



Defence Partnerships Conference

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Keynote Address by Nick Witney, Chief Executive, EDA

Examining the EDA's Long-Term Vision report: What are the implications for European Defence Planners?

I would like, if you allow me, to begin with a few general remarks about the EDA. It is, after all, a rather unusual organisation, still relatively new, and not always well understood. It is basically a child of the European and Security and Defence Policy, or ESDP in the jargon. You will recall the basics:

- ESDP was conceived at the Anglo-French Summit at St Malo in 1998;
- has nothing to do with the territorial defence of Europe – that was and remains NATO's business;
- is rather directed towards encouraging Europe to be a more effective contributor to global security, by undertaking crisis management operations;
- and has shown its utility in such ways as taking over from NATO responsibility for keeping the peace in Bosnia, and last year's deployment to the Congo to back up the UN

peacekeepers over the critical period of the first Congolese general election for 40 years.

Indeed, ESDP now has some 17 operations to its credit, though the majority have been civilian in character – police training, supporting the administration of justice, or overseeing disarmament processes. Indeed, it is a particular value-added of ESDP that it can deploy judges, policemen and administrators as well as soldiers. The next two operations on the horizon are a police training effort in Afghanistan, and a substantial operation to take over from the UN their responsibilities for civil administration in Kosovo.

So, without setting the Thames or even the Seine on fire, the policy has proved its utility – and, after a bumpy few years at the start of the decade, now seems to have bedded down comfortably alongside NATO. Though institutional frictions remain, earlier worries about this European effort undermining NATO seem generally to have receded.

I tend to think of the EDA as the “back office” of the ESDP. The front office is staffed by the diplomats and the policy-makers who set up the institutions, negotiated the arrangements with NATO, agreed the 2003 European Security Strategy – a rather good and sensible document, by the way. It is also staffed by the generals and administrators who run the operations. The purpose of the back office is to support the front office – by working with the Member States to try to ensure that the tools are available to do the job, and that the necessary infrastructure (a robust industrial and

technological base) is in place. Working with the Member States is the key concept. It is not only Brits who are allergic to the notion of being bossed around by some Brussels institution in matters of defence. 26 out of 27 Europe's Member States belong to the EDA (the Danes have an opt-out) - and they are, without exception, determined to retain their sovereign control over how they spend their national defence budgets, and over if and when their men and women are deployed into harm's way. To make the point, they fund the Agency directly by annual subscription from the 26 national Defence Ministries, not out the general EU budget. They are my shareholders, and I do what they tell me.

They tell me to do quite a lot. The Agency is tasked to work across a broad waterfront: military capabilities development; armaments; research and technology; and industrial and market issues. They look to the Agency to provide analyses and proposals; to act as an incubator of ideas and as a think-tank; to perform the role of conscience and of catalyst. For that, we have a hundred staff and an overall annual budget of €22 million.

So how, you may ask, can such a small Agency, with little money and no decision-taking authority, hope to affect such a wide agenda? The answer lies in our governance arrangements. The shareholders meet very regularly in the Agency Steering Board – and when the 26 Defence Ministers occupy the seats, as they did 4 times last year, then my boss, Javier Solana, is in the chair. But between-whiles the Board meets in the composition of national Armaments Directors, national military Capability Directors, and so on. Beneath that we

have an ever-growing network of working groups, extranet forums, and so forth. In short, we are engaged in a constant and persistent dialogue with the key decision-makers in 26 national ministries of defence. So we have the access: and if our ideas and proposals are good enough, and the national ministries of defence are ready for them, then we can make progress. Worth noting, by the way, that a basic operating principle is variable geometry: if everyone wants to do something, that is fine; if only 6 want to do something, or 15 want to do something else, then that is fine too. We will help and support as best we can.

So what does this mean in practice? Perhaps I can start by translating our formal mission statement into something more down-to-earth. The basic problems that drove the Agency's creation are recognition that Europe's armed forces are generally ill-adapted to the new post-Cold War, post-9/11, international security environment; and that the hard facts of economics and indeed operational necessity - recalling that our operations are now multinational - require us to collaborate more closely. So you might say our real mission is to work with the Member States to help them to spend their defence budgets on the right things and not the wrong things; and to do better at pooling our efforts and resources.

