

# DEFENCE MATTERS



**EU KEY DOCUMENTS**

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# Defence matters



**EU KEY DOCUMENTS**



## **Foreword**

*Antonio Missiroli* ..... **v**

## **European Council**

European Council 13/14 December 2012  
Conclusions [EUCO205/12 — Brussels,  
14.12.2012] ..... **1**

## **European Commission**

Communication from the Commission to the  
European Parliament, the Council, the European  
Economic and Social Committee and the Committee  
of the Regions  
Towards a more competitive and efficient defence  
and security sector  
COM(2013)542-final Brussels, 24.7.2013 ..... **5**

## **EU High Representative**

Preparing the December 2013 European Council  
on Security and Defence  
Final Report by the High Representative on the  
Common Security and Defence Policy  
Brussels, 15.10.2013 ..... **43**

## **European Parliament**

Report on the implementation of the Common Security and Defence Policy (based on the Annual Report from the Council to the European Parliament on the Common Foreign and Security Policy)

Committee on Foreign Affairs.

Rapporteur: Maria Eleni Koppa

(14605/1/2012 — C7-0000/2013 — 2013/2105 (INI)) 31.10.2013 .....

**97**

## **Council of the European Union**

Conclusions on the Common Security and Defence Policy Education, Youth, Culture and Sport Council meeting, Brussels 25-26.11.2013 .....

**121**

## **European Council**

European Council 19/20 December 2013  
Conclusions

EUCO217/13 Brussels, 20.12.2013 .....

**151**

## Foreword

When European Council President Herman van Rompuy proposed, in December 2012, to 'launch work on the further development of the EU's Common Security and Defence Policy' with the commitment to 'return to this issue in December 2013', virtually all EU institutions and relevant bodies, departments, agencies and working groups engaged in an exercise that has involved simultaneously taking stock of achievements, assessing shortfalls, and identifying avenues for the future.

The collective mobilisation of the year 2013 has produced a number of dedicated analytical and policy papers – including by independent think tanks and research institutes – that amount to the most systematic survey of European defence in ten years. This pocket-sized compendium collects the official documents generated by all EU institutional actors in preparation of the 'defence summit' of 19/20 December 2013 and the Conclusions adopted by the EU Heads of State and Government at the end of the whole process.

Taken together, these documents represent both a point of arrival and a point of departure (with a view to the progress report scheduled for June 2015) and, hopefully, also an essential point of reference for all those who work in this field.

**Antonio Missiroli**  
Paris, April 2014





# EUROPEAN COUNCIL CONCLUSIONS

**13/14 December 2012**

**The European Council** [...] decided to launch work on the further development of the EU's Common Security and Defence Policy and will return to this issue in December 2013. [...]

## **Common Security and Defence Policy**

20. The European Council recalls its conclusions of December 2008 and notes that in today's changing world the European Union is called upon to assume increased responsibilities in the maintenance of international peace and security in order to guarantee the security of its citizens and the promotion of its interests.

21. In this regard, the European Council remains committed to enhancing the effectiveness of the Common Security and Defence Policy (CSDP) as a tangible EU contribution to international crisis management. The EU plays an important role in its neighbourhood and globally. The European Council recalls that CSDP missions and operations are an essential element of the EU's comprehensive approach in crisis regions, such as the Western Balkans, the Horn of Africa, the Middle East, Sahel, Afghanistan and the South Caucasus and remains committed to increasing their operational effectiveness and efficiency. It also recalls that CSDP missions and operations should be carried

## EUROPEAN COUNCIL CONCLUSIONS

out in close cooperation with other relevant international actors, such as the UN, NATO, the OSCE and the African Union, as well as partner countries, as called for in each specific situation. Enhancing the cooperation with interested partners in Europe's neighbourhood is of particular importance in this regard.

22. To deliver on security responsibilities, the European Council underlines that EU Member States must be ready to provide future-oriented capabilities, both in the civilian domain and in the field of defence. The European Council stresses that current financial constraints highlight the urgent necessity to strengthen European cooperation in order to develop military capabilities and fill the critical gaps, including those identified in recent operations. It also underlines the benefits such cooperation may have for employment, growth, innovation and industrial competitiveness within the European Union.

23. The European Council invites the High Representative, notably through the European External Action Service and the European Defence Agency, as well as the Commission, all acting in accordance with their respective responsibilities and cooperating closely as required, to develop further proposals and actions to strengthen CSDP and improve the availability of the required civilian and military capabilities, and to report on such initiatives, at the latest by September 2013, with a view to the December 2013 European Council. Member States will be closely involved throughout this process.

24. To that end, the European Council underlines i.a. the following issues:

Increase the effectiveness, visibility and impact of CSDP by

- further developing the comprehensive approach to conflict prevention, crisis management and stabilisation, including by developing the ability to respond to emerging security challenges;
- strengthening the EU's ability to deploy the right civilian and military capabilities and personnel rapidly and effectively on the whole spectrum of crisis management action.

Enhance the development of defence capabilities by

- identifying current redundancies and capabilities shortfalls and prioritising future requirements for European civilian and military capabilities;
- facilitating a more systematic and longer term European defence cooperation, including through 'pooling and sharing' of military capabilities; and in this regard, systematically considering cooperation from the outset in national defence planning by Member States;
- facilitating synergies between bilateral, sub-regional, European and multilateral initiatives, including the EU's 'pooling and sharing' and NATO's 'smart defence'.

## EUROPEAN COUNCIL CONCLUSIONS

Strengthen Europe's defence industry by

- developing a more integrated, sustainable, innovative and competitive European defence technological and industrial base;
- developing greater synergies between civilian and military research and development; promoting a well-functioning defence market, in particular through the effective implementation of the directives on public procurement and on intra-EU transfers, open to SMEs and benefiting from their contributions.

