

At the Franco-British summit of 31 January 2014, Defence Minister Jean-Yves Le Drian and his British counterpart concluded various agreements enabling major defence programmes conducted through Franco-British cooperation to be embarked on immediately. The French MoD said they signed:

- a letter of intent on the launch of a new phase of work in the field of combat UAVs. This work will concern systems architecture, certain key technologies and the definition of simulation methods. France and the United Kingdom are jointly committing themselves to the tune of €120 million (€145 million) to this programme, which will last two years. They are thus confirming the preparatory phase decided in July 2012, which involved Dassault Aviation and BAE Systems as project leaders, Thales and Selex ES for on-board electronics and sensors, and Safran and Rolls-Royce for propulsion.
- a memorandum of understanding enabling the development and production phase of the Light Anti-Ship Missile, FASGW(H)/ANL, to be launched. The FASGW(H)/ANL missile provides helicopters with the capability to destroy patrol boats and speedboats in crisis situations or tackle acts of piracy, drug trafficking and terrorism at sea. This joint development will be decisive in beginning to consolidate the Franco-British missile industry, under the aegis of MBDA and the subcontractors.
- a memorandum of understanding enabling development to be started on a prototype of unmanned surface vehicles and unmanned underwater vehicles aimed at detecting and neutralizing naval mines on the sea bed. This system is part of the mine warfare cooperation project Maritime Mine Counter Measures (MMCM). In addition to the programme's operational challenges, this project will enable industrial expertise to be developed in the area of underwater detection and robotics.

France's military capability abroad

Hearing of M. Jean-Yves Le Drian, Minister of Defence, spoke to the National Assembly Finance Committee about France's military capability abroad on 16 January. There are extended excerpts on the next page.

I'm very pleased to be able to speak to the Finance Committee, which I visit less often than the Defence or Foreign Affairs Committees. I'm especially happy as the military estimates act, promulgated on 18 December 2013, makes provision, thanks to parliamentary amendments adopted with the government's support, for the nation's elected representatives to be given significantly greater control over implementing it.

Before coming to the strictly financial questions, I'd like to sum up the situation of our forces abroad. French forces are engaged in around 20 external operations conducted with an average of 8,000 soldiers, nationally or under the aegis of international organizations. We also have prepositioned forces including around 4,000 soldiers deployed in four main bases: Senegal, Gabon, Djibouti and the United Arab Emirates. In the White Paper on Defence and National Security, then the military estimates act, the President decided to make changes to this capability, with three objectives: to be coherent with our forces' new operational contracts, which provide for the ability to act in three major theatres of operation; to address more effectively priorities which have emerged during our short-term commitments; and to prepare for the future, by making sure we are more responsive and have autonomous capabilities to act and surge in the areas deemed a priority for the protection of our interests.

Yet the situation we're starting from is characterized by a multiplicity of theatres of operation, some of which reflect very old legacies: can we still refer to very long operations as external operations?, by a diversity which is incompatible with the army model in the White Paper, and by a lack of flexibility in our prepositioning capability with regard to likely commitments. Consequently, we're going to make changes to the way this is organized by modifying the balance between our prepositioned forces and our deployed forces in external operations. This change has a

clear political, strategic and operational objective first of all: to concentrate our resources on the two priority areas of interest ♦ which are also the most sensitive ♦, namely the Arabian/Persian Gulf and the Sahel-Saharan Strip, in order to have a more responsive and more complementary intervention capability. We've been able to conduct Operations Serval and Sangaris as quickly as we have thanks to prepositioning or the existence of older operations ♦ Sangaris, for example, benefited from Operation Epervier.

In very practical terms, the capability's adaptation, which was decided at the Defence Council at the end of 2013, will first involve a disengagement of French forces from external operations which have low or even zero military value, and second, a reorganization of the prepositioned forces, in line with the priorities I've just set out.

We're going to start by continuing the disengagement from Afghanistan. This operation alone has required very significant funding since 2001, but its cost is going to be drastically reduced in 2014 with the end of the International Security Assistance Force (ISAF) engagement. So we're going to close the KAIA ♦ Kabul International Airport ♦ hospital and bring to an end the airport management mission we're carrying out in the ISAF framework. This is going to allow us to reduce the total number of our forces to around 150 troops at the end of 2014.

The nature and size of our presence after that date has yet to be defined. For the moment we're confining ourselves to implementing the Franco-Afghan friendship treaty signed in 2012, which encompasses defence cooperation focused on training activities, because we don't yet know the direction of the Resolute Support mission, which will be taken over by NATO from 2015 onwards. Indeed, discussions on the subject are still under way, and obstacles remain pending the presidential election to be held in Afghanistan in April. The precondition for their removal is for an agreement to be signed between the United States and the Afghan government on legal safeguards for the American forces who remain there.

Likewise, we're going to disengage from Kosovo, insofar as the security and political conditions in that country no longer make a military reaction capability necessary. This decision has been taken and our partners informed of it; it will start being implemented in the first half of 2014.

