantic decision-makers on the issues that will shape the future of the transatlantic relationship and convenes US and European leaders through public events and workshops to promote dialogue and to bolster the transatlantic partnership.
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Executive Summary

Despite an initial ambition for a close foreign policy and defense relationship, the politics of the European Union (EU) and United Kingdom’s (UK’s) post-Brexit negotiations were not conducive to a comprehensive deal in that domain. Indeed, it did not feature at all in the agreements concluded on December 24, 2020. Both the EU and the UK had shown at first a willingness to move toward a deep foreign policy and defense agreement, as reflected in the 2019 Political Declaration. However, frictions arising from the negotiation of the Brexit withdrawal agreement as well as changes in the political atmosphere and the UK’s strong emphasis on sovereignty led to foreign policy and defense being taken off the table.

Foreign policy and defense are unlikely to return to the forefront of the agenda on their own. Unlike trade or fisheries, limited cooperation in that field will not be felt by citizens in a direct manner. The effectiveness of multilateral sanctions could be reduced but this is unlikely to be a topic of popular concern. In the lead up to Brexit, British participation in EU Common Security and Defence Policy (CSDP) operations was already limited. Most of the UK’s industrial cooperation with Europe is taking place outside of the EU format—this is a relatively new area for the EU to venture in. Policy makers tend to feel that the issue of British participation is a choice to be made further down the road.

Yet maintaining a deep relationship between the UK and Europe is as necessary as ever. It is therefore key that policy makers remain seized of the matter. First, the UK and the EU will continue to share the same geography, the same strategic environment, and the same values. This is recognized on both sides of the Channel. Under Brexit, the EU will lose the ability to tap into the UK’s substantial capabilities while the UK will no longer benefit from accessing EU instruments tailored to intervene on the Southern flank, blending development assistance and military force. The industrial impact of a disrupted relationship will be felt by the many companies with cross-Channel supply chains. They are concerned about the lack of political will to launch future cooperative projects, something that would benefit both sides of the Channel as the cost of developing next-generation technologies rises and defense budgets come under pressure in the post-COVID-19 era. Overall, maintaining political and personal relationships will be key to avoid dividing the transatlantic family. As the UK moves on from the Brexit process, it should find in the EU a partner sharing the same values and aspirations.

Three scenarios can shape the post-Brexit future.

1) A comprehensive deal. A wide-ranging agreement would give room for creating a tailored solution, notably granting the UK a higher degree of access than other non-EU partners. This would, however, require a significant amount of political will and, in the short run, appears unlikely given both parties’ insistence on safeguarding their decision-making autonomy.

2) A series of piecemeal agreements. The relationship would rely on using the existing possibilities for non-EU member states to participate in EU initiatives, such as a framework participation agreement for CSDP operations and missions or an administrative arrangement with the European Defence Agency. This would, essentially, amount to treating the UK as any non-EU country. The conclusion of an exchange of classified information agreement on December 24, 2020, is an encouraging sign and a good starting point, as it is essential for better sanctions coordination while underpinning the other areas of cooperation. While not very ambitious in terms of cooperation, this scenario would allow channels to remain open at a limited cost in political capital.

3) Escewing formal agreements. In this scenario, the relationship between the EU and the UK would not rely on any form of negotiated agreement. This would not preclude ad-hoc consultation, cooperation, or even joint actions, on a case-by-case basis. However, the UK’s relationship with Europe would mostly be channeled through NATO, bilateral ties, and multi-bilateral forums such as the E3, the European Intervention Initiative, and the Joint Expeditionary Force.

This task force recommends starting with a blend of Scenarios 2 and 3, allowing limited cooperation on critical issues to become building blocks for the future. This would also ensure that channels remain open and set the stage, if there is political will down the road, to move toward Scenario 1.

To make that course of action possible, the first task of policy makers should be ensuring mutual trust and understanding between the UK and the EU. This could comprise the following actions:

■ Highlighting the value of closer cooperation. The practical benefits of EU-UK cooperation, notably on sanctions and visible operations, such as in response to a crisis, are the best place to start to generate
political goodwill. To the extent that the “Global Britain” agenda pivots from “Singapore-on-Thames” to the global defense of democracies, the UK will find significant convergence with the EU’s “Strategic Autonomy” agenda. Working alongside each other, on fighting money laundering or foreign influence in domestic politics—while maintaining structural separation—will be mutually beneficial. The fact that the EU and the UK were able to reach an agreement on trade suggests that the potential is there.

■ Cross-fertilizing goodwill across issues. Capitalize on trust built on the faster-moving issues to further the defense agenda. Cyber, climate, facing the technological challenge of China, standing up to Russia, money laundering, and security cooperation could be promising places to start.

