

EDA CE Intervention to EP

"NATO and EU: Complementarity and collaboration in capability development."

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- Madam Chairman – Ana, I would like to thank you for giving me the opportunity to present to SEDE here today on Complementarity and collaboration between NATO and EU in Capability Development. I am very pleased to be here today in the company of NATO Supreme Allied Commander Transformation General Denis Mercier.
- I would like to start with an obvious message: EU and NATO are not competitors, we are partners. Twenty two EU Member States are Allies. We need to ensure that the differences in Membership do not become more significant than the similarities. There is a need to continue our close dialogue to ensure complementarity of work. Due to our single set of forces,

we cannot afford unnecessary duplication – especially in the field of programmes.

- Complementary is our mantra. Obviously, there are limitations in what we can do formally, due to political obstacles which are much broader than defence. It is a given that we cannot remove. EDA and NATO cannot formally conclude an arrangement.
- Does that mean that we cannot cooperate? No. With agility and flexibility, we can maximise our playing field, for the benefit of all Member States and Allies. Cooperation between EU and NATO takes many forms. We have the formal element which is the EU NATO Capability Group and we have the informal element which is Staff to Staff Contact. This Staff to Staff contact works well to the extent that it is allowed to but we need to build on it.
- Both NATO and the EU play a crucial role in the security and stability of the European continent, but they do so in a very different way. NATO and the European Union share the same fundamental values, and the same challenges.

- In so far as there is strategic clarity between our two organisations it can be found in the EU's ability to adopt a comprehensive approach to security while the Alliance has always had a more explicit defensive mandate. However, both organisations have, significant strategic overlap when it comes to crisis management, conflict prevention and peacekeeping.
- The security conditions to both the east and south of Europe have compelled EU and NATO leaders to construct a better relationship. An example of this is the situation in the Aegean Sea and how NATO and EU are working together to address the challenges, aimed at a substantial reduction of irregular crossings and allow effective management of the Union's external borders.
- This is a challenge whose complexity has increased exponentially in recent months. It is an indication of the pressing challenges but also of the readiness of our leaders to intensify cooperation. And we need to adapt in order to make cooperation happen. And from all perspectives: political, operational and institutional.

- However the key question is how fast can we adapt in order to be able to act proactively rather than retroactively. In my view there is only one way it can be done. Through better coordination of action, avoiding unnecessary duplication and maximizing the output of available resources; promoting synergies wherever and whenever possible; and doing all this in a pragmatic results-oriented way.
- There is a need for EU and NATO to have working relations that are geared to the future, not the past, in EDA we do so in an informal but structured way, in full transparency with our Member States and respecting political sensitivities. In this respect I should thank Denis for the excellent degree of cooperation that we have which aims to meet the above objectives. EDA is not a static organisation. Nor is NATO. So we need to continue to maximise opportunities for bringing our work closer together.
- Notwithstanding NATO's primary role in collective defence, the EU needs to be in a position to provide for our own security. To become a security provider we must be aware of the limitations of NATO with the United States providing some 50%

of capabilities we must ensure that there is a focus on supporting the EDA in our work.

- Complementarity with NATO in principle is a very worthwhile endeavour but we must also look to have sufficient freedom of action in defence as well. That is why EU Member States should support initiatives in the EDA to support the development of capabilities to face the whole spectrum of challenges we face in the changing security environment, including the protection of EU citizens.
- As you are aware in 2014, EU Ministers of defence adopted the policy framework for systematic and long term defence cooperation. This constituted a major step forward in the organisation of defence cooperation in a systematic manner in Europe. This not only facilitates cooperation within EU Member States but also with strategic partners such as NATO.
- The upcoming Global Strategy will present Member States with a very significant opportunity to align their security and defence interests. This is very much required ahead of the NATO

summit. This, in turn, will present a significant window of opportunity for the Agency to contribute with its defence expertise by translating the Global Strategy into military capabilities that the EU will require to deal with issues such as Hybrid Threats with the broad spectrum of challenges. As I informed you in March this will need to be done in close collaboration with NATO.

- I am convinced that, together, we can meet the high expectations placed on us to develop the European capabilities needed. The Commissions **European Defence Action Plan** and **the Preparatory Action**, should allow us to use all relevant EU instruments to incentivise and ensure cooperation.
- Innovation is key for capability development. We need to look at challenging the status quo by critically looking at different uses of what already exists. We need to critically address the way we conduct our business and leverage existing and planned investment to avoid fragmentation and less than efficient use of resources.
- The EU needs to have a collective approach to innovation as it will provide us with the opportunity to ensure that innovative capabilities are brought to the table. However we change the

process of capability development it needs to be addressed now. If not we will find ourselves consistently behind the curve.

- In December 2013, the European Council stressed the need for a more integrated, sustainable, innovative and competitive EDTIB to develop defence capabilities, enhance strategic autonomy and ability to act with partners, while remaining globally competitive and stimulating jobs, innovation and growth.
- Europe's freedom of action is determined by **both short and long term factors**. While the immediate ability to conduct and sustain today's operations builds on the availability of adequate logistics and operations support, the longer term clearly involves a technological and industrial dimension.
- Building on competent European supply chains and having access to critical technologies will be key factors in safeguarding strategic autonomy. Therefore the notion of "**Strategic Autonomy**" needs to guide our policy, planning and funding tools. It implies retaining an appropriate degree of freedom of action both for the short and long term and keeping sufficient know-how from the sub-component to the system level to generate and adapt key military capabilities in response to emerging threats.