At this stage, just over two years into the enterprise, I discover that we are really proceeding by trying to build a bridge from both ends. Over on the far bank, we try to help the Member States achieve consensus on the longer term view: what sort of military capability should we all be trying to prioritise a decade, or two decades, hence?

What sort of strategy is going to help us maintain globally competitive defence industries in Europe? How can we raise our game – a particularly urgent concern – on defence research and technology? And, on the near bank, we aim to put in place specific practical cooperations – to deliver near-term results which move us out in the direction of the longer term goals.

The major pier we have so far established over on the far bank of our bridge is the Long Term Vision of my title.

You can find [this document](#), agreed by 24 Defence Ministers in Finland last October, on our website.

Its starting point is that the lead-times in defence are such that the capabilities and capacities we will or will not have in 20 years time are in practice being determined by decisions being made now, on a daily basis. So if we hope to have what we need for the EDSP operations of the future, then we need, despite all the difficulties, to formulate some vision of the future context and nature of those operations. Even if we cannot hope to penetrate the fog of the future, we must at least establish an initial direction of March.

The document begins with a look at the reasonably predictable economic and demographic trends which mean that we must reckon with a Europe in 20 years time which is older, relatively poorer and living in a difficult neighbourhood – that is to say, surrounded by regions which may not be coping at all well with globalisation. It draws attention to the problems an aging population will pose for defence recruitment, and defence budgets. It looks at social attitudes

towards the use of the military, and suggests that defence planners face two great challenges:

- first, to adapt to the changing role of force in operations as we now find they have to be conducted – and since I hope a number of you have already read Rupert Smith’s recent book entitled “The Utility of Force”, I shall leave that unelaborated for now; and
- Second, to adapt to the ever-quickenning technological revolution, with its attendant opportunities and threats.

The vision then focuses on what this may mean for ESDP operations – less clear-cut, more politically constrained, conducted under 24/7 media scrutiny, and challenged by opponents who are asymmetric not only in structure and methods, but probably in aims and values as well.

Against this background, the vision suggests the characteristics that we must embody in our future capabilities - synergy, agility, selectivity, and sustainability – and translates these characteristics into a “future capability profile” across each of the main accepted domains of defence capability. It notes that military activity always requires a mix of kinetic energy and intelligence, and suggests that in the future we will need much less of the former and much more of the latter. It rounds off with some key issues upon which defence planners working towards this capability profile must concentrate: knowledge exploitation; interoperability; the manpower balance (how to ensure enough “boots on the ground” whilst at the same

time devoting more of our defence budgets to investment); rapid acquisition; industrial policy; and flexibility for the unforeseen.

I do not claim that anything in this vision is especially revolutionary – indeed, the Comprehensive Political Guidance issued a month later at NATO’s Riga Summit points in just the same direction. But I suppose the main point about this document is that it established a baseline – from Valletta to Helsinki and from Lisbon to Bratislava, European Defence Ministries are now all on the same page.

We are now working to construct on this baseline a set of more detailed strategies. First amongst them is the strategy for the European Defence Technological and Industrial Base – or DTIB – which the Defence Ministers agreed in our Steering Board last month. That, too, is available on our website. Its message is a clear one – that today’s defence industrial and technological excellence in Europe is the product of past investment; that we are falling badly off the pace; and that – I am quoting here – “we recognise that the point has now been reached when we need fundamental change in how we manage the ‘business aspects’ of defence in Europe – and that time is not on our side. The essence of this change is to recognise that a fully adequate DTIB is no longer sustainable on a strictly national basis – and that we must therefore press on with developing a truly European DTIB as something more than the sum of its national parts”. Continuing to do the business of defence in 20-something separate national boxes is – again I quote – “no longer economically sustainable – and in a world of multinational operations it is operationally unacceptable, too. We need therefore to

achieve consolidation on both sides of the market in Europe: aligning and combining our various needs and shared equipment requirements; and meeting them from an increasingly integrated European DTIB”.

