



Meeting of the Subcommittee on Security and Defence

25 September 2019, 10:30 – 12:00, European Parliament

Exchange of views with EDA CE Jorge Domecq on EU defence initiatives and the role of EDA

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Distinguished members of the Parliament, dear Ladies and Gentlemen,

- First of all, let me thank you, Madame Chair, for your kind invitation to speak in front of the Committee on Security and Defence.
- Allow me to use this opportunity to congratulate all of the elected members of the European Parliament and wish them all the best in their term in office. The European Defence Agency, as always, stands ready to cooperate and engage with all MEPs and the relevant committees, especially SEDE.



- Today I am here to discuss with you the current state of affairs of the EU defence initiatives and present the role of the Agency in all of them, ensuring their implementation and coherence.
- As you know, defence and security came into EU spotlight in 2016 with the roll out of the new **EU Global Strategy**. Taking into account the changing global environment, the ongoing technological revolution and new emerging threats in and around the EU, the EU Global Strategy for the first time spoke about the need for the Union to be able to act as a global security provider.
- In the new EU Global Strategy, the Member States jointly set a **new EU Level of Ambition**, which for the first time didn't only include expected performance in Common Security and Defence Policy (CSDP) missions and operations, but looked at European defence across the full spectrum of defence capabilities including for the purpose of the “protection of EU citizens and its territory”.
- To be able to fulfil that task and the accompanying higher EU level of ambition in the area of security and defence, three distinct but mutually reinforcing initiatives were created: **CARD, PESCO and EDF**.

- All of the three initiatives, despite their methodological differences, have the same target, to establish a more coherent set of usable, deployable, interoperable and sustainable capabilities and Forces.
- Aware of the amount of efforts that needs to be put into reaching this ambitious target, the EU Global Strategy also identified **2 preconditions** for a step change in European defence. First, it called for the full use of the potential of the European Defence Agency and second, it proposed for the first time the use of EU funds for defence purposes.
- Given its specific intergovernmental character and particular institutional position, Member States decided to reinforce the role of the Agency in order to help and support them in the implementation of three new initiatives.
- The Ministers of Defence in 2017 entrusted the EDA with a further **enhanced mission** of:
 - Becoming the major intergovernmental instrument for prioritisation of defence technology and capability development at EU level,
 - The preferred cooperation forum and support structure for MS for the development of projects in the area of technology and capabilities,

- And the main interface and facilitator between the defence community and the European Commission and EU Agencies on wider EU policies and EU funding opportunities.
- As a result, the Agency has considerably stepped up its activities in all 3 areas.
- **In our first role**, acting as the major intergovernmental prioritisation instrument, the Agency, together with the MS, conducted a detailed process of common priority setting which resulted in the identified 11 EU Capability Development Priorities, agreed by MS in June 2018. The selected priorities reflect both the main capability shortfalls for deployed operations, territorial defence and cyber defence as well as the desired focus on high-end warfare. The consolidated set of capability priorities clearly shows what we need to focus our defence efforts on in each domain; land, maritime, air, space or cyber.
- On top of that, we've just developed detailed and elaborate implementing documents, so called **Strategic Context Cases or SCCs**, which clearly show for each of the 11 CDP Priorities what needs to be done in short, mid and long-term in order to improve on the output of defence capabilities at European level. These documents, endorsed by the MS in June this year, will serve as reference point not only at EU

level, but also for national defence planners and defence industries and SMEs around Europe, ensuring a much wider coherence.

- Let me now turn towards the EU defence initiatives and explain how they interact with the just mentioned CDP Priorities in a coherent and comprehensive matter.
- I will start with the first initiative, **Coordinated Annual Review on Defence or CARD**, which is a regular bi-annual review process of MS defence expenditures and capability development plans, with the aim to establish a fully-fledged picture of the European capability landscape and identify further cooperation opportunities between the MS. So far, we've tested this new process in the so-called CARD Trial Run which took place from September 2017 to November 2018. The first full CARD cycle will begin this autumn and its results, to be delivered in November 2020, will give Ministers of Defence for the first time a full and comprehensive overview of the entire European defence landscape and what future steps can be made to transform our joint defence efforts into a more efficient output.
- The second initiative, **Permanent Structured Cooperation or PESCO** was envisaged in the Lisbon Treaty as an enabler for willing and able member states to establish a structured