■ Keeping channels open. Ensuring familiarity among policy makers will help provide the conditions for the renewal of relationships. This could take the form of a deepened EU-NATO cooperation, leading officials to continue meeting, as well as coordination through a European Security Council.

■ Sharing perspective. Beyond personal familiarity, sharing strategic culture will lay the groundwork for collaboration. This could rely on mutual exchanges between the UK’s and the EU’s strategic reflection processes (Integrated Review and Strategic Compass, respectively), making full use of the European Intervention Initiative and creating a track 1.5 EU-UK dialogue, combining think thanks and policy makers.
Introduction

On March 29, 2017, the United Kingdom (UK) triggered Article 50 of the Lisbon Treaty and started down a path toward “Brexit,” the departure of the UK from the European Union (EU). The economic implications of Brexit have been so enormous that much less attention has been paid to its consequences for defense and security cooperation in Europe.

This is surprising because the UK and the twenty-seven EU member states (EU-27) have mutual interests in ensuring a close defense and security partnership, and the UK has significant deployable assets to contribute to European security. They have core interests in a stable and prosperous Europe, and they broadly share the assessment that the security situation in Europe is deteriorating as a result of Russian and Chinese actions, instability in the Middle East and North Africa, terrorism, and transnational challenges related to, for example, the Covid-19 pandemic, climate change, and organized crime. The UK and France crafted the 1998 St. Malo Declaration, which paved the way for the creation of the European Security and Defense Policy (ESDP) in 1999. The two sides differed on how to structure a Common Security and Defence Policy (CSDP), but they never disagreed on the need for a strong European defense.

A “deep and special” relationship has proven impossible to secure, however, in the post-Brexit political climate. Indeed, foreign policy and defense do not feature in the agreements concluded on December 24, 2020. The UK is focused on sovereignty and independence and on carrying out its Integrated Review, its guiding strategic document, which is not expected to reference the EU much or at all. The EU, on the other hand, is embarking on a Strategic Compass exercise, which is unlikely to reference the UK. The EU is also debating the meaning of “Strategic Autonomy,” a contested term first raised in the 2016 EU Global Strategy. The outcomes of these processes remain to be seen, but the risk is high that the close defense relationship of the past will unravel completely.

With the withdrawal and trade agreement negotiation phases past, and with a new administration in Washington, it is time for London and Brussels to start thinking again about working together to face a shared geopolitical environment.
1. Retracing the negotiations to better understand the political space

The initial ambition for a close and wide-ranging relationship. While foreign policy and defense did not play a major role in the referendum campaign, both the EU and UK envisioned, at the outset of the negotiations, a deep partnership. Then UK Prime Minister Theresa May’s 2018 speech at the Munich Security Conference depicted a close defense and foreign policy relationship that, while respecting the “decision-making autonomy” of both parties, would offer “the UK and the EU the means and choice to combine our efforts to the greatest effect.” This was reflected in the Future Relationship Policy Paper presented to Parliament in July 2018, which called for “an ambitious partnership covering the breadth of security interests including foreign policy, defense [and] development.”

The EU-27 also demonstrated an initial interest in safeguarding the close defense and security relationship with the UK. This interest was reflected in the 2019 Political Declaration—both the original and the updated version—which called for “ambitious, close and lasting cooperation on external action.” It envisioned structured cooperation and consultation mechanisms (para. 94-96), intensified sanctions cooperation when policies aligned (para. 97-98), and UK participation in CSDP operations with mechanisms allowing for deeper consultations short of inclusion in mission planning (para. 99-101). On defense industrial cooperation and on space (para. 105), however, it was limited to flagging existing possibilities for third states (para. 102).

Over the course of 2020, however, both sides’ tones and interests gradually shifted and discussions about a defense partnership faded. Following the UK’s departure from the EU on January 31, 2020, the Council of the EU adopted in February updated negotiating priorities for the future relationship. They were still forward-leaning though the language was already more cautious. They mostly followed the Political Declaration, calling for a deep partnership while recalling the necessity to preserve the “strategic autonomy and freedom of action of the Union.”

The UK’s Future Approach to the Negotiations, released in February 2020, did not include any element on defense—the word itself did not even feature in the document. Foreign policy was described as an area that did not require an institutionalized relationship but should, instead, be determined “within a broader friendly dialogue and cooperation.” It became apparent that London was
not interested in discussing foreign policy and defense, and only partially interested in security cooperation.\(^7\)

**As 2020 unfolded, the political space became no longer conducive to a deep relationship in this area.** The EU’s inflexible stance during the negotiations of the Brexit withdrawal agreement, especially on limiting UK access to Galileo Public Regulated Service development, helped undermine those within Whitehall advocating for a strong partnership.\(^8\) In London, domestic politics had shifted to the extent that there was little space or desire to push for a deeper integration, and rather a focus on defining what a “Global Britain” agenda might entail, and building stronger links to other partners around the world.