- The United States has also launched its Defence Innovation Initiative or the Third Offset Strategy as it's also known, which aims to reassert America's military technological edge. Unless Europe does something similar, we could find ourselves falling technologically further behind the US. This initiative could have far-reaching implications for Allies and partners in political, operational, industrial and technological terms.
- We should ensure a constant dialogue at the right level and pace between both sides of the Atlantic, not only on doctrinal and operational issues but also on a possible industrial and technological partnership. The identification of promising innovation opportunities should be done by challenging current paradigms.
- This takes me to the Preparatory Action for CSDP related research, linked to December 2013 European Council conclusions. This has the potential to change the research landscape in Europe; but also in NATO since, although it is not directly affected, it will nonetheless need to take account of the effect on research planning.
- So what is the Preparatory Action? Put simply: it should be the test phase for an anticipated European Defence Research Programme as part of the next Multi-Annual Financial

Framework (2021-27). There is work still to do but we are aiming to meet at least the level of ambition as set by the Group of Personalities in its report that a future European Defence Research Programme will need a total budget of at least €3.5 billion for the period 2021-27 in order to be credible and make a substantial difference.

- Although the start of the next Commission framework programme is 5 years away, the significance of this should not be underestimated. It will clearly affect EDA, but it will also have an effect on Member States' research planning and is potentially an evolution of the Research & Technology landscape.
- The challenge is to ensure that it is complimentary to Member States' existing programmes of work and not seen as a replacement for them. It really can be a game changer in the context of capability development.
- The finalisation of the EU Global Strategy will open a promising sequence of events in the EU Context. Based on the expected follow on work dedicated to Security and Defence issues, EDA will need to revise the EU capability development priorities, in substance and in process. The CDP is the shared EU reference on Capability development with an agreed common direction on where we go. It provides for a coherent output with

the NATO Defence Planning Processes. Because Member States each have a single set of forces, coherence with NATO should continue to be pursued in their outcomes and timelines.

- In EDA, we support the development of multinational capabilities – because EU Member States need to invest more and more together in capabilities. We therefore do a lot in support of NATO by closing capability gaps.
- One such example is Air-to-air refuelling (AAR) which is a critical enabler for air power projection and is required to enable sustained air combat operations. In the past, European armed forces have relied systematically on American assets. This was clearly demonstrated in the Kosovo campaign in 1999 and confirmed during the operations over Libya in 2011.
- EDA has developed a global approach with three objectives: increasing the overall AAR capacity, reducing fragmentation of the European tanker fleet, and optimising the use existing assets and organisations. To achieve this four complementary pillars have been set up, on some of which EDA is cooperating closely with other agencies and organisations such as NATO.

- Another example is Hybrid which I briefed you on in March; many of the security challenges Europe faces today are Hybrid in nature. In this respect NATO and EU, including EDA, coordinate actions on Capability Development to anticipate developments in this area.
- However, it is not about EU's owned capabilities, but capabilities that are owned and operated by Member States. They decide to engage them in either UN, EU, NATO, multinational or national operations.
- Further to the NATO Summit in Wales NATO has developed roadmaps to assist Allies to meet their capability objectives and influence national investment, research and development decisions. These Roadmaps provide the opportunity to work in a cooperative manner and may provide an incentive to join collaborative projects.
- From an EDA perspective these Roadmaps will contain a large amount of information which could inform EDA's capability development process, as a complement to CODABA and open source information.

- I would now like to draw your attention to the Agency's work on the **Collaborative Database - CODABA**, as an integral part of the CDP. The CODABA is currently gathering information on several thousands of plans, programmes and in-service capabilities of Member States. From the information contained in the CODABA, **EDA extracted more than 160 collaborative opportunities** based on similar development of major defence capabilities or possible common procurement off-the-shelf. This allows us to plan our capability development and ensure coherence and coordination with our NATO Colleagues.
- The Agency also facilitates interaction between Ministries of Defence and other European institutions such as the European Commission and champions their interests vis-a-vis wider EU policies that have implications for defence. Due to our proximity with the European Commission, EDA may offer some interesting opportunities for NATO. Let me take the example of Single European Sky. SESAR will have a major impact on the defence community, which has the largest fleet in Europe, with more than 2000 fighters, 800 transport aircraft, 2600 helicopters. According to some assessments, the cost of SESAR for the military would be up to 4 billion euro.

- And this will impact NATO as well, notably Air Command and Control Systems. EDA is best positioned to bridge with the European Commission, to convey the views and champion the interests of the defence community. Including those of NATO who are fully engaged at tactical level in SESAR and has the possibility to relay its concerns through EDA.
- This brings me to the conclusion of my intervention. I would like to finish by re-emphasising that the changing security environment does not allow us to sit still. Especially as we now hear more and more calls by Member States to balance territorial defence with crisis management capabilities, as well as to develop measures to counter “hybrid” warfare.

Defence cooperation is essential, not only for the EU but also NATO. We are now in an era of increased threats and increasing defence budgets. If we cannot cooperate now then when can we?

- Obviously, the road is very long – and we have quite a lot to learn from each other. But we are moving in the right direction. Once again, I would like to thank you for the opportunity to present to you today together with S/ACT on coordinating efforts

in Capability Development. I would welcome your views or indeed any questions or suggestions that you may have.