25. The European Council will in December 2013 review progress achieved in pursuing these goals, assess the situation and, on the basis of recommendations by its President, provide guidance, including by setting priorities and timelines, to ensure the effectiveness of EU efforts aimed at meeting Europe's security responsibilities.

# EUROPEAN COMMISSION

COMMUNICATION FROM THE COMMISSION TO THE  
EUROPEAN PARLIAMENT, THE COUNCIL, THE  
EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND  
THE COMMITTEE OF THE REGIONS  
COM(2013) 542 final, Brussels, 24.7.2013

## **Towards a more competitive and efficient**

### **Defence and security sector**

*“The world needs a Europe that is capable of deploying military missions to help stabilise the situation in crisis areas.... We need to reinforce our Common Foreign and Security Policy and a common approach to defence matters because together we have the power, and the scale to shape the world into a fairer, rules based and human rights’ abiding place.”*

President Barroso, State of the Union Speech, September 2012

*“The Council reiterates its call to retain and further develop military capabilities for sustaining and enhancing the CSDP. They underpin the EU’s ability to act as a security provider, in the context of a wider comprehensive approach (and) the need for a strong and less fragmented European defence industry to sustain and enhance Europe’s military capabilities and the EU’s autonomous action”.*

Foreign Affairs Council, 19 November 2012, Conclusions

# EUROPEAN COMMISSION

## 1. EUROPEAN COMMISSION'S CONTRIBUTION TO STRENGTHENING EUROPE'S DEFENCE AND SECURITY SECTOR

This Communication builds on the work of the Commission's Defence Task Force established in 2011 with the objective to strengthen the defence sector by mobilising all relevant EU policies. The EEAS and EDA have been fully associated to the work of the Task Force and in the preparation of this Communication.

### 1.1. INTRODUCTION

The strategic and geopolitical environment is rapidly and constantly evolving. The world's balance of power is shifting as new centres of gravity are emerging and the US is rebalancing its strategic focus towards Asia. In this situation, Europe has to assume greater responsibilities for its security at home and abroad. To punch its weight, the EU needs to develop a credible CSDP. This evolution must be fully compatible with NATO and its principles.

The security challenges we are facing today are numerous, complex, interrelated and difficult to foresee: regional crises can occur and turn violent, new technologies can emerge and bring new vulnerabilities and threats, environmental changes and scarcity of natural resources can provoke political and military conflicts. At the same time, many threats and risks spread easily across national borders, blurring the traditional dividing line between internal and external security.

## Defence and security sector

These security challenges can only be tackled in a comprehensive approach combining different policies and instruments, short and long-term measures. This approach must be underpinned by a large range of civil and military capabilities. It is increasingly unlikely that Member States can bear this burden in isolation.

This is the case in particular for defence, where new equipment is often technologically complex and expensive. Today, Member States encounter difficulties to equip their armed forces adequately. Recent operations in Libya have highlighted important European shortfalls in key military capabilities.

The crisis in public spending induces cuts in defence budgets which exacerbates the situation, in particular, because they are neither co-ordinated nor implemented with regard to common strategic objectives. From 2001 to 2010 EU defence spending declined from €251 billion to €194 billion. These budget cuts are also having a serious impact on the industries that develop equipment for our armed forces with cutbacks in existing and planned programmes. They affect in particular the investment in defence R&D that is crucial for developing capabilities of the future. Between 2005 and 2010 there was a 14% decrease in European R&D budgets down to €9 billion; and the US alone spends today seven times more on defence R&D than all 27 EU Member States together.

Defence budgets are falling, and the cost of modern capabilities is rising. These cost increases come from the long-term trend of growing technological complexity of defence equipment, but also

## EUROPEAN COMMISSION

from the reduction of production volumes which are due to the reorganisation and downsizing of European armed forces since the end of the Cold War. These factors will continue to shape defence markets in Europe regardless of budget levels.

This situation has knock-on effects for an industry that plays a crucial role in the wider European economy. With a turnover of €96 billion in 2012 alone, it is a major industrial sector, generating innovation and centred on high-end engineering and technologies. Its cutting-edge research has created important indirect effects in other sectors, such as electronics, space and civil aviation and provides growth and thousands of highly skilled jobs. Defence industry in Europe directly employs about 400,000 people and generates up to another 960,000 indirect jobs. It is, therefore, a sector that is essential to retain if Europe is to remain a world-leading centre for manufacturing and innovation. This is why action to strengthen the competitiveness of the defence industry is a key part of the Europe 2020 Strategy for smart, sustainable and inclusive growth.

At the same time, the importance of this industry cannot be measured only in jobs and turnover. The European Defence Technological and Industrial Base (EDTIB) constitutes a key element for Europe's capacity to ensure the security of its citizens and to protect its values and interests. Europe must be able to assume its responsibilities for its own security and for international peace and stability in general. This necessitates a certain degree of strategic autonomy: to be a credible and reliable partner, Europe must be able to decide and to act without



depending on the capabilities of third parties. Security of supply, access to critical technologies and operational sovereignty are therefore crucial.

Currently defence companies are surviving on the benefits of R&D investment of the past and have been able to successfully replace falling national orders with exports. However, this often comes at the price of transfers of technology, IPRs and production outside the EU. This in turn has serious implications for the long-term competitiveness of the EDTIB.

The problem of shrinking defence budgets is aggravated by the persisting fragmentation of European markets which leads to unnecessary duplication of capabilities, organisations and expenditures. Cooperation and EU-wide competition still remains the exception, with more than 80% of investment in defence equipment being spent nationally. As a result, Europe risks losing critical expertise and autonomy in key capability areas.

This situation necessitates a reorientation of priorities. If spending more is difficult spending better is a necessity. There is significant scope to do so. In spite of cuts, in 2011 EU Member States together still spent more on defence than China, Russia and Japan together.<sup>1</sup> Budgetary constraints must therefore be compensated by greater cooperation and more efficient use of resources. This can be done via supporting clusters, role specialisation, joint research and procurement, a new, more dynamic approach to civil-military synergies and more market integration.

