



Jorge Domecq - Keynote Speech

Kangaroo Group Breakfast Debate

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Topic: “Coherent approach to the implementation of the EU defence initiatives”

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- Distinguished Members of the European Parliament, dear Guests, Ladies and Gentlemen,
- First of all, **thank** you president Gahler and Kangaroo group for this kind invitation to speak in this breakfast debate.
- Allow me to start by using this opportunity to **congratulate** to all of the elected members of the European Parliament and wish them all the best in their term in office. European Defence Agency, as always, stands ready to cooperate and engage with all MEPs and the relevant committees.
- Today I am here to discuss with you the current state of affairs of European defence, a topic which is very high on



the agenda of European institutions and bodies, including the European parliament.

- I will give a short introductory overview of the ongoing EU defence initiatives and then present how they are interlinked in a comprehensive and coherent manner.
- As you may 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 the immediate EU neighbourhood, the EU Global Strategy for the first time spoke about the Union as a global security provider.
- 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, namely **CARD, PESCO and EDF** with the aim to boost defence cooperation among Member States
- The first initiative, **Coordinated Annual Review on Defence or CARD** is an annual review process of MS defence expenditures and capability development plans, with the aim to identify shortfalls, but also future cooperative opportunities. To put it simple, by establishing a regular annual review of the state of MS defence we will be able to identify areas in need of investment and cooperation between the MS and allow MS to synchronise their



defence plans and coordinate their future capability developments. So far, we've tested this new process in the so-called CARD Trial Run which took place from September 2017 to November 2018, when the report on the Trial Run was presented to Ministers of Defence. Let me just give you one of the most indicative takeaways from the Trial Run report. Even though the analysis showed an overall increase of investment in defence capabilities across the MS, it identified at the same time an urgent need to invest in defence Research and Innovation in Europe. Investment in defence research and development has decreased from 23,5% of total investment in 2015 to 21% in 2017 and is estimated to decrease further over time. Only eight Member States represent 95% of European defence R&T expenditure. This clearly shows the direction we need to take collectively as EU in the years to come, if we want to fulfil our duty as security provider for our citizens.

The first full CARD cycle will begin this autumn and its results, to be delivered in November 2020, will give us for the first time a full and comprehensive overview of the entire European defence landscape.

- 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. Since the



establishment, pMS have been engaging in 2 rounds of calls for projects, resulting in 34 PESCO projects, with a 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 more binding commitments pMS adhered to, expressing a common willingness to strengthen European defence, which resulted in already clear positive trajectory of the increase 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 cooperative endeavours in defence becoming the norm. There is still considerable scope for improvement. These efforts must be sustained and, where necessary, further reinforced to bringing the Member States' defence into line to be able to grow, plan, develop and operate together.

- 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 test how the future EDF would function, PADR and EDIDP. The implementation of the Preparatory Action on Defence Research (PADR) by EDA is going very well with the calls for proposals for the final year were launched in March. Meanwhile the implementation of the European Defence Industrial Development Programme (EDIDP) by the Commission is progressing with the 2019-2020 Work



Programme adopted in March and the calls for proposals launched in April. 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 driven by competitive companies on 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 EU Capability Development Priorities.

- Allow me to now introduce the key piece in the puzzle which enables for all of the 3 defence initiatives to work together. This essential element that binds them all together are the agreed **EU Capability Development Priorities**.
- Through a detailed process of prioritisation in the framework of EDA, in June 2018 MS have identified 11 EU Capability Development Priorities. 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. These priority areas identified what we need to focus our efforts on and investments in each domain; land, maritime, air, space or cyber.

- These 11 CDP Priorities serve as a baseline for all 3 initiatives. In CARD, we will analyse the state of our defence systems in comparison to those identified priorities. In PESCO, we need to develop collaborative projects to fulfil the priorities' objectives. And in EDF, we provide funds to support the development of identified priorities, with a bonus, if in PESCO framework.
- For all of these initiatives to produce results, it's essential to implement them in a coherent and comprehensive manner. The need for all of them to be interlinked and correlated was identified early on in **EDA**, the only European agency present in both CARD, PESCO and in test cases of the EDF. 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.
- From the beginning we have been working on the coherence of the 3 initiatives, binding them to CDP priorities and making them output oriented. We listened to MS calls for strengthening the coherence and ensuring that all initiatives interact. We've set up a timetable which enables for the CARD's identified recommendations to feed into the assessment of the PESCO project calls and EDF project calls. And in addition, we've just developed detailed and elaborate implementing documents, so called **Strategic Context Cases or SCCs**, with clear short,

mid and long-term avenues of approach for delivering the identified CDP priorities in any of the preferred frameworks, be it PESCO, EDF, EDA or others. These documents endorsed by the participating Member States just 2 weeks ago will serve as reference point not only on EU level, but also for national defence planners and defence industries and SMEs around Europe, ensuring coherence much wider than the narrow Brussels bubble.

- How does it work in practice? Let me illustrate it by using an example from the **Cyber domain**. Fast technological developments in that sector and disruptive consequences of cyber-attacks have put in the spotlight the need for effective cyber defence. Cyber response capabilities are number one CDP Priority where we identified a short-term urgency to enhance cyber cooperation and synergies among MS and other institutional actors.
- Further on the initial CARD Trial Run showed the shortfalls in cyber defence and identified that domain as one of the top collaborative areas among MS. MS also pursued the cyber defence projects in the PESCO framework.
- EDA is currently assisting MS in developing a project on Cyber Rapid Response Teams and Mutual Assistance in Cyber Security. Similarly, Preparatory Action for Defence Research (PADR), a precursor of the EDF, is running projects focusing on cyber defence of new and emerging

technologies. It's evident that clearly identified priority and subsequent collaborative efforts and targeted funding will result in stronger and more efficient cyber defence capabilities.

- Let me conclude with the following.
- We have launched this whole process only 3 years ago and we have already come this far with fully established and consolidated procedures. What matters now is to focus on implementation and not invent new tools and processes.
- Embarking on another journey of drafting new Strategies or White books will only divert attention from implementation and much needed outputs. We have never been this united and engaged on defence. We should avoid discussions which might prove divisive and that will endanger the efforts put into achieving this historic high Level of Ambition and will risk us to fall back on it. Knowing the amount of time needed to build high-end defence capabilities, I would strongly advise against slowing down or restarting some new initiatives.
- 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.
- EDA stands ready to safeguard the output oriented and focused work. It is the only place where MS come together to set the defence priorities and plan together and the Agency further on ensures that this will coherently guide the work 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.
- In doing so, EU entities, bodies and institutions (CJON, EEAS/EUMS, EUMC, EDA) need to cooperate within their respective areas of responsibility. A lot has been achieved but more needs to be done in support of Member States.
- Thank you