Moreover, the setup of the negotiations themselves left little room for foreign policy and defense. The very limited timeframe, made even narrower by the absence of an extension of the transition period, meant that the focus shifted to matters more urgent for daily lives and with greater political visibility, notably fisheries. This was compounded by the outbreak of COVID-19 and all of its related challenges. The limited bandwidth made it easier to sidestep foreign policy and defense issues.

As a result, none of the agreements reached on December 24, 2020, cover foreign policy and defense. The EU’s press release even explicitly highlighted this absence.\(^9\) However, an Agreement on Security Procedures for Exchanging and Protecting Classified Information\(^10\) was concluded, paving the way for potential cooperation down the road. Despite tensions in the final stages of the negotiation, the fact that an agreement was reached on trade leaves both parties in a somewhat better position to start building back their foreign policy and defense relationship.

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\(^8\) Barnier, Task force interview.


2. Putting foreign policy and defense back on the table

2.1. Foreign policy and defense will not return to the forefront by themselves

In the short run, the consequences of no deal on foreign policy and defense cooperation may not be keenly felt. The UK’s contribution to CSDP operations and missions over the previous years was quite limited, amounting to 2.3 percent of total EU member state contributions. By the time of Brexit, the operational headquarters of Operation Atalanta, dedicated to combating piracy in the Horn of Africa, had already been transferred to Rota, Spain, and the Maritime Information Cooperation and Awareness Center to Brest. Operational command of Operation Althea, in Kosovo, assumed under the Berlin Plus Agreements by NATO’s deputy supreme allied commander Europe, a British officer, had already been transferred as well.

In terms of capability development, current industrial programs are also expected to experience only limited disruption. They will, however, suffer from any trade frictions, especially those affecting companies with very distributed supply chains. The end of Free Movement of Labor is also likely to complicate processes, such as that for sending an expert or a reinforcement team from an EU-based subsidiary to the UK or vice versa. The way Mutual Recognition of Professional Qualifications plays out in practice will need

A member of the British army looks on between members of European armies during the ceremony of transfer of authority of the leadership from UK to Spain of European Union Atalanta Operation, which is in charge of counter-piracy in the Indian Ocean, at the naval airbase in Rota, near Cadiz, southern Spain March 29, 2019. REUTERS/Jon Nazca

to be watched. However, most companies the task force consulted felt that, although regrettable, those economic inefficiencies would not sink projects. Some of the costs could even be passed down to the customers, i.e., the EU member states and the UK. British industry and policy makers are still divided about the benefits of EU defense industrial initiatives such as the European Defence Fund (EDF), so that they do not feel the pressing need to obtain access.

Rebuilding the relationship between the EU and the UK cannot be taken for granted. Considering the absence of visible short-term effects of a no-deal, the gradual loss of “muscle memory,” London’s focus on life outside the EU and Brussels’ Strategic Autonomy agenda, and the priority given to post-pandemic economic recovery, there is a significant risk that, absent a major crisis, there will be little will on either side to resume discussions around a future foreign policy and defense framework.

2.2. A case for putting EU-UK cooperation back on the agenda

At the strategic level, the UK and the EU-27 continue to share the same strategic environment and geography. They are both affected by the destabilizing influence of a more assertive Russia, instability in the periphery of Europe, and a China that challenges the rules-based international order. There is considerable overlap on both sides of the Channel in terms of their assessments of the strategic environment. Indeed, both have seized on the phrase that Britain is leaving the EU, not Europe, as expression used by the British prime minister as well as the presidents of the European Commission, Parliament, and Council.

Divergences between the EU and the UK are already starting to be felt, and will likely become clearer over time. The UK has taken a more hawkish stance on China than some Europeans to date. The EU’s response to the poisoning of Russian opposition leader Alexei Navalny could have been more energetic, in keeping with the strong European solidarity shown to the UK after the Russian attempt on former Russian military intelligence officer Sergei Skripal’s life in Salisbury. Despite being one of Cyprus’s guarantor powers, London remains relatively absent in the deteriorating security situation in the Eastern Mediterranean.