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1. SIPRI data.

# EUROPEAN COMMISSION

## 1.2. THE COMMISSION'S STRATEGY

Defence is still at the heart of national sovereignty and decisions on military capabilities remain with Member States. However, the EU does have a significant contribution to make. It has policies and instruments to implement structural change and it is the best framework for Member States to maintain collectively an appropriate level of strategic autonomy. With Members States having amongst themselves around 1.6 million soldiers and annual defence budgets of €194 billion the EU has the capacity to be a strategic actor on the international stage, in line with its values.

The European Council, in its Conclusions of 14 December 2012, therefore called upon "... the High Representative, notably through the European External Action Service and the European Defence Agency, as well as the Commission, (...) to develop further proposals and actions to strengthen CSDP and improve the availability of the required civilian and military capabilities...".

The ultimate objective is to strengthen European defence to meet the challenges of the 21st century. Member States will be in lead on many of the necessary reforms. The European Defence Agency (EDA) has as its mission to support them in their effort to improve the Union's defence capabilities for the CSDP. The Commission can also make an important contribution, and it has already started to do so. As President Barroso has stressed: "The Commission is playing its part: we are working towards a single defence market. We are using our competences provided

under the Treaty with a view to developing a European defence industrial base.”

With these objectives in mind, the Commission has put forward the two Directives on defence and sensitive security procurement (2009/81) and transfers (2009/43), which constitute today the cornerstone of the European defence market. Moreover, it has developed industrial policies and specific research and innovation programmes for security and space. The Commission has also developed policies and instruments supporting both internal and external security in areas such as protection of external borders, maritime surveillance, civil protection, or crisis management, which have numerous technological, industrial, conceptual and operational similarities and links with defence.

The present Communication consolidates this *acquis* and develops it further within the scope of its competencies as defined in the Treaty of Lisbon. It tries, in particular, to exploit possible synergies and cross-fertilisation which come from the blurring of the dividing line between defence and security and between civil and military.

To achieve these objectives, the Commission intends to take action in the following strands:

- Further deepen the internal market for defence and security. This means first of all to ensure the full application of the two existing Directives. Based on this *acquis*, the Commission will also tackle market distortions and contribute to improving security of supply between Member States;

## EUROPEAN COMMISSION

- Strengthen the competitiveness of the EDTIB. To this end, the Commission will develop a defence industrial policy based on two key strands:
  - Support for competitiveness – including developing ‘hybrid standards’ to benefit security and defence markets and examining the ways to develop a European certification system for military airworthiness.
  - Support for SMEs – including development of a European Strategic Cluster Partnership to provide links with other clusters and support defence-related SMEs in global competition.
- Exploit civilian military synergies to the maximum extent possible in order to ensure the most efficient use of European tax payers’ resources. In particular by:
  - concentrating its efforts on possible cross-fertilisation between civil and military research and the dual-use potential of space;
  - helping armed forces reduce their energy consumption and thereby contribute to the Union’s 20/20/20 targets.
- In addition, the Commission suggests actions which aim at exploring new avenues, driving the strategic debate in Europe forward and preparing the ground for more and deeper European cooperation. In particular by:
  - Assessing the possibility of EU-owned dual-use capabilities, which may in certain security areas complement national capabilities and become effective and cost-efficient force

multipliers;

- Considering launching a preparatory action for CSDP-related research focusing on those areas where EU defence capabilities are most needed.

The Commission invites Heads of State and Government to discuss this Communication at the European Council in December 2013, together with the report prepared by the High Representative of the Union for Foreign Affairs and Security Policy.

### **ACTION PLAN<sup>2</sup>**

#### **2. STRENGTHENING THE INTERNAL MARKET FOR DEFENCE**

##### **2.1. ENSURE MARKET EFFICIENCY**

- With the Defence and Security Procurement Directive 2009/81 being fully transposed in all Member States, the regulatory backbone of a European Defence Market is in place. For the first time specific Internal Market rules are applicable in this sector to enhance fair and EU-wide competition. However, defence remains a specific market with a longstanding tradition of national fragmentation. The Commission will therefore take specific measures to ensure that the Directive is correctly applied and fulfils its objective.

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2. Any envisaged action in this Action Plan is coherent and compatible with the relevant financial instruments established under the Multi-annual Financial Framework.

## EUROPEAN COMMISSION

### **Action:**

- The Commission will monitor the openness of Member States' defence markets and regularly assess via the EU's Tenders Electronic Daily (TED) and other specialised sources how the new procurement rules are applied. It will coordinate its market monitoring activities with those of the EDA in order to exploit potential synergies and avoid unnecessary duplication of efforts.

In times of budget constraints, it is particularly important to spend financial resources efficiently. Pooling of demand is an effective way of achieving this objective. The Directive contains specific provisions on central purchasing bodies which enable Member States to use the new rules also for joint procurement, for example via the EDA. Member States should use this tool as much as possible to maximise economies of scale and take full benefit of EU-wide co-operation.

Certain contracts are excluded from the scope of the Directive, since the application of its rules would not be appropriate. This is particularly the case for cooperative programmes, which are an effective means to foster market consolidation and competitiveness.

However, other specific exclusions, namely those of government to government sales and of contract awards governed by

international rules, might be interpreted in a way undermining the correct use of the Directive. This could jeopardize the level playing field in the internal market. The Commission will therefore ensure that these exclusions are interpreted strictly and that they are not abused to circumvent the Directive.

**Action:**

- The Commission will clarify the limits of certain exclusions. To that end, it will provide, in consultation with Member States, specific guidance, notably on government to government sales and international agreements.

