

EDA Annual Conference: 27 March, 2014

Intervention by Baroness Catherine Ashton

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Ministers,

Ladies and Gentlemen,

- This year's EDA conference takes place against the backdrop of the **most tense situation in our neighbourhood since the end of the Cold War.**
- It is exactly a month today since self-declared, armed "defenders of the Russian speaking population of Crimea" stormed the Parliament building in Sevastopol.
- You all followed events since. EU has been clear in its reaction: There is **no place for the use of force and coercion to change**

borders in Europe in the 21st century. The EU will not recognize the annexation of Crimea by Russia.

- We **call upon Russia** to take steps to de-escalate the crisis. We will continue to engage and use all diplomatic and political means to stabilise situation and prepare the ground for a genuine political solution.
- EU and its Member States also work hard to **help ensure a viable and sustainable economic future for Ukraine** and to stabilize the country and its institutions in these crucial days.
- EU response to events has been measured, but also determined. But we have also been clear that any **further escalation would lead**

to concrete and serious economic sanctions.

- We also discussed this at yesterday's Summit with the US and will continue to closely consult and coordinate.
- Beyond their immediate repercussions, the events of these last weeks also remind us of the fact that peace and stability in Europe might be more fragile than we all would hope.
- Unilateral action can call into question four decades of confidence building and developing shared principles in Europe.
- We ought to take a moment to reflect what this means for the EU: what we can do to prevent such situations, how we can best respond to them and how we need to organise and equip

ourselves in a rapidly changing strategic and geopolitical environment..

- Ultimately, this is about the EU's role on the world stage and about its readiness and ability to act as a security provider.
- In my report to President van Rompuy ahead of the European Council of December last year, I made the case that "**defence matters**" – a notion subsequently proclaimed by the EU Heads of State and Government themselves at the Summit.
- Defence matters for a number of reasons, but recent events remind us that **it matters first and foremost because it provides security to our citizens.**
- EU Heads of State and Government recognised the importance of "security and

defence" by committing to continued top-level engagement and by giving an ambitious set of taskings to the European Defence Agency, to the External Action Service, to the European Commission, and, importantly, to Member States.

- The watchwords for these taskings are **cooperative** and **comprehensive**.
- One of our most valuable instruments and greatest strengths as EU is the **comprehensive approach**. It is about the effective combination of diplomatic, military, political, financial and other instruments. But most of all it is about the broadest possible vision of what security comprises.
- In this respect, comprehensiveness means investing in early warning, preparedness and

conflict prevention just as much as in crisis response, stabilisation and peace-building, development and policy dialogue. It also means to systematically and closely work with partners on the full range of issues that may pose security risks.

- Over time, we need to "internalise" the comprehensive approach philosophy for the entire range of our external relations. But we should also not be too modest in pointing out the excellent examples where it works very well already.
- It works in the Horn of Africa. **Operation ATALANTA** has dramatically reduced piracy and made international shipping lanes in the Horn of Africa much, much safer.

- In Somalia, **the EUTM mission** is strengthening the transitional government and institutions and has trained almost 4000 soldiers of the Somali government forces. The mission has now started operating in Mogadishu.
- We are helping to build up regional maritime capacity. The EU this year is chairing the international Contact Group on Piracy off the coast of Somalia.
- We are deeply engaged diplomatically and politically, and as Somalia's biggest donor, we are a key partner for development assistance.
- The "**New Deal**" that the EU, Somalia and partners set out in September last year forms the basis of our engagement with the country, to accompany Somalia's transition.

- As we seek to empower Somalia politically, we must do so by empowering its institutions and its people, across the country.
- It works **in the SAHEL** where we are successfully preventing the destabilisation of a vast region where central governments are struggling to effectively control their national territories.
- We have provided humanitarian assistance to Mali up to €550m in 2013 and 2014. We have pledged €1,28bn in development aid to Mali that has already started to be committed.
- Our two crisis management missions in Niger (**EUCAP SAHEL Niger**) and Mali (**European Union Training Mission – EUTM Mali**) have delivered encouraging results, but it will take

time and determination to build capacity up to the existing challenges.