The consequences go beyond addressing threats in Europe’s periphery, and relate to the UK’s and EU’s abilities to promote their common political values as liberal democracies committed to a rules-based international order. These commitments are likely to become even more important on both sides in an era of competition with Russia and China over models of governance and capitalism. Early indications are that this could be at the heart of London’s new agenda, as the UK uses its presidency of the G7 in 2021 to take the lead on the D10, the group of ten democracies committed to pushing back on authoritarianism.

The UK’s Global Britain and the EU-27’s Strategic Autonomy agendas need not necessarily be at odds with one another. As they get fleshed out, they can, in fact, be mutually reinforcing and conducive to deeper cooperation. In so far as Britain turns away from “Singapore-on-Thames” and toward championing global democracy as exemplified by its support of the protests in Hong Kong and Belarus, it will find itself in greater agreement with the EU’s defense of multilateralism. Fighting money laundering, pushing back on foreign interference in domestic politics, and coordinating sanctions can form part of a common agenda. While preserving the autonomy of decision-making processes, the EU and the UK can be working side by side. In the fall of 2020, London and Brussels both sanctioned Belarusian officials. While announced independently, these sanctions constitute a parallel and mutually reinforcing course of action in defense of democratic values. In the same way, Britain and the EU reached similar conclusions regarding the threat posed by letting Huawei provide core components of 5G networks.

At the end of the day, the EU-27 and the UK remain part of the same transatlantic family. This is not a choice

13 Task force interviews with defense industry representatives.
14 See for instance May, Theresa, “We have voted to leave the EU but not Europe” (February 2017), https://www.gov.uk/government/speeches/we-have-voted-to-leave-the-eu-but-not-europe-article-by-theresa-may.
between Washington and Brussels. It is clear, following the outcome of the US presidential election in November, that the threats and values shared across the Channel are also those shared across the Atlantic Ocean. A rift in UK-EU relations cannot be without consequence for UK-US and EU-US relations. Effectively meeting the challenge of China will require the transatlantic community to work together regardless of the political parties in power. The Biden administration’s declared interest in cooperating closely with partners offers an opportunity to frame a closer EU-UK relationship in the context of a broader transatlantic approach.

At the operational level, there is much to lose in the absence of formalized cooperation, despite appearances. The UK’s limited contribution to CSDP operations and missions in the past was a reflection of its other existing global commitments. This is also the case for other member states. France routinely contributes fewer troops to EU than to NATO missions. However, its participation has sometimes surged, as it did when contributing most of the troops for the European Union Force Chad (EUFOR Chad) mission and European Union Training Mission in Central African Republic (EUTM CAR). And its contribution to European security also takes place outside of the EU format, notably through Operation Barkhane in the Sahel.

What the EU stands to lose from a rupture between the UK and the EU is not the limited UK operational contributions of the past but, rather, access to a pool of highly capable and deployable forces and key enabling capabilities, such as the heavy lift Chinook helicopters and A330 air

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refueling capability. In the EU-28, Britain amounted to 20 percent of all military capabilities, with a global presence and an expeditionary culture. Its departure leaves France as the only full-spectrum force.

The UK also stands to lose if patterns of cooperation with the EU are broken. The UK could still leverage participation in CSDP operations and missions. It had previously been quite active in some, like Operation Atalanta around the Horn of Africa, for example. A renewed threat of piracy, an expanded maritime operation in the Persian Gulf, or continued instability in the Eastern Mediterranean could be addressed by the UK by making use of EU tools, together with its European partners. Moreover, the EU’s “integrated approach,” combining foreign policy, defense, and development tools, could dovetail in interesting ways with the UK’s new strategy for international development assistance resulting from the merger of the Department for International Development and the Foreign and Commonwealth Office.

On capability development and industrial cooperation, the consequences of a deep rift will be significant, and felt for years. UK and continental European industry have become deeply entangled over the past years. Companies like Saab, Airbus, Thales, and MBDA, with strong ties to the Continent, consider themselves fully part of the British Defense Technological Industrial Base. British companies comprised in 2016 around 40 percent of European defense-related turnover. The UK has been part of key European capability projects, notably the Tornado and Eurofighter combat aircrafts but also the Boxer land vehicle and the Aster naval air defense missile and Storm Shadow cruise missile.

Some industrial players worry that the post-Brexit EU-UK trade relationship may jeopardize their very integrated cross-Channel supply chains, and that reduced labor mobility will damage their integrated business models. Generally speaking, industry representatives indicate that their chief concern is the absence of political will on both sides to pursue transnational projects in the future. British industry, in particular, emphasizes that the value of European cooperation is in the ability to work with peer partners, pointing out the rewards but also the challenges of working with American industry.