### 2.2. TACKLE MARKET DISTORTIONS

In order to further develop the Internal Market for defence and work towards a level playing field for all European suppliers, the Commission will tackle persisting unfair and discriminatory practices and market distortions. It will in particular mobilise its policies against offsets, i.e. economic compensations required for defence purchases from non-national suppliers. Offset requirements are discriminatory measures which stand in contrast to both EU Treaty principles and effective procurement methods. They can therefore not be part of the internal market for defence.

**Action:**

- The Commission will ensure the rapid phasing out of offsets.

## EUROPEAN COMMISSION

Since the adoption of the defence procurement directive, all Member States have withdrawn or revised their national offset legislation. The Commission will verify that these revisions comply with EU law. It will also ensure that these changes in the legal framework lead to an effective change in Member States' procurement practice.

The Commission has extensively applied the merger control rules to the defence sector. Those cases allowed the Commission to guarantee effective competition control, contributing to an improved functioning of the market for defence. Concerning state aid, and in line with the Communication on the Modernisation of State Aid policy, public spending should become more efficient and better targeted. In that respect, state aid control has a fundamental role to play in defending and strengthening the internal market, also in the defence sector.

Member States have an obligation, under the Treaty, to notify to the Commission all state aid measures, including aid in the pure military sector. They may only derogate from that obligation if they can prove that non-notification is necessary for reasons of essential security interests under Article 346 TFEU. Therefore, if a Member State intends to rely on Article 346, it must be able to demonstrate that the concrete measures in the military sector are necessary and proportionate for the protection of their essential security interests and that they do not go beyond what is strictly necessary for that purpose. The burden of proof that



these conditions are fulfilled lies upon Member States.

### **Action:**

- The Commission will ensure that all necessary conditions are fulfilled when Article 346 TFEU is invoked to justify state aid measures.

### 2.3. IMPROVE SECURITY OF SUPPLY

Security of supply is crucial to ensure the functioning of the internal market for defence and the Europeanisation of industrial supply chains. Most security of supply problems are the responsibility of Member States. However, the Commission can develop instruments which enable Member States to improve the security of supply between them. Directive 2009/43 on intra-EU transfers is such an instrument, since it introduces a new licencing system which facilitates the movement of defence items within the internal market. Member States should now fully exploit the possibilities of this Directive to enhance security of supply within the Union.

### **Actions:**

- The Commission, together with the EDA, will launch a consultative process aimed at bringing about a political commitment by Member States to mutually assure the contracted or agreed supply of defence goods, materials or

## EUROPEAN COMMISSION

services for the end-use by Member States' armed forces.

- The Commission will optimise the defence transfer regime by: (a) supporting national authorities in their efforts to raise awareness of it with industry; (b) establishing a central register on general licences and promote their use; and (c) promoting best practices in managing intra-EU transfers.

Security of supply depends also on the control and ownership of critical industrial and technological assets. Several Member States have national legislation for the control of foreign investment in defence industries. However, the more international industrial supply chains become, the more can a change of ownership of one company (also at lower tiers) have an impact on the security of supply of other Member States' armed forces and industries. It is also an issue affecting the extent of the autonomy Europe has, and wishes to retain, in the field of military capacity, as well as the general question of control of incoming foreign investment in that sector. A European approach may be needed to cope with this challenge.

### ***Action:***

- The Commission will issue a Green Paper on the control of defence and sensitive security industrial capabilities. It will consult stakeholders on possible shortfalls of the current system, including the possible identification of European

capacities, and explore options for the establishment of an EU-wide monitoring system, including mechanisms of notification and consultation between Member States.

### 3. PROMOTING A MORE COMPETITIVE DEFENCE INDUSTRY

The creation of a genuine internal market for defence requires not only a robust legal framework but also a tailored European industrial policy. The future of the EDTIB lies in more co-operation and regional specialisation around and between networks of excellence. A further reinforcement of their civil-military dimension, can foster more competition and contribute to economic growth and regional development. Moreover, in an increasingly globalised defence market it is essential that European defence companies have a sound business environment in Europe to enhance their competitiveness worldwide.

#### 3.1. STANDARDISATION – DEVELOPING THE FOUNDATIONS FOR DEFENCE CO-OPERATION AND COMPETITIVENESS

Most standards used in EU defence are civilian. Where specific defence standards are required they are developed nationally, hindering co-operation and increasing costs for the industry. Therefore, the use of common defence standards would greatly enhance co-operation and interoperability between European armies and improve the competitiveness of Europe's industry in emerging technologies.

## EUROPEAN COMMISSION

This highlights the need for creating incentives for the Member States to develop European civil-military standards. Clearly, these should remain voluntary and there must be no duplication with the standards-related work of NATO and other relevant bodies. However, much more could be done to develop standards where gaps and common needs are identified. This concerns particularly standards in emerging technologies, such as in Remotely Piloted Aircraft Systems (RPAS) and in established areas, such as in camp protection, where markets are underdeveloped and there is a potential to enhance the industry's competitiveness.

### ***Actions:***

- The Commission will promote the development of 'Hybrid Standards', for products which can have both military and civilian applications. It has already issued a standardisation request for such a "hybrid standard" in 2012 for Software Defined Radio. The next candidates for standardisation requests could deal with Chemical Biological Radiological Nuclear & Explosives (CBRNE) detection and sampling standards, RPAS, airworthiness requirements, data sharing standards, encryption and other critical information communication technologies.
- The Commission will explore options with the EDA and European Standardisation Organisations for establishing a mechanism to draft specific European standards for military products and applications after agreement with Member

States. The main purpose of this mechanism will be to develop standards to meet identified needs while handling sensitive information in an appropriate way.

- The Commission will explore with the EDA new ways of promoting existing tools for selecting best practice standards in defence procurement.

