



PUBLIC ENTITIES AND POLICIES

THE FRENCH MILITARY PROGRAMMING LAW (LPM) 2019- 2025 AND THE CAPACITIES OF THE ARMED FORCES

Thématique public report

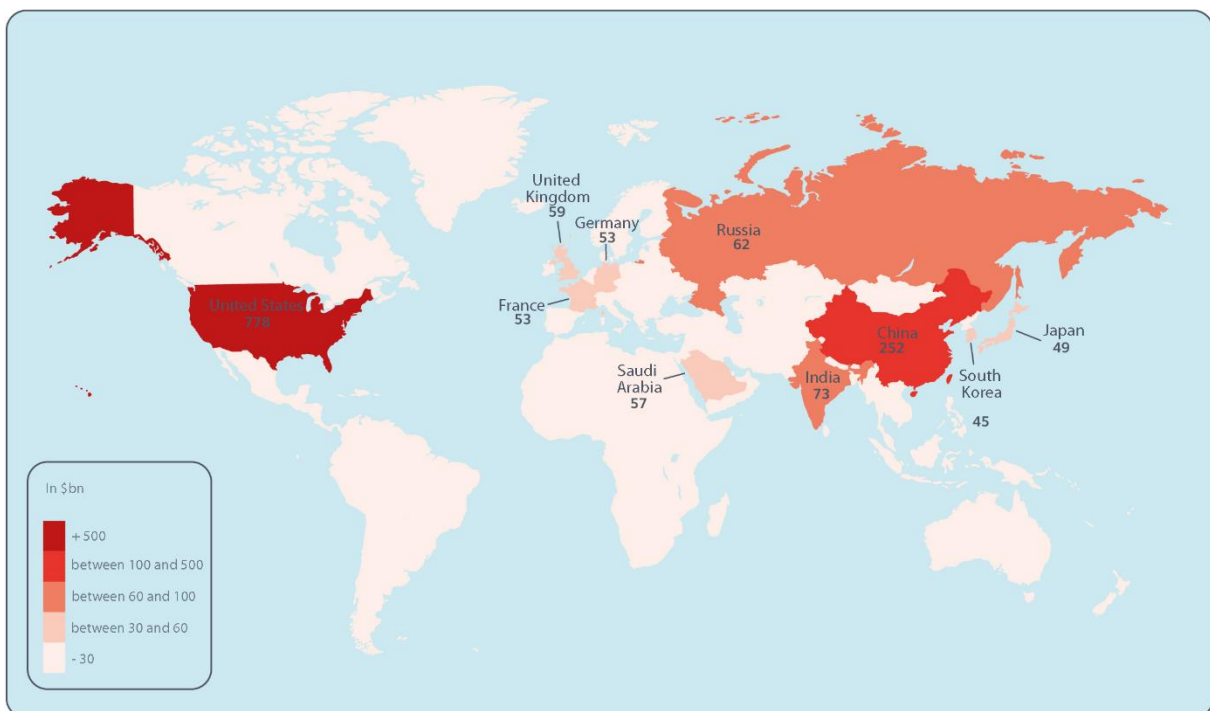
May 2022

Executive summary

Budget execution in line with the programming for the first time in two decades

After a series of reductions in the size of the armed forces and structural reforms leading to the elimination of more than 60,000 jobs over the last decade, the law of 13 July 2018 relating to military programming (LPM) for the years 2019 to 2025 provided for an increase in the resources allocated to defence. For this period, it provides for an increase in the budget which is foreseen to reach 2% of GDP in 2025 and create 6,000 jobs. Initially, until 2025, the troops need to be regenerated and certain skills gaps filled before continuing to work to reach, by 2030, a “*complete and balanced*” army model in order to respond to all threats. This effort is part of an international context marked by increased strategic competition between the main powers and a rise in the threats as described in the *National Defence and Security Strategic Review* published on 13 October 2017.

Main global military budgets in 2020



Source: Stockholm International Peace Research Institute

In the first few years of the LPM appropriations rose from €35.9 billion in 2019 to €40.9 b in 2022, in accordance with the programme. The planned resources actually benefited the Ministry of the Armed Forces, including for equipping the forces, an area which had not received all the appropriations stipulated in the previous LPMs. The Ministry of the Armed Forces has managed to avoid certain shortcomings previously noted by the Court of Accounts: chronic under-budgeting of external operations and renegotiation of firm weapons orders; overestimating exceptional revenue from divestments, assumptions of arms exports and savings expected from reforms. The annual adjustments to military programming for the 2019-2021 period were carried out flexibly; they made it possible to finance, without additional appropriations, needs not provided for by law, such as those for the space defence strategy,

the response to the health crisis and the aeronautical stimulus plan, by pushing back some expenses, but without cancelling any at this stage.