Moreover, although there is still a debate in industry about the value of EU defense initiatives, it is clear that the European Commission is taking on a larger role. This is a game changer in terms of EU dynamics. The launch of the EDF and the creation of the Directorate-General for Defence Industry and Space (DG DEFIS) highlight a change in dynamics. The Coordinated Annual Review on Defence and the Permanent Structured Cooperation (PESCO) are meant to foster closer cooperation, something member states might seize upon as defense budgets come under pressure.

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23 Task Force interviews with European and American industry representatives.


25 Ibid.
3. Options for the future

There are multiple paths to building or maintaining close relationships between the EU, its member states, and the UK. Not all have to be formal and institutional. An array of bilateral or “minilateral” cooperation mechanisms (small groups of like-minded states working together) can coexist informally within a larger institutional framework. In fact, the landscape of cooperation in Europe has already moved in this direction. Countries work together formally and informally in small groups, in a kaleidoscope of formats.

There is no doubt that the UK-EU defense and security relationship faces a critical juncture as a result of the UK’s exit from the EU, the politics of the negotiations, and domestic politics on both sides of the Channel. The future relationship between the EU and the UK could be organized around three models: 1) a comprehensive deal; 2) a series of piecemeal agreements and informal cooperation; or 3) both sides eschewing formal cooperation. The future is not fixed, but these categories represent archetypes along the formal-informal continuum of cooperation. As such, they can be blended or conceived of as a scale to be navigated.

3.1. A comprehensive deal

This could take the form of a framework agreement encompassing all areas of cooperation, from sanctions to operations, foreign policy coordination, and participation in defense industrial initiatives.

For the EU, a wide-ranging accord is seen as the only way to create a tailored solution and adapt the rules in a way that gives the UK greater access and influence than other third country partners. The EU seeks to avoid demands from other partners to have a similar level of access as well as a situation where it grants London influence on its policies without the UK committing significant resources in return. These concerns have led to including language hinting at a scalable relationship in various official EU communications.

While the UK initially sought greater involvement in the EU decision-making process, this request was gradually scaled down. As a result, it is unlikely that London will pursue the route of a comprehensive deal in the near future. In summer 2019, Britain’s permanent representative to the EU informed the secretary general of the Council that British officials would limit their participation to meetings where the UK had “significant national interest.”

While closer to what the 2019 Political Declaration envisions, a comprehensive deal scenario would, however, require a significant amount of political will. In the short run, this appears unlikely given both parties’ insistence on safeguarding their decision-making autonomy.

3.2. A series of piecemeal agreements

In this scenario, the relationship would rely on using the existing possibilities for non-EU member states to enable the UK to participate in EU initiatives, such as a framework participation agreement (FPA) for CSDP operations and missions or an administrative arrangement with the European Defence Agency. This would, essentially, amount to treating the UK as any non-EU country.

Having already concluded an agreement to exchange classified information is a good starting point. It underpins and facilitates the other areas of cooperation. Moreover, it is essential to ensure a smooth coordination on sanctions and notably to exchange lists of targets. Given the importance of the UK financial sector and the weight of the EU in global trade, sanctions efficiency would greatly benefit from close coordination. As sanctions lists are often prepared in smaller formats before being adopted by the EU, a flexible inclusion of the UK in a like-minded group could be envisioned.

EU-US cooperation on sanctions, prepared by the E3 and adopted by the legislative powers on both sides of the Atlantic, could be an example.

Participation in CSDP operations and missions is low-hanging fruit in terms of legal complexity.
forty-five countries have participated in EU operations and eighteen—from the United States to Norway, Colombia to South Korea—have framework participation agreements in place.\textsuperscript{31}

**On the industry and capability development side,** this would essentially mean participating in European Defence Agency (EDA) activities, PESCO, and EDF projects. Participating in European Defence Agency activities first requires an administrative arrangement, negotiated by EDA and authorized by the twenty-six participating member states.\textsuperscript{32} Third country participation in EDA is relatively varied, depending on the technological level and interest. While Serbia’s and Ukraine’s participation dovetails with the neighborhood policy, Norway and Switzerland are more peer partners and could serve as instructive examples for British engagement. Indeed, Norway is currently more engaged in EDA activities than some member states, ranking fifth in terms of participation.

EDA efforts to improve military mobility could be a promising place for common work as it remains a priority for NATO; joint efforts to improve mobility across Europe would contribute to a collective defense and deterrence posture. EDA work on integrating MALE RPAS (Medium Altitude Long Endurance, Remotely Piloted Aircraft System) in air traffic, helicopter training, and maritime surveillance could be of interest to the UK. Depending on the scope of the administrative arrangement, there could be a prospect for London to participate in the next exercise of the Coordinated Annual Review on Defence (CARD), as it was already part of the trial run. CARD is essentially a matchmaker of capability projects, assessing shortfalls and interested parties to help spur cooperation. Given the importance of the British defense industry and the renewed necessity to cooperate as budgets will likely come under stress, UK participation could be fruitful.