### 3.2. PROMOTING A COMMON APPROACH TO CERTIFICATION – REDUCING COSTS AND SPEEDING UP DEVELOPMENT

Certification, as with standards, is a key enabler for industrial competitiveness and European defence co-operation. The lack of a pan-European system of certification of defence products acts as a major bottleneck delaying the placing of products on the market and adds substantially to costs throughout the life-cycle of the product. There is a need for better arrangements in the field of the certification so that certain tasks currently performed at national level should be carried out in common.

In particular, in military airworthiness, according to the EDA, this is adding 50% to the development time and 20% to the costs of development. Moreover, having a set of common and harmonised requirements reduces costs by enabling cross-national aircraft maintenance or training of maintenance personnel.

Ammunition is another example. The lack of a common certification for ground launched ammunition is estimated to cost Europe €1.5 billion each year (out of a total of €7.5 billion spent on ammunition each year).

## EUROPEAN COMMISSION

### **Action:**

- Building on the civil experience of EASA, its experience gained by certifying the Airbus A-400M (in its civil configuration) and the work of the EDA in this area, the Commission will assess the different options for carrying out, on behalf of the Member States, the tasks related to the initial airworthiness of military products in the areas specified by the EDA.

### 3.3. RAW MATERIALS – TACKLING SUPPLY RISKS FOR EUROPE'S DEFENCE INDUSTRY

Various raw materials, such as rare earths elements, are indispensable in many defence applications, ranging from RPAS to precision guided munitions, from laser targeting to satellite communications. A number of these materials are subject to increased supply risks, which hamper the competitiveness of the defence sector. A key element of the EU overall raw materials strategy consists of a list of raw materials that are considered to be of critical importance to the EU economy. The current list of critical raw materials at EU level is expected to be revised by end 2013. Although these are often the same materials that are important for civil and defence purposes, there would be a clear value-added if this work would take into account the specific importance of raw materials to Europe's defence sector.

### **Action:**

- The Commission will screen raw materials that are critical for the defence sector within the context of the EU's overall raw materials strategy and prepare, if necessary, targeted policy actions.

### 3.4. SMEs – SECURING THE HEART OF EUROPE'S DEFENCE INNOVATION

The defence directives on procurement and transfers offer new opportunities for SMEs to participate in the establishment of a European defence market. This is the case in particular for the subcontracting provisions of the procurement directive which improves access to supply chains of non-national prime contractors. Member States should therefore actively use these provisions to foster opportunities for SMEs.

Further steps are necessary, in particular in the area of clusters. These are often driven by a prime company that works with smaller companies in a supply chain. Moreover, clusters are often part of networks of excellence bringing together prime contractors, SMEs, research institutes and other academic sectors.

Clusters are therefore particularly important for SMEs, as they offer them access to shared facilities, niches in which they can specialise, and opportunities to cooperate with other SMEs. In such clusters, companies can combine strengths and resources

## EUROPEAN COMMISSION

in order to diversify into, and create new markets and knowledge institutions. They can also develop new civilian products and applications based on technologies and materials initially developed for defence purposes (e.g. internet, GPS) or vice versa, which is an increasingly important trend.

### **Actions:**

- The Commission will explore with industry – taking a bottom-up approach - how to establish a European Strategic Cluster Partnership designed to support the emergence of new value chains and to tackle obstacles faced by defence-related SMEs in global competition. In this context, the Commission will use tools designed to support SMEs, including COSME, for the needs of defence-related SMEs. To this end the use of European Structural and Investment Funds may also be considered. This work will include clarifying eligibility rules for dual use projects.
- The Commission will also use the Enterprise Europe Network (EEN) to guide defence-related SMEs towards networking and partnerships, internationalisation of their activities, technology transfers and funding business opportunities.
- The Commission will promote regional networking with the objective of integrating defence industrial and research assets into regional smart specialisation strategies particularly through a European network of defence-related regions.



### 3.5. SKILLS – MANAGING CHANGE AND SECURING THE FUTURE

The defence industry is experiencing profound change to which Member States and industry must adapt. As the European Council in December 2008 stated: “restructuring of the European defence technological and industrial base, in particular around centres of European excellence, avoiding duplication, in order to ensure its soundness and its competitiveness, is a strategic and economic necessity”.

The restructuring process is mainly the responsibility of industry but there is a complementary role for the Commission, national governments and local authorities. The Commission and Member States have a range of European tools available that foster new skills and tackle the impacts of restructuring. These should be deployed with a clear understanding of the capabilities and technologies critical to the industry. The Commission will encourage Member States to make use of labour flexibility schemes to support enterprises, including suppliers, that suffer from temporary slump in demand for their products and to promote an anticipative approach to restructuring. In this context, Member States can use the support that can be provided by the European Social Fund (ESF) and in certain cases of mass redundancies also by the European Globalisation Adjustment Fund. An important foundation of this work will be to map existing skills and identify skills needed for the future, possibly on the basis of a European Sector Skills Council for Defence under the leadership of the sectors’ representatives.

## EUROPEAN COMMISSION

### **Actions:**

- The Commission will promote skills identified as essential to the future of the industry including through the 'Sector Skills Alliances' and 'Knowledge Alliances' programmes currently being trialled.
- The Commission will encourage the use of the ESF for workers' retraining and re-skilling, in particular for projects addressing skills needs, skills matching and anticipation of change.
- The Commission will take into account the potential of the European Structural and Investment Funds to support regions adversely affected by defence industry restructuring, especially to help workers to adapt to the new situation and to promote economic reconversion.

#### 4. EXPLOITING DUAL-USE POTENTIAL OF RESEARCH AND REINFORCING INNOVATION

Since a range of technologies can be dual in nature, there is growing potential for synergies between civil and military research. In this context, there is an on-going coordination between the Security Theme of the 7th Framework Programme for Research and Technological Development and European defence research activities. Work has so far concentrated on CBRNE and has recently also addressed cyber defence in the context of CSDP and its synergies with cyber security. A number of activities in this regard are announced in the EU's

Cyber Security Strategy, designed to make the EU's online environment the safest in the world. Furthermore, the SESAR Joint Undertaking has launched research activities on cyber security in the field of Air Traffic Management.