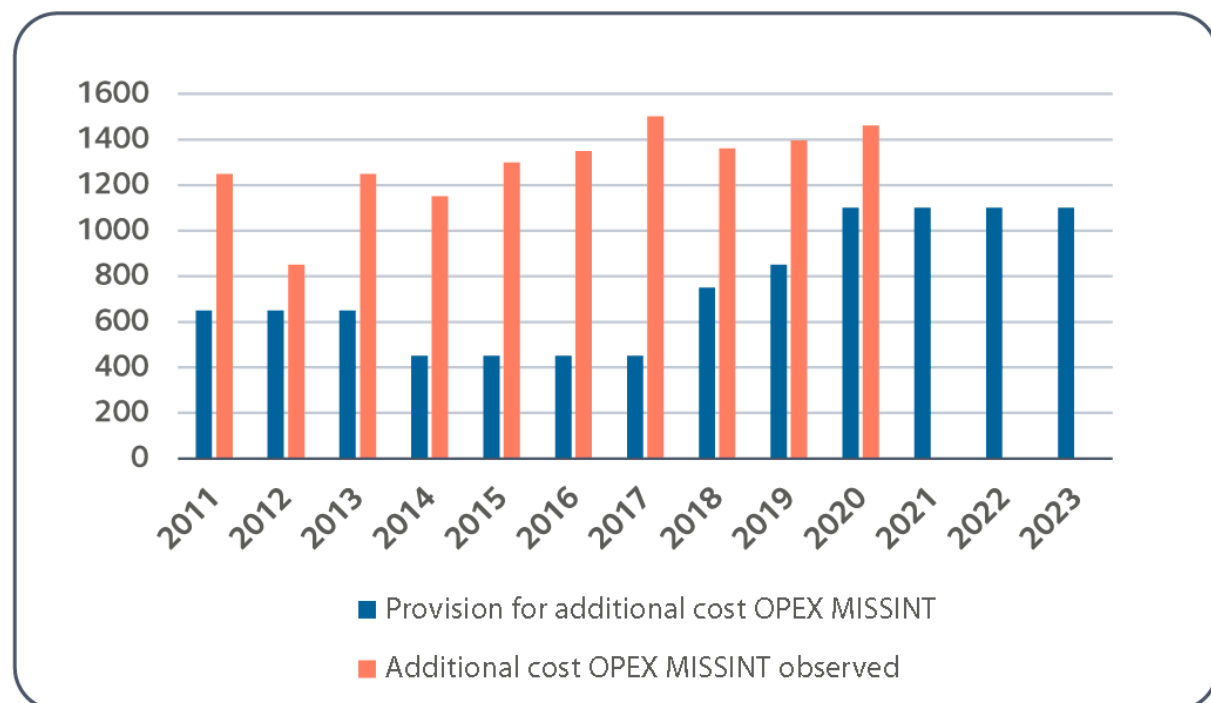
LPM resources 2019-2025 (excluding pensions)

	2019	2020	2021	2022	2023	Total	2024	2025	General total
<i>Appropriations (in €bn current)</i>	35.9	37.6	39.3	41.0	44.0	197.8	Target 2% of GDP in 2025		
<i>Staff increase</i>	+450	+300	+300	+450	+1,500	+3,000	+1,500	+1,500	+6,000
<i>Realised</i>	+391	+416	+221	-	-	-	-	-	-

Source: Articles 3 and 5 of the LPM 2019-2025

Nevertheless, several issues are worth looking at. The estimate of commitment authorisations remaining to be covered by cash-limit appropriations rose sharply to reach €54 bn at the end of 2021 and €72 bn at the end of 2025. There is a risk that variation of weapons production costs, for a time slowed down by the health crisis, could rise again, while there are clear inflationary trends in the economy. The cost of replacing *Rafale* aircraft taken from the air force for second-hand export sales was not included in the initial programming.