Participation in PESCO would rely on the existing framework for third party access, as defined in the November 2020 agreement by the PESCO member states. This would not grant the UK participation in the “governance” level of PESCO but would allow it to access individual projects.\textsuperscript{33}

Finally, British industry can already participate in EDF projects but will not be receiving funding from the EU.\textsuperscript{34} Companies located in the EU but controlled in the UK can be made eligible for EU funding by obtaining specific derogations, but the product must be free from non-EU export control and the dissemination of intellectual property rights outside the EU is heavily constrained.\textsuperscript{35} These hurdles can be removed by obtaining associated-country status, like Norway and Switzerland.

Industry is divided on the real benefits of the EDF, some claiming that the funding available, lowered in the negotiation of the EU’s Multiannual Financial Framework, is too low compared with the complexity of accessing it. Others, notably British industry, suggest that the funding available is relatively important when compared not with procurement but with research and development budgets. Moreover, they argue that the prospect of EDF funding will encourage officials and companies to start discussing options on cooperation earlier in the project cycle—and that UK industry would benefit from being in the room earlier too.\textsuperscript{36}

**For the rest,** Common Foreign and Security Policy (CFSP) and CSDP being relatively less institutionalized than other European policies, a degree of flexibility can be envisioned, such as inviting UK representatives to relevant meetings. This is not unheard of, and non-EU officials regularly attend without decision-making powers. Coordination in third countries between EU delegations, the EU-27, and UK embassies could also be encouraged.

**Such a scenario would provide a limited framework for cooperation**—the UK being treated as any third state by the EU—and would lack an overall mechanism to ensure coherence. The essentially technical nature of this option could allow it to pass under the political radar, once the emotions of the current negotiations have passed.

3.3. Eschewing formal agreements

In this scenario, the relationship between the EU and the UK would not rely on any form of negotiated agreement. This would not preclude ad-hoc consultation, cooperation, or even joint actions on issues on a case-by-case basis.

\textsuperscript{30} 14 of them having joined the EU at a later stage. Without a Framework Participation Agreement, nations simply sign a Participation Agreement covering the specific mission they are joining.


\textsuperscript{32} Denmark is not part of the EDA due to its opt-out on CSDP.


\textsuperscript{34} Article 10.4.a of the draft regulation establishing the European Defence Fund.

\textsuperscript{35} Article 10.2 of the draft regulation establishing the European Defence Fund.

\textsuperscript{36} Task Force interviews with European, British, and American defense industry.
However, the UK’s relationship with Europe would mostly be channeled through NATO, bilateral ties, and minilateral forums such as the E3 or the Joint Expeditionary Force (JEF).

The UK maintains strong bilateral foreign policy and defense ties with EU states, and these relationships could anchor the future UK-EU relationship.

France is arguably the UK’s most important defense partner. France and the UK, “rivals in arms,” share a similar profile (United Nations Security Council permanent members, nuclear powers with expeditionary full-spectrum forces, and global diplomatic outlooks). This has led to a deep level of cooperation—to further a European Defense agenda (e.g., Saint Malo Accords of 1998); in the nuclear domain (e.g., 1995 Chequers Declaration); on operations, as embodied by the creation of the Combined Joint Expeditionary Force (CJEF); and in capability development, notably in the missile domain. The bilateral relationship rests on the 2010 Lancaster House Treaty. While its tenth anniversary was marked by announcements regarding the procurement of jointly developed autonomous maritime mine hunting systems, the spirit of Lancaster House could help guide another ambitious decade of bilateral cooperation.

The UK’s bilateral relationship with Germany also offers potential. Though less developed than that with France, the British-German “quiet alliance” is also a close one. Germany does not have a nuclear arsenal or aircraft carriers, as France does, and has long been hesitant to embrace a more interventionist role abroad. The UK has in the past been critical of Berlin’s failure to reach NATO’s

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38 “We do not see situations arising in which the vital interests of either France or the United Kingdom could be threatened without the vital interests of the other being also threatened.”
2 percent goal, as well as of Germany’s restrictive and unpredictable arms export policy. Germany in turn has been skeptical of London’s ambition to pursue a Global Britain agenda. However, there is strong political will on both sides to deepen defense cooperation, and defense ministers have signed a Joint Vision Statement on topics such as cyber defense, training, interoperability, military exercises, and capability development. While Brexit has stalled these efforts for the short term, both countries are committed to boosting their cooperation.

