



Annual Conference: 17 November 2015

Welcome Word by Jorge Domecq.

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Check against delivery!

Good afternoon,

It is a great honour to welcome you to the 2015 annual EDA conference, here in the Albert Hall in Brussels.

We are united only a few days after the terrible attacks of Paris. Our thoughts are with the victims and our heartfelt condolences go out to the families and friends of those killed and injured.

But Europe stands united in solidarity with the French people who have in the last days once again demonstrated their unwavering courage and determination.

We will not give in. We will defend our values. And we will defend our Europe.

I want to open this conference by inviting you to join me for **a minute of silence** to honour those we have lost. Please stand up. *[Silence]*

Thank you.

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It is not an easy task to carry on with the programme we had envisaged for you. However, it is **the responsibility of all of us** to **find solutions** for increased defence cooperation. To evaluate how we can – together – **ensure the capabilities** to prevent such atrocious attacks in the future.

The attacks in Paris but also recently in Beirut, Kenya, or Egypt have shown that the demand for the EU to act as a security provider will continue to increase. We will only be able to adequately respond to this if the Union's foreign policy ambitions are backed by the right defence capabilities at the right time, supplied by a globally competitive and technologically advanced industrial base in Europe.

Everywhere around us, we see security and defence challenges increasing in number and complexity. Some of them new; some of them deeply rooted in history. Crisis situations are not reducing: they are on the increase.

And they do not always arise in far away places. On the contrary, it can happen, and **does** happen in our own neighbourhood and in our own

territory! Cyber threats, energy supply, massive migration flows and acts of terrorism are of concern to all.

Next year, there will be two important milestones that could have a major impact on European defence:

- Federica Mogherini will present the **Global Strategy on Foreign and Security Policy**;
- and the **NATO summit** will unite leaders in Warsaw.

But if these key milestones are to mean anything, they will need to address a number of issues:

- **The first is in my view the most important. Political will must be underpinned by action.** EU Heads of State and Government have now confirmed twice the importance of European defence. However, we have not seen much evidence of a change in behaviour on defence cooperation. The EDA is not being inundated with new projects or proposals. Cooperation in defence is still not a natural reflex. It needs to become so: to be part of our DNA.
- **Secondly, political goals will need to be translated into military objectives.** The Global Strategy on Foreign and Security Policy will be a

reference point for the EU. For the first time since 2003, Member States will align their thinking on the basis of common interests. Shortly before the NATO Summit of Warsaw, this will be a strong message: a declaration of intent.

- Federica Mogherini has called for a **consistent, comprehensive and common EU Global Strategy**. A strong and credible Foreign and Security Policy needs to be underpinned by military capabilities. And military capabilities require a strong industrial base. This is why I strongly believe that the Global Strategy will need to be translated into military requirements and how to deliver them.
- This is standard practice at the national level. The Global Strategy will define Europe's political interests; interests that need to be underpinned by military capabilities which are developed by Europe as a whole.
- **This brings me to my third point: the European defence industry.** We should never forget that we depend on our world-leading defence industry for our strategic autonomy. Supporting industry is vital.
- Now, this is easier said than done. It is a difficult sector to define, not least because innovation is increasingly linked to dual-use technology.

However, the end-users, the Member States, need to define their military capability requirements.

- And we know all too well that military planning cycles are long, much longer than in the civil sector. But if we can share these plans, we can also make important strategic decisions on where we need to put the focus. An Action Plan can ensure our competitive edge and our strategic value vis-à-vis other important players, notably the US.
- It is in this context that the **European Commission** is playing an increasingly important role in the fabric of European defence. President Juncker himself has declared defence a priority with his European Defence Action Plan. And the work of Commissioner Bieńkowska's Group of Personalities on the Preparatory Action for CSDP-related research is moving apace.
- Let's keep in mind that the European Union possesses a multitude of policies, instruments, regulations – but few of them take defence into consideration. These tools need to be harmonised. And they need to be used. Because ultimately they can be of great service for security, defence and our industry.

- **This brings me to the last important factor: money.** The problem remains that Europe's ability to deliver effective military capabilities is eroding, for two reasons: the near-constant squeeze on defence budgets for several Members States during the last years; and a disproportionate share of these budgets being allocated to personnel, or support functions at the expense of front-line capabilities.
- We therefore have to incentivise defence cooperation, something that the European Council called for in December 2013.
- As you might know, in October, the Foreign Affairs Council approved the **revised Council Decision on EDA**. It contains a number of changes. One of the most important is that, from now on, EDA projects and programmes are **eligible for VAT exemption**.

This should generate an attractive business case for cooperative projects and programmes in the framework of EDA – and should contribute to change the mind-set that cooperation leads to extra costs.

The VAT exemption has become a reality thanks to the support of Member States, the Belgian authorities and the European Commission.

- The Agency is now also officially able to **receive and administer contributions from the EU budget**. For anyone not working in the European Institutions, this might sound of tangential importance. But in practice it will further enhance cooperation with the Commission and allow us better to exploit synergies. The most prominent initiative where this will be applied is the **Preparatory Action on CSDP-related research and the related Pilot Project** which is due to start next year. The Preparatory Action is a potential game changer as regards how we finance defence oriented research in the future.
- Apart from VAT exemption, the new Council Decision has also formalised other areas the Agency is engaged in. **I would like to highlight one: Support to operation** which has now officially been added to our tasks. I am very proud of this as it recognises the specialised, rife and quick support we have provided, and will continue to do so, to the men and women deployed in the interests, and on behalf of, the European Union.
- As you know, the Agency is at the service of Member States. I have personally visited capitals during my first three months in the job. I had the pleasure to meet many of you in this room during these visits or at

the Agency. I want to re-connect the Agency with its shareholders, the Member States.

- There are many ideas and lots of discussions about cooperation. We now need to turn these words into action. We need to **seize this opportunity** to launch effective and pragmatic cooperative programmes that deliver real capabilities. This is the *raison d' être* of the European Defence Agency. We are here to support you; to propose new lines of action. Use us!
- One last point: at the centre of our Security & Defence concerns lie the European citizens. At a time of terror, it is our duty to inform, to communicate and to demonstrate to them the clear benefits of Defence cooperation. This is critical to the success of working and delivering together.
- To conclude, I would like to state **that this is YOUR conference**. This is **a truly special and unique occasion** where stakeholders from the European Defence Community come together.

- I therefore invite you to seize the opportunity to debate the key issues. Some of you are on the podium, others are not. But what I strongly encourage is an open discussion.
- This afternoon, Federica Mogherini will join us for her first special address to the European Defence Community. Just before her speech, in which she will give more details on the Global Strategy, we will welcome the NATO Secretary General, who will also share ideas with us. Complementarity between EDA and NATO is of utmost importance.
- We are also honoured to have with us today Jeanine Hennis-Plasschaert, the Dutch Minister of Defence, who will soon play a key role during the next EU Presidency, carrying forward this challenging agenda. To close the conference, we have with us Étienne Schneider representing the current EU Presidency of the Grand-Duchy of Luxembourg. And to launch proceedings, I am delighted that Commissioner Elżbieta Bieńkowska has accepted the invitation to make the opening speech.
- I thank you for your presence, your attention and wish you an interesting, dynamic and fruitful afternoon.

Thank you.