cooperation within the EU framework. 25 EU Member States decided to pursue that possibility establishing PESCO on 11 December 2017. Ever since, pMS have been engaging in 3 rounds of calls for projects in both capability and operational domain, resulting until now in 34 PESCO projects, with the selection of projects from the third call currently on the way. But allow me to say that PESCO is much more than just collaborative projects, its biggest value lies in the so called more binding commitments that pMS subscribed to. These commitments have already resulted in a clear positive trajectory of the increase of defence budgets and defence investments.

- We now also need to see a significant effort in bringing their defence apparatus in line with each other and making defence cooperation amongst them the norm.
- PESCO is about not only investing together, but planning, developing capabilities and operating them with a long-term/permanent perspective. Over time PESCO should lead the 25 MS to a convergence in their defence plans, improving the global output.
- The third initiative, the **European Defence Fund or EDF** is being set to ensure the strong funding incentive for the



defence research on one side and joint development of defence products and technologies on the other. 2 pilot programmes have been set up with the view to testing how the future EDF would function, PADR and EDIDP. Following the successful Pilot Project, an initiative of the European Parliament, the implementation of the Preparatory Action on Defence Research (PADR) delegated to EDA is going very well with the calls for proposals for the final year launched in March. I stand ready to brief you in detail on PADR in one of the next sessions of the committee. When it comes to the implementation of the European Defence Industrial Development Programme (EDIDP), which is done by the Commission, the 2019-2020 EDIDIP Work Programme was adopted in March and the calls for proposals have been launched in April. Both programmes showed so far that there is clear potential for defence research and development on the market and once established in 2021, the planned 13 billion euros in European Defence Fund will hopefully give them a needed boost.

- Here, I would just advise to be vigilant and cautious to ensure that the money spent is in the interest of our Armed Forces and not only driven by the industrial interest of the market. We need to fund the projects that address the real shortfalls and capability priorities and the only way to do it

is to link the EDF work programmes to the agreed CDP Priorities, which reflect the needs of our Armed Forces at EU level.

- From the very beginning the Agency has been working on the coherence of the 3 initiatives, binding them to the agreed CDP priorities and making them output oriented. 11 CDP Priorities serve as a **common baseline** for CARD, PESCO and EDF. In CARD, we will monitor and review the state of our defence systems against those 11 identified priorities. In PESCO, we are assessing and developing collaborative structural projects to fulfil these priorities. And in the future EDF, the provided funds should support the development of those identified priorities.
- The Agency has a unique position, as it is the only European agency present in both CARD, PESCO and in the test cases of the EDF. The Agency acts as a CARD Secretariat, in collaboration with the EEAS and EUMS, as PESCO Secretariat together with EEAS/EUMS, and is supporting the implementation of the EDF, notably in the preparation of the work programmes of the EDIDP, Pilot Project and Preparatory Action on Defence Research, as well as the implementation of the two last and hopefully their translation into future projects. EDA is the best placed actor to ensure coherence and deliverables, as we have the clear

oversight over the whole process, from defence prioritisation and planning to project management and their final uptake in specific projects.

- In addition, to ensure wider coherence with NATO, EDA is working closely with NATO staff on the complementarity between the CDP and CARD on the EU side, and relevant NATO Defence processes, such as NDPP and PARP. By ensuring mutual awareness following the principles of transparency and reciprocity, we are avoiding unnecessary duplication and the increase of the reporting burden on MS that belong to both organisations.
- Let me now just briefly touch upon the Agency's role in project support, which was a **second reinforced tasking** the Agency received from the MS in 2017. Next to the Agency's growing portfolio of 117 capability and R&T projects of a total value, as of today, of 333.43M EUR (*data from 05/09/2019*), following the pMS formal request, EDA is now also providing support to several (4) PESCO projects and pMS benefit at full from the Agency's expertise and specific advantages, like VAT exemption. We expect that more pMS will seek the support of the Agency with the next waves of PESCO project calls.
- When it comes to Agency' **third role** to act as an interface between the defence community and the European



Commission and EU Agencies on wider EU policies and a central operator with regard to EU funded defence-related activities, in particular EDF and its precursors to which I referred before, allow me to indicate a growing spectrum of topics on which EDA is currently working on together with CION. EDA is coordinating and representing military views, as well as pursuing a coordinated civil-military approach in the following policies, just to mention a few; Single European Skies, Military Mobility, EU Maritime Security, Space, Cyber, Artificial Intelligence, Radio Spectrum, REACH and Energy and Environment. I stand ready to come and brief you in detail on any of the topics of your specific interest.

