

Mr Camille GRAND - Assistant Secretary General for Defence Investment

- First, let me thank you for this opportunity to speak to such an august gathering here today, bringing together some of the world leading experts including our friends from ARSAG.

- I must also warmly thank the EDA Chief Executive, Mr Jorge Domecq and his team for the excellent organisation of this event and for supporting the superb cooperation between NATO and the EDA for this conference and on progressing the issue of Air to Air Refuelling.

- All of us here in the room are aware that NATO and EU are increasingly mentioned together. However, from my perspective, that's only natural. I see NATO and EU as being both unique and complementary. Let me explain some key reasons why:
 - We face the same threats and challenges. With threats from state and non-state actors, from terrorism and hybrid warfare to cyber threats.
 - We share 22 Members.

- Both NATO and EU are force multipliers. Our organisations are key to fostering and coordinating Nations' investments.
- One of my roles as ASG for Defence Investment is to nurture multinational cooperation, and to stimulate more transatlantic defence, technological and industrial cooperation.
- Multinational cooperation is important to NATO, as is the cooperation with the EU. This cooperation was highlighted by the Heads of State and Government at the recent Brussels Summit when they said:
 - *"The capabilities developed through the defence initiatives of the EU and NATO should remain coherent, complementary and interoperable. They should be available to both organisations, subject to the sovereign decisions of the countries that own them."*
- This senior level direction should cascade down to national capability development experts. However, as we all know, members of both our organisations play a key role in transforming this intent into a reality.
- To me there are many benefits to enhanced cooperation.

- This would support EU's strategic ambition, and as NATO Heads of State and Government often state, a stronger EU will make NATO stronger as well.
- With these key drivers in mind, it is not surprising that NATO-EU relations have developed to unprecedented levels in the past years. Let me talk for a few moments about the developments in three specific areas:
- Firstly, regarding the common threats and challenges, NATO and EU have developed 74 common proposals under the NATO-EU Joint Declaration signed by our leaders two years ago.
- The objectives and high level of ambition of the Joint Declaration were reconfirmed in the new Declaration signed at the July Summit by Presidents Tusk and Juncker and Secretary General Stoltenberg.
- As practical examples of this cooperation, we now work together across a number of areas including: hybrid issues, cyber defence, military mobility, military operations and we train together in table top exercises, to name just a fewAnd of course, we cooperate on capability delivery, including aviation issues such as Air-to-Air Refuelling.

- One of main deliverables that is already visible is the stronger working relationship between our NATO and EU staffs. Working together on a daily basis to avoid unnecessary duplication between EU projects and NATO efforts.
- Secondly, we share 22 Members. That is the easy part. What we need to ensure is the fullest possible involvement of non-EU Allies and non-NATO EU Member States in respective initiatives. Transparency towards non-EU Allies and non-NATO Member States is also essential.
- Finally, as I touched on up front, both NATO and EU are force multipliers in fostering and coordinating our Nations' investments.
- Cooperation on capability development is developing in the context of the recent EU initiatives on the European Defence Fund and PESCO, and as I mentioned earlier in the context of the NATO-EU Joint Declaration. I actively support and promote our developing cooperation between our organisations.
- Let me talk for a moment now about the current situation regarding defence spending in NATO.

- As I am sure you will be aware, the need for a higher level of defence investment and fairer burden-sharing was a clear message sent by Heads of State and Government at the NATO Summit in July.
- All Allies have recognised this need and after a quarter of a century of austerity measures, Allies are now increasing their defence spending.
- Since the beginning of 2017, European Allies and Canada have added an additional 41 billion dollars (+/- 35 billion Euro) to their defence spending, in constant prices.
- This year, 8 of our nations have committed to devote at least 2% of GDP on defence, while a majority of Allies have plans to do so by 2024. This is good news, but there is still more to do. This is also creating new opportunities.
- In capability development, and NATO-EU cooperation overall, cooperation between NATO and the EU make both organisations more than the sum of their parts.
- In this respect and from my perspective, it is of secondary importance as to in which of our two organisations the multinational cooperation for delivering these required capabilities happens.

- Aviation, including Air-to-air refueling, is clearly an area where the uniqueness and complementarity of NATO and the EU are used to their best effect.
- Let me give you three examples of NATO-EU cooperation in the aviation domain:

Firstly, Aviation in the Western Balkans.

- NATO leads on aviation issues in the Western Balkans through the Balkans Aviation Normalisation Meetings (BANM) process which involves close cooperation with the EU, EUROCONTROL and ICAO.
- After a successful re-opening of the upper airspace in 2014 for civilian traffic overflights the focus shifted to participation in bilateral discussions with Belgrade and Pristina regarding political, operational and technical activities necessary for the normalisation of the lower airspace over Kosovo.
- The ultimate objective remains the establishment of direct routes from Pristina to cities of the region, including the route “Pristina – Belgrade”.
- This work simply would not happen without strong cooperation between our organisations.