- A complementary civilian mission is under preparation. It will help support the internal security forces of Mali in their fight against terrorism and illegal trafficking, while contributing to the reform of the security sector at large.
- **Maritime Security** is also featuring high on our agenda. The endorsement of the European Maritime Security Strategy is planned for June 2014.
- But is also clear that European defence can only be successful if underpinned by the necessary **military capabilities**; otherwise it is but an empty shell. And it is no secret that we still **lack critical capabilities**.

- **Four of these capabilities**– Air-to-Air Refuelling, Drones, Satellite Communications, Cyber Defence – were highlighted by the European Council.
- We need to be less dependent, and be able to stand on our own two feet.
- Question is **how to deliver these capabilities** - none of which comes cheap. Question needs to be answered on how to square the circle of the spiralling cost of complex military systems with reduced defence budgets: **through cooperation.**
- The European Council endorsed defence cooperation. This is not a luxury, or some sort of diplomatic weasel-word.
- **It's a necessity.** In today's – and probably tomorrow's – Europe of continually squeezed

defence budgets, cooperation is the only way to acquire and sustain capabilities that are out of reach individually.

- Even the few Member States with a broad spectrum of capabilities are cooperating in unprecedented ways. The maxim “**Pool it or lose it**” has never been truer.
- But cooperation is not instinctive. And it’s not exactly a walk in the park!
- That is why the European Council invited the European External Action Service through me, and the EDA, to develop a **Policy Framework to foster more systematic and long term defence cooperation.**
- In the past, cooperation on major defence systems has been limited to the development and acquisition phases.

- We now need to extend that into the in-service phase, not least because two-thirds of the whole-life costs fall while the equipment is in service.
- This will require us to inject discipline into the entire life-cycle of a capability and avoid the proliferation of expensive national variants.
- But cooperation does not and should not end with Member States. **The European Commission also has a vital role to play.**
- Heads of State and Government endorsed four major projects in December. Three of these – Satellite Communications, Drones, and Cyber – are dual-use. This is no coincidence.
- The bottom-line is that we **need to exploit synergies with what is done on the civil side** to avoid unnecessary duplication and

increase cost-effectiveness. After all, the distinction between military and civilian technology is becoming increasingly blurred.

- Civil security and military requirements are underpinned in many domains by **dual-use technologies**.
- So many key technologies – for example those used in cyber security/defence, satellite communications, drones – have civil and military applications. So harnessing these synergies is vital.
- We cannot afford to pay for the same technologies twice. We therefore need to exploit all means available to ensure that investment in innovation and technology is done intelligently, drawing on a combination of intergovernmental and community instruments.

- So what we need to do is to **apply the EU's comprehensive approach also to capability development.**
- **Europe's defence industry** has a pivotal role to play and is, now more than ever, a crucial element in the defence equation.
- Indeed, Heads of State and Government in December underlined the importance of strengthening the European Defence Industrial and Technological Base.
- This is crucial. It will not only ensure that Europe will be able to develop the capabilities it requires to protect its strategic interests and its citizens. It is also a **driver for economic growth, jobs and innovation.**

- It is a sector that generates an annual turnover of almost 100 billion Euro, and almost half a million jobs.
- Europe is a knowledge- and innovation-based economy, and the Defence Industrial base, underpinned by a civil-military synergy logic, is one of its prime pillars.
- We must therefore reverse the trend of fragmentation and **move towards consolidation and increased competitiveness of the Defence Equipment Market.**
- Small & Medium Enterprises, so many of which are the source of cutting-edge technological innovation, require our support. That is why I'm delighted that the **Commission and EDA are working together** to do precisely that.

- But we also need to consolidate **demand**.
- In the last two decades we in Europe could afford the luxury of designing, developing, and manufacturing three different combat aircrafts, fourteen different types of frigate, and eleven different types of fighting vehicles. These days are over!
- Last year, I emphasized the need for **sustained political will from the very top**. The December European Council gave us that. Now we need to deliver.
- We have the institutional instruments, we have the expertise, we have coordinated efforts between the European institutions and the Member States. And we have the tools at our disposal to move further in the direction of cooperation and consolidation.

- **Cooperative and comprehensive** – this is the way forward. We need to get better on both accounts, in our thinking and in our deeds.
- But, as I am nearing the end of my mandate, I feel confident that the pragmatic but credible progress we have been able to make will indeed continue in the years to come.
- Together, we can make European Defence Cooperation a success and thereby ensure that the EU is truly a global security provider in the 21st century. Thank you!