We're also going to put an end to Operation Tamour, providing humanitarian assistance to Syrian refugees in Jordan. Its initial purpose was to treat people for war wounds, but in fact it's gradually become a purely civilian operation. Furthermore, alternative solutions have been found to provide satisfactory medical cover at Zaatari camp. So military medical assistance is no longer justified and that's why, in agreement with the Jordanian authorities, we're withdrawing from the country.

Our operation to combat piracy off the Horn of Africa will also be lightened, not because we regard it as of secondary importance ♦ you've often heard me emphasize the need to guarantee the security of maritime traffic in the region ♦ but by virtue of its effectiveness, which has made it possible to reduce the number of acts of piracy from some 200 in 2010 to just seven in 2013. Moreover, there are now more countries taking part in the Atalanta mission.

That brings me more specifically to Africa.

As the President has recalled in recent days, we're continuing to reduce the number of troops deployed in Mali in the framework of Operation Serval, with the aim of keeping only 1,000 or so troops from the spring onwards ♦ as opposed to 2,500 today ♦, dedicated exclusively to a counter-terrorism mission.

We'd now like our action to be part of a regional approach concentrated on the Sahel-Sahara region. In Mali, Niger, Chad and Burkina Faso, this will give us a greater ability to react and will make a more complementary approach possible. To this end, we're developing close partnerships with the countries in the region. Thus, including the 1,000 troops in Operation Serval, our deployment in the region will be able to amount to some 3,000 troops.

At the same time and for the same reasons, we've decided to

redeploy our prepositioned forces capability in Africa. Operation Licorne in Cote d'Ivoire will be ended as an external operation and Abidjan will become a repositioning site, because it's an essential logistical platform that should be maintained and strengthened. Moreover, while the Dakar base is set to remain as it is, our troop levels in Gabon and Djibouti will be reduced. The heads of state of those countries have also been informed of our plans even though the exact distribution of the troops hasn't yet been decided definitively.

In total, all these changes, which will take effect from 2014 onwards, will enable us, in line with the announcements made at the Elysée summit, to address effectively the needs of our partners in Africa and the risk of conflicts or crises affecting our interests, whether it concerns the fight against terrorism, maritime security or the monitoring of sensitive borders.

I'll now get onto the funding of external military operations, recalling, for the record, that costs relating to prepositioned forces are incorporated into our budget and are therefore not counted within additional expenditure for external operations.

First of all, the funding mechanism for external operations has been updated to take account of the downward trend in what could be called their "working capital". If one disregards the major commitments – Afghanistan, Libya and Mali –, average expenditure has fallen by €200 million in relation to the sums initially registered.

This mechanism was then secured through the safeguard clause included in the military estimates act: in the event of expenditure over and above the expected annual sum – i.e. €450 million –, Article Four actually provides for the funding of external operations to be pooled. This sum was calculated taking into account the savings which the reorganization of our forces will enable us to make.

Thus, the continued disengagement from Afghanistan will enable us to save nearly €200 million in 2014 compared to 2013, while the reduction in the number of troops deployed in Mali in the framework of Operation Serval will bring the cost of the operation over the full year to €120 million, as opposed to €650 million in 2013 – that is, a €530-million reduction. Likewise, the disengagement from Kosovo should enable us to save €10 million in 2014, the end of Operation Tamour in Jordan €5 million, the easing of Operation Atalanta €10 million and the transformation of the Operation Licorne forces into prepositioned forces nearly €70 million – i.e. a total of nearly €100 million, by which the operational programme budget for external operations will be reduced this year. Some of those savings will be greater over the full year.

That's why setting the minimum additional expenditure for external operations at €450 million – incorporating the cost of Operation Serval but not that of Sangaris, which is regarded as "new" – seems coherent and within our range in 2014.

However, two recent decisions will have an impact on total additional expenditure in 2014.

The first is the launch of Operation Sangaris in the Central African Republic, whose duration we can't yet estimate accurately. I can tell you, however, that its annual cost is today estimated at about €100 million. In any case, this exceptional operation can't be counted within "minimum" additional expenditure for external operations.

The second is the decision to guarantee the security of the general election in Mali by maintaining – beyond the date initially planned and pending a reinforcement of the UN Stabilization Mission in Mali, MINUSMA – a force of more than 1,000 troops in the framework of Operation Serval. The financial impact of this decision will, however, be limited, given that the needs in terms of logistics and transport – the most burdensome spending areas in external operations – are now less significant.

In 2013 – a special year because, in addition to all the theatres we were already present in, we had to support the weight of Operation Serval –, total additional expenditure for external operations reached €1.26 billion, €630 million of which had already been earmarked [in the initial defence budget]. The Defence Ministry received an

additional £578 million of appropriations, thus benefiting £ before the military estimates bill and its Article Four had even been voted on £ from compensation taken from the Treasury's pooled reserve, and this is undoubtedly an additional guarantee for the future.

I repeat: a minimum of £450 million for external operations today seems to me credible. Reducing this sum in relation to previous years also has an advantage: that of being able to increase appropriations for other spending areas, in particular to benefit investment.