Although Sweden is not a NATO member, and the UK no longer an EU member, the two countries cooperate on and share common understandings within several foreign and defense policy areas. In 2016, the Swedish and British ministers for defense signed a Programme of Defence Cooperation, intended to enhance the already strong bilateral relationship. Furthermore, in 2017, Sweden joined the UK-led JEF. In Sweden, cooperation with the UK in general, and within the JEF in particular, is endorsed and appreciated, as it enhances capability and—in the wake of Brexit—ensures British interest in northern Europe and Sweden’s vicinity.

However, the mosaic of bilateral relationships should also encompass other key allies such as the Netherlands—which recently contributed a frigate to the HMS Queen Elizabeth Carrier Group, for instance—or Poland (cf. British-Polish “Quadriga”).

The relationship between the UK and Europe could also rest on a series of multi-bilateral structures. The JEF, led by the UK and gathering Denmark, Finland, Estonia, Latvia, Lithuania, the Netherlands, Sweden, and Norway, will continue to play a key role in ensuring interoperability, underpinning NATO (notably by contributing to the Readiness Initiative). It can form the core of a force for common UK-European operational engagement.

The European Intervention Initiative (EI2) is also an important piece of the puzzle. It is not a standing force but is, rather, more akin to a club whose participants meet to...
exchange threat assessments and foresight, plan together, facilitate support to operations, and share lessons learned. The aim is to help its thirteen participants bring their strategic cultures closer. This could play an important role in ensuring familiarity and strategic convergence between London and its European partners.

Among flexible formats, the E3 stands to play a specific role. It has evolved both in terms of scope—moving beyond its initial focus on Iran’s nuclear program to encompass other issues, such as Syria, the poisoning of Sergei Skripal, and the situation in Venezuela—and format, as illustrated by the recent E3 defense ministers meeting. 39 There is significant willingness on all sides to use this format as a policy coordination tool. 40 Indeed, the frequency of E3 statements and meetings has increased significantly since 2016. 41

However, maintaining the relevance of the E3 will require managing key European partners that are not members, such as Poland or Italy. France and especially Germany will be sensitive to the risk of stronger E3 cooperation being seen as undercutting CFSP. Therefore, ensuring a regular but flexible participation of the European External Action Service (EEAS) could bolster its acceptability among Europeans. The scope of E3 discussions could be broadened to include topics of shared interest and those that would benefit from EU-NATO cooperation, such as China.

In this scenario, NATO would become a key channel for the relationship between the UK and European nations. One of the largest militaries of the Alliance, London remains fully committed to NATO, being a Framework Nation for NATO’s enhanced Forward Presence in Estonia and contributing a Carrier Group to naval exercises. Interactions between officials through the North Atlantic Council and other committees will ensure that the level of familiarity acquired through EU interactions remains—though not all EU member states are in NATO.

Deeper EU-NATO cooperation could be the main means of ensuring coordination with the EU on issues that matter to the UK. Military mobility and cyber and hybrid threats stand out as the most promising. On capability development this could take the form of an increased synchronization between the NATO Defence Planning Process and the EU’s Capability Development Plan. EU-NATO cooperation has made meaningful progress since the 2016 Warsaw Summit brought significant political will to bear. However, it still has many obstacles to overcome, notably relating to the exchange of classified information.

Although less difficult to bring about, the elements described under this third scenario would ensure only the minimal amount of cooperation with the EU, most of the coordination being indirect. The challenge will then be to manage a relationship without a clear focal point or overarching principle. With some goodwill, the EU and the UK could work in a parallel but not formally coordinated way and should agree to maintain symbolic and political elements of independence while working alongside each other.
4. Charting a course

4.1. Successive stages

This task force recommends starting with a blend of Scenarios 2 and 3, allowing for some amount of cooperation on critical issues and building gradually. This would also ensure that channels remain open and set the stage, if there is political will down the road, to move toward Scenario 1.

This could take the form of the following stages:

- **Stage 1, in the short run:**
  - Make use of informal coordination possibilities, conducting parallel but independent policies.
  - Enhance EU-NATO cooperation as a way of ensuring better synchronization between NATO collective defense priorities and EU defense initiatives, as well as UK synchronization with EU efforts.
  - Invest in key bilateral relationships, in the spirit of the Lancaster House Treaty.
  - Increase E3 engagement, possibly associating EEAS on a more regular basis. This could be an interesting format with which to approach the new US administration. If there were interest in Washington, London might be more ready to embrace the benefits.