Coverage of the additional cost of external operations in €m



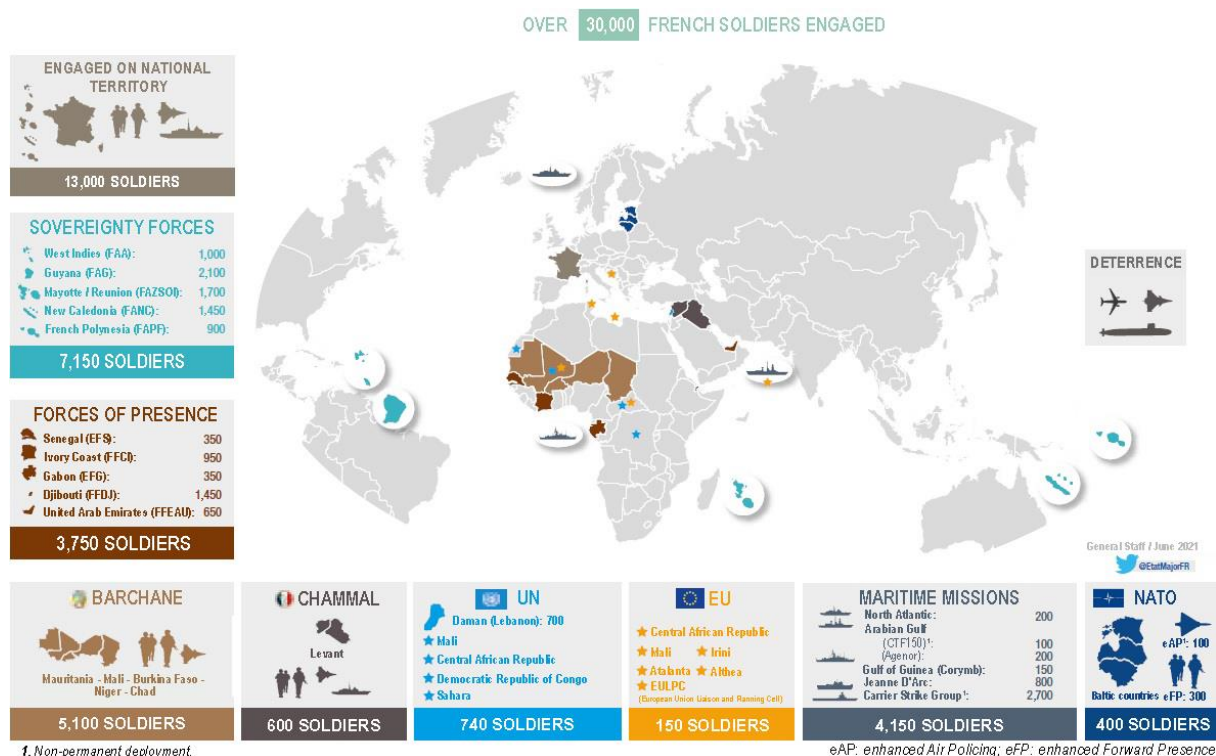
Note: OPEX: external operations – MISSINT: internal security missions
Source: Court of Accounts using budget execution data

All of these factors lead to a risk of losses on the investments programmed by the LPM and still to be made. In particular, the fact that since design of the LPM most of the budget increase and the jobs created were scheduled for the end of the period, beyond 2023, constitutes a significant risk for realisation of the capacities specified by law.

Military capacities heavily used but still presenting weaknesses

The 2019-2021 period was marked by a high level of operational activity under the armed forces' so-called permanent missions, in particular those related to nuclear deterrence and the protection of land, airspace and maritime approaches. The same applied to deployments in the context of conflict prevention and external operations, in particular *Barkhane* in the Sahel and *Chammal* (France's contribution to *Operation Inherent Resolve*) in the Middle East. The armed forces also contribute to various public service missions, such as the *Sentinelle* mission for combating terrorism, the *Resilience* operation during the health crisis and *Apagan* for the evacuation of Kabul in the summer of 2021, and navy missions. Finally, they participate in supporting arms exports.

Variation in dividends paid by non-financial companies



Source: key defence figures (2021)

Although they carried out all the missions that were asked of them, the forces were only able to achieve this high level of commitment to the detriment of the “regeneration¹” provided for by the programming law, which is still far from being completed. The level of training and the rate of availability of equipment remain below the targets set, despite significant resources allocated to maintenance. The rise in staff numbers also highlights the difficulties of attractiveness, retention and skills management.