- Allow me to highlight just 2 areas that are of growing interest for Member States as they have been discussed during the recent informal meeting of Ministers of Defence in Helsinki: Artificial Intelligence and Climate Change/Energy and Environment. The Agency is actively engaged in both topics in support of Member States.
- As regards to **Artificial Intelligence**, the Agency is taking forward the work on defining what AI is in Defence by creating a complete Taxonomy and Glossary by the end of the year in order to reach an agreed shared understanding

of the topic among Member States. This will enable further cooperation and development of AI which will have strong impact on how our Armed Forces are organised, trained and operate in the future. As a follow on, Member States will prepare an Action plan on AI by February. When it comes to research dimension, AI in defence is already now one of the Agency's core centres of attention with more than half of our Technological Working Groups currently working on new AI related domains.

- When it comes to **Energy in Defence**, and as you probably know, in 2015 the Agency has been delegated by European Commission to run the Energy Consultation Forum. The objective of this project is to bring together experts from both defence and energy sectors to share information and best practices on improving energy efficiency and building performance, utilising renewable energy sources in the defence sector, and increasing the resilience of defence-related critical energy infrastructures, including security of supply aspects.
- The Agency already concluded 2 phases of the project. The first phase of the Forum focused on raising awareness of the topic inside Defence Ministries and creating a real network of experts of energy issues related to defence. Those

experts subsequently developed ideas that can lead to defence energy-related concepts or actions plans. In the second phase those ideas were transformed into around 30 real defence energy-related projects that are now entering the implementation phase.

- Building on the achievements of the previous phases, the European Commission and EDA agreed to launch the third phase of the Forum as of 1st of October this year. Phase III will present the defence and security sectors with an economic, operational and strategic opportunities to reduce reliance on fossil fuel and natural gas, to progressively minimise energy costs and carbon footprint and to enhance the operational effectiveness and energy resilience of their functions. Phase III will also contribute to preparing the defence sector to welcome and accommodate new trends in technology and to address challenges ranging from technical and human factors to hybrid threats and other risks.
- Let me conclude my intervention with the following. We have launched the whole package of defence initiatives only 3 years ago and we have already come this far with fully established and consolidated procedures. What is now important is to focus on implementation and not invent

new tools or processes, and, most of all, not to duplicate them or the technical fora that work on them. Defence expertise is a scarce resource and we should use it efficiently.

- This is the time of proof of concept of the different EU defence initiatives that need first and foremost to be embedded into national defence processes. They should not become a nice add-on to the business as usual. This will require a change of mindset in national administrations and an internal shift of resource allocation to EU defence.
- To achieve coherence, we will also need to bring the views of the different defence communities together, from the policy and planning to the operational, capability, armaments and R&T communities. EDA has this feature in-built.
- We also need to ensure that EU entities, bodies and institutions (CION, EEAS/EUMS, EUMC, EDA) cooperate within their respective areas of responsibility. This implies no duplication of structures and the right balance between the intergovernmental and the community dimension and also making best use of each other's strengths. A lot has



been achieved but more needs to be done in support of Member States.

- EDA stands ready to safeguard the output oriented and focused work ensuring coherence across the spectrum, from CARD to PESCO and EDF. Only by keeping it under a common umbrella of a dedicated and MS driven agency we will be able to achieve a more coherent and more efficient European defence landscape, in the interest of our Armed Forces and our citizens.
- Finally, allow me to invite you, as SEDE Committee to visit the Agency in November (*planned for 18 November*), so we can directly showcase what we are doing in support of the Member States.
- Thank you!