Within Horizon 2020, the areas of 'Leadership in Enabling and Industrial Technologies' including the 'Key Enabling Technologies' (KETs) and 'Secure Societies' (Societal Challenge), offer prospects of technological advances that can trigger innovation not only for civil applications, but also have a dual-use potential. While the research and innovation activities carried out under Horizon 2020 will have an exclusive focus on civil applications, the Commission will evaluate how the results in these areas could benefit also defence and security industrial capabilities. The Commission also intends to explore synergies in the development of dual-use applications with a clear security dimension or other dual-use technologies like, for example, those supporting the insertion of civil RPAS into the European aviation system to be carried out within the framework of the SESAR Joint Undertaking.

Defence research has created important knock-on effects in other sectors, such as electronics, space, civil aviation and deep sea exploitation. It is important to maintain such spill-over effects from defence to the civil world and to help defence research to continue feeding civilian innovation.

The Commission also sees the potential benefits of additional possibilities for CSDP-related research outside the scope of

## EUROPEAN COMMISSION

Horizon 2020. This could take the form of a Preparatory Action on defence capabilities critical for CSDP operations seeking synergies with national research programmes. The Commission will define content and modalities together with Member States, EEAS and the EDA. In parallel Member States should maintain an appropriate level of funding for defence research and do more of it co-operatively.

### **Actions:**

- The Commission intends to support a pre-commercial procurement scheme to procure prototypes. The first candidates for these could be: CBRNE detection, RPAS and communication equipment based on software defined radio technology.
- The Commission will consider the possibility to support CSDP-related research, such as through a Preparatory Action. The focus would be on those areas where EU defence capabilities would be most needed, seeking synergies with national research programmes where possible.

## 5. DEVELOPMENT OF CAPABILITIES

The Commission is already working on non-military capability needs supporting both internal and external security policies, such as civil protection,<sup>3</sup> crisis management, cyber security,

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3. In the case of civil protection the development of capabilities is set out in the Commission's proposal for a Decision of the European Parliament and of the Council on a Union Civil Protection Mechanism (COM (2011) 934 final.

protection of external borders and maritime surveillance. Up until now, these activities have been limited to co-funding and coordination of Member States' capabilities. The Commission intends to go one step further in order to ensure that Europe disposes of the full range of security capabilities it needs; that they are operated in the most cost-efficient way; and that interoperability between non-military and military capabilities is ensured in relevant areas.

### ***Actions:***

- The Commission will continue to enhance interoperability of information service sharing between civilian and defence users as piloted by the Common Information Sharing Environment for Maritime Surveillance;
- Building on existing EU networks, the Commission will explore together with Member States the establishment of a civil-military cooperation group in the areas of (a) detection technologies, and (b) methods to counter improvised explosive devices, man-portable air defence systems (MANPADs) and other relevant threats, such as CBRNE threats;
- The Commission will work with the EEAS on a joint assessment of dual-use capability needs for EU security and defence policies. On the basis of this assessment, it will come up with a proposal for which capability needs, if any, could best be fulfilled by assets directly purchased, owned and operated by the Union.

# EUROPEAN COMMISSION

## 6. SPACE AND DEFENCE

Most space technologies, space infrastructures and space services can serve both civilian and defence objectives. However, contrary to all space-faring nations, in the EU there is no structural link between civil and military space activities. This divide has an economic and political cost that Europe can no longer afford. It is further exacerbated by European dependence on third country suppliers of certain critical technologies that are often subject to export restrictions.

Although some space capabilities have to remain under exclusive national and/or military control, a number of areas exist where increased synergies between civilian and defence activities will reduce costs and improve efficiency.

### 6.1. PROTECTING SPACE INFRASTRUCTURES

Galileo and Copernicus are major European space infrastructures. Galileo belongs to the EU, and both Galileo and Copernicus will support key EU policies. These infrastructures are critical as they form the backbone for applications and services that are essential for our economy, our citizens' well-being and security. These infrastructures need to be protected.

Space debris has become the most serious threat to the sustainability of our space activities. In order to mitigate the risk of collision it is necessary to identify and monitor satellites and space debris. This activity is known as space surveillance and tracking (SST), and is today mostly based on ground-based

sensors such as telescopes and radars. At present there is no SST capability at European level; satellite and launch operators are dependent on US data for anti-collision alerts.

The EU is ready to support the emergence of a European SST service built on a network of existing SST assets owned by Member States, possibly within a trans-Atlantic perspective. These services should be available to public, commercial, civilian, military operators and authorities. This will require the commitment of Member States owning relevant assets to cooperate and provide an anti-collision service at European level. The ultimate objective is to ensure the protection of European space infrastructures with a European capability.

### ***Action:***

- The Commission has put forward a proposal for EU SST support programme in 2013.

Building on this proposal, the Commission will assess how to ensure, in the long-term, a high level of efficiency of the SST service.

## 6.2. SATELLITE COMMUNICATIONS

There is a growing dependence of military and civilian security actors on satellite communications (SATCOM). It is a unique capability which can ensure long-distance communications

## EUROPEAN COMMISSION

and broadcasting. It facilitates the use of mobile or deployable platforms as a substitute for ground-based communication infrastructures and to cater for the exchange of large quantities of data.

Commercial SATCOM is the most affordable and flexible solution to meet this growing need. Since the demand for security SATCOM is too fragmented, pooling and sharing SATCOM acquisition could generate significant cost savings due to economies of scale and improved resilience.

Commercial SATCOMs cannot fully substitute core governmental/military satellite communications (MILSATCOM) which are developed individually by some EU Member States. However, these communications lack capacity to cater for the needs of smaller entities, most notably military aircraft or Special Forces in operation.

