



Chairman of the European Union Military Committee

Berlin Security Conference

Keynote Speech: *"The Implementation of the EU Global Strategy: new common capabilities as a major goal"*

Berlin, 28 November 2017

Excellencies,

Admirals, Generals,

Distinguished guests,

Ladies and Gentlemen,

I cannot think of a more timely opportunity to discuss about the Global Strategy and the progress its implementation has made than this time of the year. And one could hardly find a better-suited place to hold this discussion than here, in Berlin. One of the capitals that have been in the lead of the initiative to shape a Europe of defence. Therefore, I would like to thank the organisers for offering me the opportunity to share some of my thoughts with you.

I consider this Conference timely, as it comes almost a year since the Council adopted the Implementation Plan on Security and Defence, on 14 November 2016. The Council Conclusions signaled the beginning of a race against **time**. Equally, it signaled the beginning of an effort to bring together the majority –ideally all– of the Member-States in the sensitive domain of security and defence, but I argue that it is **primarily** a race against time.

The reasoning behind this argument is rather simple: security and defence cannot wait. The **growing concern** on these issues among Europeans has been expressed in numerous polls. People demand from their respective governments to restore the security feeling they enjoyed. Therefore, the whole

effort is targeted in achieving just this: the return of the security feeling over Europe as soon as possible.

There is also an additional parameter to this. Security and defence come with a **price tag**. A big one. One that makes it difficult if not impossible for any given country to bear alone. Neither would it make sense, to embark on separate endeavors while in almost any other domain, cooperation is the new norm. Security and defence domains should not deviate from this norm.

Cooperation, of course, **already exists**. Let us see for instance the example of German-Dutch naval forces cooperation agreement of 2016, or the one regarding the cooperation of their respective land forces. The agreement between Germany and France to create a joint Franco-German air transport fleet, is just another example, underpinning how active Germany has been in identifying areas of cooperation and making them a reality. Similar cooperative arrangements have been reached between other EU Member-States as well. There is a **flaw** in this bright picture, though: all these initiatives are **isolated**, they are not part of a general, comprehensive plan. They are just **ad-hoc** initiatives, serving **mainly** the interests of the countries involved and only as a **side-effect**, those of the European Union. The **absence** of a structured cooperation at the defence-planning level led to the **disappointing outputs** of defence spending we witness and which have been documented in EDA reports. Being the second largest spender in defence with almost 200 billion Euros annually and receiving a mere 15% output of what our transatlantic allies achieve, well, this is something that raises concerns, to say the least. The lack of cooperation between Member-States in the field of defence and security is estimated to cost annually between €25 billion and €100 billion. 80% of procurement and more than 90% of Research and Technology are run on a national basis. Up to 30% of annual defence expenditures could be saved through pooling of procurement. In an era of budgetary restraints and of excessive security challenges, this constitutes an **unsustainable** business model.

The **EU Global Strategy** and its **Implementation Plan** on Security and Defence set the basis for a change in this phenomenon, creating a new security and defence architecture for Europe. December 2016 European Council endorsed a raised **Level of Ambition** for the Union's security and defence

policy. Four specific main actions have been undertaken to fulfil the ambitions and shape the European Defence of tomorrow. These actions, namely, **Permanent Structured Cooperation**, **Coordinated Annual Review on Defence**, **the European Defence Fund** and **military rapid response** capability, they are intertwined and they have a common objective: to serve the three strategic priorities of the Global Strategy by creating common capabilities for the European Union. This will put the Union in position to play its role as a **credible global security provider**. What is also important is that these capabilities have to be created internally, strengthening the Union in **multiple facets**.

Allow me to skip the clichés about how hard the work has been and how much has been achieved so far. I prefer to present the facts, leaving the conclusions to you. The first anniversary of the Implementation Plan was marked by the signing of the joint notification letter to HR/VP, on launching the **Permanent Structured Cooperation**, notifying accordingly the Foreign Affairs Council on their intention. Twenty three (for now) Member-States agreed to undertake binding commitments to one another, joining efforts to create a stronger Europe and enhancing the efficiency and output of European defence. They have agreed to abide to a list of 20 binding commitments in each of the 5 areas of Article 2 of protocol 10. In coming December, European Council is expected to adopt the establishing of PESCO. A large number of **common programmes**, both in the area of capability development as well as on the operational dimension have been proposed, each of them adding a piece to the jigsaw of European common security and defence. All these proposals shall be prioritised with a view to a focused list of PESCO projects, and the first collaborative PESCO projects to be launched shall be identified by the Member-States, with the aim to optimize the available resources and improve their overall effectiveness, in support of the EU's Level of Ambition and its three strategic priorities.

To this end, the November Foreign Affairs Council approval of the **Requirements Catalogue 2017** (RC17) is another important step taken. RC 17 replaces the existing RC 05, which dates back to 2005. It identifies the military capability requirements for CSDP stemming from the EU Level of Ambition. RC17 is now broader and also takes into account new threats. Work will continue in implementing its recommendations to identify and prioritise the EU

military capability shortfalls contributing to the Capability Development Plan in view of identifying priorities for EU capability development.