The strategy has a good deal more of interest to say – especially on the importance of getting more competition into cross-border defence procurement in Europe, and doing something radical about defence R&T – but I must move on. For the Capability Planners of my title, the next step is work on a shared Capability Development Plan. Put simply, we are aiming to develop together the Long Term Vision’s analysis of the required capabilities of the future, so as to produce something which is more detailed and therefore more useful; and at the same time we are seeking to increase mutual transparency between defence ministries in Europe about what their current plans and programmes contain, to flush out the opportunities for doing more things cooperatively. By this we do not just mean the traditional collaborative armaments projects, but options such as shared basing or support, or shared upgrades, or pooled purchases or forces, or indeed mutually complementary role specialisation. As with everything else we do in the Agency, no obligation is involved – the final product, available we hope in about a year’s time, will be in no sense a directive. It will simply be the best analysis that the combined wisdoms of our Defence Ministries can come up with, and a menu of next steps which those who so wish can choose to take.

In concluding, let me turn to the near end of the bridge, and quickly run through a short checklist of some of the more tangible results we

have delivered – or, to be more exact, we have been instrumental in helping the Member States to deliver:

- First, in pursuit of the opening of the European Defence Equipment Market, we have secured agreement from 23 of our Member States to open their tendering processes to suppliers from each others' countries, on a voluntary and reciprocal basis. This arrangement is operationalised through an Electronic Bulletin Board, to be found on our website. You will find there about 180 contracting opportunities for industry, with a total business value pushing €10 billion. There is also a more recently opened, but already thriving, section devoted to industry-to-industry offers – the larger companies have so far posted about a hundred notices for potential subcontractors and suppliers across Europe.
- Second, we have launched a new joint investment vehicle for defence R&T. Nineteen of our Member States, plus Norway as an EDA associate, have put together over €50 million for jointly commissioning research into technologies relevant to the protection of deployed forces. Nearly 300 entities across Europe have received the first call for proposals – familiar defence companies, SMEs and non-traditional suppliers, universities, research institutes and laboratories. The deal is that they can only apply in consortia involving at least two entities from different Member States – so a ferment of networking and mutual discovery is now in progress.

- Third, we assisted six of our Member States to put together a joint effort, worth over €100 million, to develop technologies for Software Defined Radio. This revolutionary marriage of computing and communication technologies has huge civilian commercial potential too – which is why the European Commission is also investing substantially in it. We have worked to ensure that these separate civilian and military efforts are mutually reinforcing.
- Fourth, we have engaged our shareholders on the challenge of getting UAVs flying in regulated airspace. This is an interesting test case for Europe’s ability truly to get its act together. Here is an important new area of military capability which, typically, the Americans have pioneered – and to which Europe has responded so far in a typically fragmented fashion. But if the obstacles – and they are formidable – to operating UAVs alongside manned aircraft can be overcome, then a scale of demand will appear which will not only be hugely important for the aerospace sector in Europe, but will also lead to better and cheaper systems for the military.

There is a great deal else I could describe. We now have, for example, around 40 small-scale R&T collaborations, with a combined value of nearly € 200 million, under management on behalf of the different groups of collaborators. We should shortly be able to announce an important step forward towards finally getting some uniformity into the increasingly high-tech personal equipment of the individual infantryman. We have started up an

online system for work on new standards. We think we now have a good way forward for our efforts to rationalise the defence equipment testing infrastructure in Europe (just how many wind tunnels do Europeans really need?). Work is underway on SatCom, on maritime surveillance, on non-lethal weapons, and others too numerous to mention.

Quite a lot of this is still at the stage of promise rather than realisation. In the final analysis, success on any of the EDA's agendas will depend on practical and sometimes difficult decisions, taken in 26 different capitals, to follow the logic of agreed analysis and start spending at least a proportion of defence budgets a bit differently. I am entirely confident that this will happen, to the benefit both of Europe's ability to act as a force for good in the world, and to the benefit of its industries. My confidence is based on the reflection that there is no really viable alternative. But, of course, time will be the judge.