- **Stage 2, over the medium term:**
  - Continue the actions of Stage 1.
  - Building on the exchange of classified information agreement, formalize a dialogue on sanctions policy. Include the UK in the like-minded groupings of member states preparing sanctions.
  - Put in place an FPA and EDA administrative arrangement.
  - Intensify EU-UK political consultations, notably on sanctions.
  - Deepen E3 cooperation by broadening its scope in terms of topics.
  - Increase engagement in minilateral formats (EI2, JEF notably).

- **Stage 3, further down the road:**
  - UK participates in PESCO and EDF projects.
  - Increase the level of EU-UK consultations, possibly through a European Security Council, depending on the outcome of the Conference on the Future of Europe.
  - Set key industrial milestones and consider a merger of the Tempest and Future Combat Air System programs.

4.2. Accompanying measures

To make this course of action possible, the first task of policy makers should be ensuring mutual trust and understanding between the UK and the EU. The EU and the UK seem largely to be talking past each other when it comes to foreign policy and defense and there has been an unhelpful disagreement over the post-Brexit diplomatic status of the EU delegation in London. The UK cannot accept an arrangement whereby it commits to future alignment in return for greater access to EU institutions, thereby effectively making it Brussels' junior partner. Conversely, the EU cannot offer the UK any special status if it does not trust the UK to be reliably close to its positions going forward.

Although past negotiations have been at times heated—especially in their closing stages—the fact that both sides were able to reach a compromise is an encouraging sign. Having agreements for internal security cooperation and the exchange of classified information is also a good start. These could form the basis of a more collaborative approach in the coming years.

To help lift the trust roadblock, the following actions could be undertaken:

- **Highlighting the value of closer cooperation.** Any attempt at building a future EU-UK framework would need to ensure political buy-in by highlighting practical benefits (e.g., sanctions coordination, humanitarian responses to a crisis and disaster relief, industrial projects) in addition to political arguments (facing great power competition together). There is significant overlap between the UK’s new global outlook, to be detailed in its Integrated Review, and the EU’s Strategic Autonomy agenda: Both seek to prepare democracies to resist autocratic interference and
ensure an independent voice on the global stage. Working alongside each other, on fighting money laundering or foreign influence in domestic politics, while maintaining symbolic separation, would be mutually beneficial.43

■ Cross-fertilizing goodwill across issues. Not all issues will be moving at the same speed and some will prove easier to address than others. Capitalizing on the trust and proximity gained through those interactions can lay the groundwork for generating the political will for a closer foreign policy and defense relationship. Cyber, climate, challenging China, confronting Russia, and security cooperation could be promising places to start. The fact that an agreement was reached on internal security and law enforcement should also be leveraged.44

■ Keeping channels open. As regular interactions decrease, there will likely be a lessened understanding of how each side functions and what each brings to the table. Ensuring personal familiarity among policy makers will be essential to ensure swift policy coordination and rebuild the relationship. This could rely on exploiting all vehicles listed in Scenarios 2 and 3 (e.g., E3, JEF, NATO-EU cooperation). Additionally, parliaments have shown a willingness to keep channels open, which should be capitalized upon.45

■ Sharing perspective. Beyond personal interactions, building a shared strategic culture and understanding of the strategic environment will be essential to ensuring coordinated, if independent, responses. Deepened exchanges between the Integrated Review, the EU Strategic Compass, and NATO’s forward-looking reflection processes should be considered. The EI2’s focus on strategic culture could help sustain perspective sharing. Finally, investing in track 1.5 dialogues would help further both personal familiarity among policy makers and common understanding of the strategic environment.

* * *

Both the UK and the EU—and the transatlantic family as a whole—have much to lose by not working together. Yet the Global Britain and Strategic Autonomy agendas, as they get fully explored, need not be at odds. Both speak to the need for democracies and the transatlantic family to tackle the challenges—military, economic, technological—that lie ahead. As the UK’s agenda moves toward a global defense of democracies, it will find in the EU a key partner. And the United States, tired of shouldering what it considers a disproportionate share of the burden of defending Europe, will be keenly interested in the outcome.

A closer relationship can be sustained and rebuilt, first by being pragmatic and making full use of institutional and non-institutional formats. This should be accompanied by measures that ensure familiarity and trust among policy makers. And, at first, both sides should understand that optics and domestic politics will matter greatly. Showing symbolic flexibility while focusing on policy effectiveness will be key.

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Members of the task force took part in this report in their individual capacity. The views expressed in this report are those of the author(s) and do not necessarily reflect the official policy or position of their parent organization or affiliation.

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