Furthermore, by the end of this decade, current Member States' MILSATCOM will come to the end of their operational life. This key capability must be preserved.

### ***Actions:***

- The Commission will act to overcome the fragmentation of demand for security SATCOM. In particular, building on the EDA's experience, the Commission will encourage the pooling of European military and security commercial SATCOM demand;
- The Commission will explore the possibilities to facilitate,



through existing programmes and facilities, Member States' efforts to deploy government-owned telecommunications payloads on board satellites (including commercial) and develop the next generation of government-owned MILSATCOM capability at European level.

### 6.3. BUILDING AN EU SATELLITE HIGH RESOLUTION CAPABILITY

Satellite high resolution imagery is increasingly important to support security policies including CSDP and CFSP. EU access to these capacities is crucial to perform early warning, timely decision making, advanced planning and improved conduct of EU crisis response actions both in the civilian and military domains.

In this field several national defence programmes are being developed. Some Member States have also developed high resolution dual systems to complement defence-only national programmes. These dual systems have allowed new forms of collaboration among Member States to emerge for the exploitation of satellite imagery whereby the acquisition takes place either on the market or through bilateral agreements. This successful approach, combining civil and defence user requirements, should be pursued.

As the need for high resolution imagery continues to grow, in order to prepare the next generation of high resolution imagery satellites which should be deployed around 2025, a number of technologies must be explored and developed such as hyper-spectral, high resolution satellites in geostationary orbit

## EUROPEAN COMMISSION

or advanced ultra-high resolution satellites in combination with new sensor platforms such as RPAS.

### **Action:**

- The European Commission together with EEAS and EDA will explore the possibility to develop progressively new imaging capabilities to support CFSP and CSDP missions and operations. Also the European Commission will contribute to developing the necessary technologies for the future generations of high resolution imagery satellites.

## 7. APPLICATION OF EU ENERGY POLICIES AND SUPPORT INSTRUMENTS IN THE DEFENCE SECTOR

Armed forces are the biggest public consumers of energy in the EU. According to the EDA, their combined annual expenditures for electricity alone sum up to an estimated total of more than one billion euros. Moreover, fossil fuels remain the most important source to meet these energy needs. This implies sensitive dependencies and exposes defence budgets to risks of price increases. Therefore, to improve security of supply and reduce operational expenditures, armed forces have a strong interest in reducing their energy footprint.

At the same time, armed forces are also the largest public owner of free land and infrastructures, with an estimated total of 200 million square metres of buildings and 1% of Europe's total land surface. Exploiting this potential would enable armed forces to

reduce their energy needs and cover a considerable part of these needs from their own low-emission and autonomous sources. This would reduce costs and dependences and contribute at the same time to accomplishing the Union's energy objectives.

In the research field, the Commission has developed the Strategic Energy Technology (SET) Plan to promote innovative and low-carbon energy technologies which have better efficiencies and are more sustainable than existing energy technologies. Given its important energy needs, the defence sector could be a frontrunner in the deployment of the emerging energy technologies of the SET-Plan.

### ***Actions:***

- The Commission will set up a specific consultation mechanism with Member States experts from the defence sector by mid-2014, based on the model of the existing Concerted Actions on renewables and energy efficiency. This mechanism will focus on (a) energy efficiency, particularly in building sector; (b) renewable energy and alternative fuels; (c) energy infrastructure, including the use of smart grid technologies and will:
  - Examine the applicability of the existing EU energy concepts, legislation and support tools to the defence sector.
  - Identify possible objectives and focus areas of action at EU level for a comprehensive energy concept for armed forces.

## EUROPEAN COMMISSION

- Develop recommendations for a guidebook on renewable energies and energy efficiency in the defence sector with a focus on the implementation of the existing EU legislation, innovative technologies' deployment and the use of innovative financial instruments.
- Exchange information with the SET-Plan Steering Group on a regular basis.
- The Commission will also consider developing a guidance document on implementation of Directive 2012/27/EU in the defence sector.
- The Commission will support the European armed forces GO GREEN demonstration project on photovoltaic energy. Following its successful demonstration, the Commission will also help to develop GO GREEN further, involving more Member States and possibly expanding it to other renewable energy sources such as wind, biomass and hydro.

### 8. STRENGTHENING THE INTERNATIONAL DIMENSION

With defence budgets shrinking in Europe, exports to third countries have become increasingly important for European industries to compensate for reduced demand on their home markets. Such exports should be authorised in accordance with the political principles laid down in Common Position 2008/944/CFSP, adopted on 8 December 2008, and in accordance with the Arms Trade Treaty adopted on 2 April 2013 by the General Assembly of the United Nations Organisation. At the same

time, Europe has an economic and political interest to support its industries on world markets. Lastly Europe needs to ensure a coherent approach to the monitoring of incoming foreign investment (as set out in section 2.3 on ownership and security of supply).

### 8.1. COMPETITIVENESS ON THIRD MARKETS

Whereas defence expenditure has decreased in Europe, it continues to increase in many other parts of the world. Access to these markets is often difficult, depending on political considerations, market access barriers, etc. The world's biggest defence market, the United States, is basically closed for imports from Europe. Other third countries are more open, but often require offsets which put a heavy burden on EU companies. Finally, on many third markets, several European suppliers compete with each other, which makes it difficult from a European perspective to support a specific EU supplier.

#### **Action:**

- The Commission will establish a dialogue with stakeholders on how to support the European defence industry on third markets. With respect to offsets on third markets, this dialogue will explore ways of mitigating possible negative impacts of such offsets on the internal market and the European defence industrial base. It will also examine how EU institutions could promote European suppliers

## EUROPEAN COMMISSION

in situations where only one company from Europe is competing with suppliers from other parts of the world.