Variation in dividends paid by non-financial companies

	LPM standard	2018	2019	2020	2021	Target 2023
<i>Operational Readiness Training (Army)</i>	90 days	81	82	79	81	83
<i>Helicopter Pilot (Army) *</i>	200 flight hours	154	173	163	142	158
<i>Fighter Pilot (Air Force)</i>	180 flight hours	161	159	152	164	170
<i>Transport Pilot (Air Force)</i>	320 flight hours	201	185	176	219	245
<i>Ships (Navy-submarines excluded)*</i>	110 days at sea	101	109	102	95	110

Source: key defence figures (2021)

Filling skills gaps and responding to new threats are part of a long term strategy. Finally, the objective of participating alongside our allies in a traditional major coercion operation against a state adversary constitutes a sizeable challenge for an army which no longer has the necessary size, nor the level of preparation required for such a prospect.

Towards necessary choices

The major changes that have taken place since 2019 are likely to call into question the terms of the LPM 2019-2025; its resources have not been determined by law beyond 2023 as no update was carried out in 2021, although this had been set in the LPMs. Firstly, the health crisis impacted public finances, leading the Government to adopt a new budgetary trajectory aimed at reducing the public deficit to 3% of GDP in 2027, at the cost of a major effort to control public spending. It also gave rise to new budget priorities. Secondly, the 2021 *Strategic Update* highlighted an acceleration in the rise of threats as the number crisis areas increased and France's main competitors rearmed. A risk of escalation between rival powers leading to a high-intensity confrontation thus seems less unlikely.

It is therefore necessary for the Ministry of the Armed Forces to make greater use of the leeway available to it and identify new possibilities, particularly in the field of European cooperation and with regard to defining the scope of the missions of the armed forces, in order to lighten their burden. However, this leeway is limited. A review of the army model is therefore likely to be necessary in order to ensure consistency between ambitions and the resources allocated to the Ministry of the Armed Forces.

¹ The report annexed to the LPM defines “regeneration” as follows: “First of all [from the perspective of ‘the 2030 ambition’] it is an immediate imperative aimed at regenerating the operating capital of the armed forces, subject to accelerated wear and tear resulting from the use of already old equipment and the intensity of the forces’ recent commitments beyond the operational contracts defined in the 2013 White Paper.”

Confirming the orientations of the LPM 2019-2025 and moving towards the “complete army model” by 2030 would mean continuing to increase the budgetary effort for defence, with an acceleration at the end of the programming period which will probably have to be continued until 2030, after reaching €50 billion in 2025. Attempting to preserve the complete set of capacities by reducing all of them in an equal way, as happened in the strategic reviews of 2008 and 2013, could now undermine the coherence of the armed forces. Otherwise, a choice may be made to significantly rebalance between capacities, as was carried out by the United Kingdom as a result of its last strategic review in 2021. However, such a choice would risk irreversible eliminations, without necessarily leading to significant budgetary savings in the short term, as shown by the case of the United Kingdom.

To prepare for the reflection that will lead to the decisions to be taken by end of the current LPM, the Ministry of the Armed Forces should adopt a more reactive decision-making process, allowing it to adapt more quickly to changes by carrying out more frequent strategic reviews. In terms of weapons programmes, this should result in better capture of innovations and a greater capacity for development of equipment.

This process must be accompanied by increasing medium- and long-term anticipatory capacities, essential in a rapidly changing strategic context; this requires a close association between the anticipatory capacities of the Directorate General for Armaments and those of the armed forces. Finally, better information must be provided to the public authorities and it is necessary to work more closely with the competent parliamentary committees on the current capacities of the armed forces and any future developments.

Summary of recommendations

1. Calculate the budgetary appropriations for 2024 and 2025 corresponding to the needs resulting from the LPM ambitions, taking into account the last annual military programming adjustment, and establish a budgetary trajectory until the stabilisation of the public deficit planned for 2027 (*Ministry of the Armed Forces*).
2. Identify and exploit any budget leeway, particularly in the field of European cooperation and with regard to defining the scope of the missions entrusted to the armed forces (*Ministry of the Armed Forces*).
3. Adopt a more responsive and more transparent strategic update and military programming process based on a greater anticipatory capacity (*Ministry of the Armed Forces*)