Equally important is the trial run of **Coordinated Annual Review on Defence**. Its results can lead to greater defence planning synchronization in the EU, to the identification of the capabilities that are needed, notably through the forthcoming review of the Capability Development Plan by spring 2018. It can also lead to the identification of potential opportunities for defence cooperation in the future, feeding into PESCO. It has the potential to remedy the current situation where 28 national Armed Forces operate 19 different types, blocks or variants of combat aircraft, or 37 models of Armored Personnel Carriers! The linkage of CARD and PESCO will help to enhance the efficiency and output of European defence and to implement the EU Level of Ambition.

To provide interested parties with an additional incentive to strengthen their structured cooperation in security and defence, the proposal to establish a European Defence Fund can function as a catalyst. This defence fund will provide financial support to **defence research** but it will not stop there, it can also support joint **development and acquisition** through its "*capability window*". This is the way to provide substantial support to the effort to preserve European technological lead, to retain quality advantage over potential market or other competitors, to preserve an active European defence industry, including both market giants and SMEs. It will as well guarantee the security of supply and, finally, to realise the all-important **strategic autonomy** of Europe.

PESCO and CARD signify a quantum leap in European cooperation in security and defence. There is no doubt about their importance, yet, they still have to bear fruits. It will definitely take some time before we are able to see results. What we actually have today as a tangible deliverable of the Implementation Plan is the establishment of the Military Planning and Conduct Capability for the European Union's non-executive military missions. An entity that filled a long identified gap in the military chain of command. Not perfect yet, still struggling with some teething problems, such as insufficient staffing, but definitely a proof of how fast European Union can move forward when circumstances call for immediate action.

Ladies and Gentlemen,

I suppose we can all agree that a lot has been achieved during this last year and we should all be **proud** for this. And at the same time we should also be **cautious**. Cautious not to be overtaken by the euphoria of the moment. Cautious not to relax. We are only at the beginning. We have only set the **foundations** of a more secure Europe. Foundations are important, **but they are not an end in themselves**. Establishing PESCO, CARD and, possibly, EDF is only one step out of many. Tons of work still lies ahead of us. Now that all the preparatory work has been done, work on developing common capabilities is the real challenge.

In doing so, special attention must be given to ensure coherence of outcomes and timelines with the **NATO Defence Planning Process**. It is necessary to achieve a harmonic, symbiotic and mutually reinforcing relationship between the two processes. Neither organization has the full range of tools to address contemporary security threats on its own. They both rely on the same, more or less, **set of forces** and pool of taxpayers to draw the necessary means to realise their missions and operations. This makes **EU-NATO complementarity** the only possible way ahead, effectively rejecting the alleged competition with each other as a conspiracy theory.

It seems like we are on a very positive track. We have concluded the conceptual, the preparatory if you wish phase, having launched everything that was planned. We have now to put them to test, to see if they perform as planned and if they can deliver the expected results. I would argue that in order for them to be relevant and successful, we should not lose sight of what their objective is. We need to constantly remember that they are all created for a single purpose, one that derives right from the EU Global Strategy. **“Protect Europe and its citizens”**. This phrase should serve as the testbed when assessing proposals for new collaborative projects in areas such as training, capabilities development and operational readiness in the field of defence. The end is the protection of Europe; the development of relevant common capabilities is the means to this end. And here is where the military, as **the end-user** of these capabilities and the bearer of military expertise, will have a say, formally expressed through its institutional instrument.

I would also like to add another dimension to the discussion. It is one thing to acquire the desired capabilities. It is a totally different thing to **put them into use**. It requires a certain political willingness, expressed both in terms of agreeing on their use and in terms of financing that exact use. Here, I cannot but recall the **Battlegroups** example. An example of a common capability that was created but has never been used as originally planned. Inability to reach an agreement on **a financing mechanism** that would permit their use coupled with political **reluctance** to concur to that use have been the main hurdles the Battlegroups have been facing. This reality had a certain negative effect on European Union's credibility to act as a security provider. Beginning with the presentation of the Global Strategy and all the work that has been done since, this image begins to change. The world looks again up to the European Union as it declares its commitment to act as a credible and predictable security provider. The Union has willingly **assumed a responsibility** and it has to stand up to it.

Having said that, I have to stress the fact that this is subject to decisions made at the highest political level, at 28. It is the Member-States that drive this process and they decide about the direction it takes. To me, this direction is clear: they have skipped the idea about the creation of a "European Army" and focused on how to make the already existing, national armies more effective, efficient and capable when they operate together. The question, and the real challenge, is about **the political willingness** of Member-States to keep up the momentum on European defence cooperation beyond 2017, or 2018. Will we experience **institutional fatigue**? Will the anticipated positive developments on the geostrategic environment in our neighborhood turn the tide once more, easing this time the pressure to do more on security and defence? Will we **settle for** small and quick successes or are we genuinely determined to go all the way? I need not remind that the most genuine show of commitment comes in the form of allocating the necessary means –financial or physical- to allow for the realization of the common projects.

It is up to us to remain focused and resist the temptation to sit back on our success. It is up to us to continue pushing to realise the vision of the Global Strategy and make Europe prepared to tackle the next crisis. Creating **common capabilities** is more than essential, it is **paramount** in order to accomplish the

ultimate goal, the protection of European Union and its citizens. But it is not enough. We should also be able to use them in the service of the European Union and its citizens. Only this will bring Europe at the level it deserves in the global security and defence landscape.

Thank you.

Edited by Captain (Hellenic Navy) Vasileios Loukovitis