Thank you Ino (Ino Afentouli) for your kind introduction.

Ladies and Gentlemen,

Life is synonymous to change, to moving on, to evolution. Whatever resists change, it is doomed to extinction. The same rule applies to institutions and companies. The European Union (EU) needs to evolve to continue being relevant and responding to the needs, the demands and the aspirations of the European citizens.

I would argue that the most drastic reforms we have witnessed in the recent history of the EU have taken place in the security and defence domain. Reforms that were demanded by you, the European citizens, in the aftermath of the terrorist attacks and the irregular and uncontrolled migration.

We realized that no single country is powerful enough; no single international organization is adequately equipped or relevant to tackle them alone. There needs to be cooperation. In the EU, we promote cooperation, both internally and externally, applying what we call an “Integrated Approach”. This is in line with the spirit of the EU Global Strategy on EU's Foreign and Security Policy, presented in June 2016.

A strategy that was long due, considering that the European Security Strategy of 2003, which was until then the capstone document, referred to a Europe that "has never been so prosperous, so secure nor so free". This statement by no means reflected the geopolitical reality of 2016.
With the Global Strategy we had a **Soft-power** giant openly admitting that **Hard power** is far from being a thing of the past and that its –balanced– use remains relevant and a must in contemporary geopolitics. EU's Hard power had to be developed.

The reforms in the security and defence domain move in **three directions**: Deepening defence cooperation internally and with third parties, increasing EU defence capabilities and adjusting structures tools and financing. I will elaborate a little on the actions that are foreseen in each of these directions.

**Deepening defence cooperation:**

Here, the heart of the intended reforms is not so much procedures or protocols, but **changing the mindset** of the Member-States, showcasing that together we can achieve more than each of us individually. To that end, a number of initiatives were adopted and quickly launched.

- Undoubtedly, **Permanent Structured Cooperation (PESCO)**, lies at the core of this internal cooperation. A provision that already existed in the Treaties, offers a way to formalise cooperation among Member-States and bring it under the EU umbrella. 25 Member-States chose to participate and voluntarily undertake binding commitments against each other. Furthermore, national defence budgets deliver a fraction of their potential, resulting in both a financial bleeding and an ever-growing capability gap between the US and us. This situation costs to the European taxpayer from **25 to €100 billion** annually. It also results in 28 European Armed Forces operating 37 different types of armoured vehicles, 29 different types of major surface vessels and 20 types of fighter aircrafts. PESCO will be a turning point for European defence, as it allows the EU to support it with all the tools it can summon. We already have 17 joint PESCO projects covering areas as training, capability development and operational readiness in the field of defence and we are in the process of preparing a second list to be adopted by the Council.

- The **Coordinated Annual Review on Defence (CARD)** seeks to develop, on a voluntary basis, a more structured way to deliver identified capabilities based on greater transparency and commitment from Member-States.
• To prove how serious the Commission is in its engagement in strengthening the European defence, it announced in June 2017 the launch of a European Defence Fund (EDF). Through this, for the first time, the Commission will be funding defence-related capability development projects. A total of €13 billion will be dedicated from 2021-2027 to collaborative capability development (€8.9 billion) and for collaborative defence research (€4.1 billion).

• All the aforementioned initiatives are promoting internal defence cooperation. In parallel we also invest heavily in the cooperation with our partners, first and foremost with the United Nations (UN) and NATO but also with regional organisations. A deepened EU-NATO cooperation is the objective of both organisations. The mutual willingness to move ahead with this in a practical, yet results-oriented, way is clearly depicted in the Joint EU-NATO Declarations and is underlined by the 74 commonly proposed actions. I cannot think of a better example of how practical yet important and complementary this cooperation is, than the Military Mobility project. It is intended to lift all regulatory, procedural and physical obstacles that hamper the smooth surface movement of military personnel and assets across and beyond the EU. €6.5 billion will be allocated to this project in the years 2021-2027.

**Developing defence capabilities:**

The EU lacks a number of capabilities and strategic enablers that would render it capable to undertake certain missions and operations. These shortfalls hamper the EU’s capability to act as a credible security provider and undermine its ambition to be a global actor. A revised Capability Development Plan has been developed highlighting and prioritising these shortfalls, offering a clear picture of what we need to have and in which order.

**Adjusting structures, tools and financing:**

• The military-related structures within the EU had a number of flaws. This is why we set up in Brussels a single command center, the Military Planning and Conduct Capability (MPCC). It has been operational for more than a year now, successfully coordinating our military training missions in Mali, Somalia and the Central African Republic. It is a small but important
step towards the establishment of an EU Operation Headquarters that will coordinate every EU CSDP military engagement, executive or not.

- Establishing a clear line of Command tackled one of the two main problems we experience with our Missions and Operations. The other one is to adequately finance their activities. The existing too, the Athena mechanism did not perform as it should. As a result, either the training effort is in vein or, worse, third non like-minded parties step in and exploit the situation. To remedy this problem the HR/VP proposed the European Peace Facility (EPF). This new €10.5 billion fund, outside the EU budget, will enable the financing of operational actions that have military or defence implications.

- Our CSDP military Missions and Operations are also subjected to reform. The environment in which they operate develops, so do they. We have for instance, the mandate of EUNAVFORMED Sophia that was expanded to include the training of the Libyan Coastguard, or to enforce the UN Security Council decided arms embargo. EUNAVFOR Atalanta has gradually shifted its focus from suppressing piracy off the coast of Somalia to building the relevant Somali capacity. Similar reforms have also been implemented to the rest of the EU Missions and Operations, EUFOR Althea, EUTM Mali, EUTM RCA and EUTM Somalia.

I will stop here but I am ready to take any questions on the defence-related reforms in the EU.

Edited by Captain (GRC/N) Vasileios Loukovitis