Secondly, Air Traffic Management Performance Equivalence

- This is a NATO / Industry (NIAG) Study on Performance Equivalence (SG-222) involving teams from across the aerospace industry supported by a Sponsor team that includes representatives from IS-DI, EDA, EUROCONTROL, EASA, NETMA and the Joint User Groups from the different platform types.
- The aim is to identify the processes which will enable state owned/military aircraft to operate in civil airspace that is subject to Performance Based Navigation criteria i.e. Single European Skies and its equivalent (NextGen) in North America.
- In order to do this military/state owned aircraft will need to be certified by the state that they are compliant by:
 - Equipage – fitting civil certified ATM-CNS equipment. This will predominantly apply to transport aircraft or platforms, such as ISR, that are commercial derivatives;
 - Performance Equivalence – existing or future military equipment provides the data required for civil Air Traffic Management.

- or, by exception, Exemption with accepted limitations on operations in time and space.
- The NIAG Study is due to report by the end of the year thereafter the issue will be taken forward with the good cooperation by NATO, EDA and EUROCONTROL and supported by the Sponsor Team involved in the study.

...and finally Air-to-Air Refuelling (AAR) which is the topic of our debates today

- There has been close collaboration between NATO and the EU on AAR since the discussion on Lessons Identified from Libya at the NATO Chicago Summit in 2012 - long before the signature of the Joint Declaration in 2016.
 - This work has involved the development of the Multi-National MRTT Fleet (MMF). A flagship of Multi-national cooperation where NATO and the EDA have worked closely together, for example there was an agreement between OCCAR and the NSPO for the acquisition phase. It has been my pleasure and our pride to host signing ceremonies on the margins of NATO Defence Ministerial Meetings involving more and more Nations and to see EDA OCCAR and NSPA to work closely together to make this happen.

- All of this was made possible by the close coordination of agendas and the joint pre-planning of activities.
- So what progress has been made?
 - There has been a significant improvement in AAR capability in Europe through the modernization of AAR platforms. The changeover to the A330-MRTT by UK and France and the delivery of the multi-national MMF supported by 5 NATO (and EU) nations will make a significant difference. Modern reliable aircraft with greater capacity go a long way to address many of the issues that impacted operational flexibility over Libya in 2011.
 - However, in terms of meeting the NATO requirement there is still a 30% shortfall in AAR capacity in Europe. The EDA using a different approach came up with broadly the same answer.
 - Buying more aircraft is an obvious solution, but perhaps we need to make better use of what we have:
 - Personnel – do we have the correct numbers to fly, maintain and plan?

- Interoperability – resolving the AAR Clearances issue would help to minimize limitations in a multinational environment;
 - Processes & Procedures – we need optimisation tools for AAR planning; and the use of Autonomous AAR (A3R) to reduce the time taken to refuel with obvious benefits.
- Addressing some or all of these issues will have an impact on operational flexibility and effectiveness.
 - Not addressing these issues will mean we will continue to have to deal with limitations similar to those faced in support of operations over Libya in 2011.
- So progress in NATO-EU cooperation has been very positive in the past years, but going forward, in order to fully realise the potential of the NATO-EU relationship, we need to ensure:
 - That forces and capabilities generated through the EU's initiatives are also available for NATO commitments. We cannot have 2 sets of forces.
 - coherence and complementarity between NATO and EU efforts on capability development. We do not have the luxury for nations to be presented with conflicting requirements and priorities.

- Doing things differently would be a waste of scarce resources as NATO and EU also have a single set of taxpayers.
- In addition, NATO and EU benefit from defence industries with strong Trans-Atlantic links.
- One point I have not expanded on, but is high on our agenda is the excellent progress we have achieved in the area of Rapid Air Mobility. Through strong relationships and a clear understanding of the need to deliver on military mobility, we have recently announced the Interim Operating Capability for Rapid Air Mobility – enabling a faster, richer air response from NATO nations in times of crisis. A powerful deterrent for the Alliance.
- This could not have been achieved without the close working relationships forged between our staff and EUROCONTROL. And I am aware of the work underway under the lead of EDA which also brings much to this Europe wide approach.

CONCLUSION

- In conclusion, of course, the political landscape for NATO-EU cooperation is not easy. The consequences of Brexit are not yet fully understood and political limitations influence sometimes cooperation between our two organisations.

- However, this is why closer NATO-EU cooperation and complementarity is vital.
- Our dialogue is essential to leverage any possible synergies and avoid unnecessary overlaps and redundancies.
- NATO and EU are natural partners, we share the same values, the same challenges and the same people. We can be proud of the unprecedented progress on NATO-EU cooperation over the past two years.
- The NATO summit in July reconfirmed the will on both sides to further reinforce our cooperation aimed at strengthening European security in a degraded security environment and defence which contributes to Trans-Atlantic burden sharing.
- Thank you for your attention and I wish you all a very engaging and cooperative conference.