### 8.2. DUAL-USE EXPORT CONTROLS

Dual-use export controls closely complement arms trade controls and are key for EU security as well as for the competitiveness of many companies in the aerospace, defence and security sectors. The Commission has initiated a review of the EU export control policy and has conducted a broad public consultation, whose conclusions are presented in a Commission Staff Working Document issued in January 2013. The reform process will be further advanced with the preparation of a Communication which will address remaining trade barriers that prevent EU companies to reap the full benefits of the internal market.

#### **Action:**

- As part of the ongoing export control policy review, the Commission will present an impact assessment report on the implementation of Regulation (EC) 428/2009 and will follow up with a Communication outlining a long-term vision for EU strategic export controls and concrete policy initiatives to adapt export controls to rapidly changing technological, economic and political conditions. This may include proposals for legislative amendments to the EU export control system.

## 9. CONCLUSIONS

Maintaining and developing defence capabilities to meet current and future challenges in spite of severe budget constraints will only be possible if far-reaching political and structural reforms are made. Time has come to take ambitious action.

### 9.1. A NEW FRAMEWORK FOR DEVELOPING CIVIL/MILITARY CO-OPERATION

Civil/military co-operation is a complex challenge with numerous operational, political, technological and industrial facets. This is particularly true in Europe, where distribution of competences and division of work adds another layer of complexity. This Communication provides a package of measures that can help to overcome these challenges and incentivise co-operation between Member States. In this context, our objective is to develop an integrated approach across the civ-mil dividing line, with a seamless transition throughout all phases of the capability life cycle, i.e. from the definition of capability needs to their actual use on the ground.

As a first step towards this objective, the Commission will review its own internal way of dealing with security and defence matters. Based on the experience of the Defence Task Force, it will optimise its mechanisms for cooperation and coordination between its own services and with stakeholders.

# EUROPEAN COMMISSION

## 9.2. A CALL TO MEMBER STATES

This Communication sets out an Action Plan for the Commission's contribution to strengthening the CSDP. The Commission invites the European Council to discuss this Action Plan in December 2013 together with the report prepared by the High Representative of the Union for Foreign Affairs and Security Policy on the basis of the following considerations:

- Decisions on investments and capabilities for security and defence should be based on a common understanding of threats and interests. Europe therefore needs to develop, in due course, a strategic approach covering all aspects of military and non-military security. In this context, a wider political debate on the implementation of relevant provisions of the Lisbon Treaty should be held;
- The Common Security and Defence Policy is a necessity. To become effective, it should be underpinned by a fully-fledged Common European Capabilities and Armaments Policy as mentioned in Article 42 of the TEU;
- To ensure coherence of efforts, CSDP must be closely coordinated with other relevant EU policies. This is particularly important in order to generate and exploit synergies between the development and use of defence and civil security capabilities;
- For CSDP to be credible, Europe needs a strong defence industrial and technological base. To achieve this objective, it is crucial to develop a European Defence Industrial Strategy based on a common understanding of the degree



of autonomy Europe wants to maintain in critical technology areas;

- To maintain a competitive industry capable of producing at affordable prices the capabilities we need, it is essential to strengthen the internal market for defence and security and to create conditions which enable European companies to operate freely in all Member States;
- Facing severe budget constraints, it is particularly important to allocate and spend financial resources efficiently. This implies *inter alia* to cut back operational costs, pool demand and harmonise military requirements;
- To show real added value of the EU framework, what is needed is to identify a joint project in the area of key defence capabilities, where EU policies could fully be mobilized.

### 9.3. NEXT STEPS

On the basis of the discussions with Heads of State and Government, the Commission will develop for the areas defined in this Communication a detailed roadmap with concrete actions and timelines.

For the preparation and implementation of this roadmap, the Commission will set up a specific consultation mechanism with national authorities. The mechanism can take different forms, depending on the policy area under discussion. The EDA and the External Action Service will be associated to this consultation mechanism.



# HIGH REPRESENTATIVE

Preparing the European Council on Security and Defence

## Final report on the CSDP

Brussels, 15 October 2013

*“I would say there are three cases for security and defence. The first is political, and it concerns fulfilling Europe’s ambitions on the world stage. The second is operational: ensuring that Europe has the right military capabilities to be able to act. And the third is economic: here it’s about jobs, innovation and growth”.*

HRVP/Head of the Agency speech at the European Defence Agency (EDA) annual conference, Brussels, 21 March 2013

### I. The strategic context

The debate on capabilities, military or civilian, needs to flow from an understanding of the strategic context, building on the solid basis of the 2003 European Security Strategy and its 2008 implementation report. This first part of my report sets out the strategic context, puts forward priorities, and assesses the state of play of Common Security and Defence Policy (CSDP) against this overall background, in accordance with the tasking by the European Council in December 2012.

Europe’s strategic environment today is marked by increased regional and global volatility, emerging security challenges, the US rebalancing towards the Asia-Pacific and the impact of the financial crisis.

## HIGH REPRESENTATIVE

The world as a whole faces increased volatility, complexity and uncertainty. A multipolar and interconnected international system is changing the nature of power. The distinction between internal and external security is breaking down. Complex layers of governance and new patterns of interdependence empower new players and give rise to new challenges. As a result, state power is becoming more fragile. Among the drivers for this are: changing demographics and population growth, embedded inequalities, and new technologies.

Intra-state conflict, with the potential to transcend national boundaries, has become more commonplace. This is particularly true in the EU's neighbourhood, where, in particular to the south, the Arab uprisings while full of promise have also led to increased instability and conflict. To the east, frozen conflicts remain, the most recent outbreak of open conflict having occurred in August 2008. In the Western Balkans, and in spite of remarkable progress over the last decades including the recent breakthrough in the EU-facilitated Belgrade-Pristina dialogue, unfinished business remains. Increasingly also the "neighbours of the neighbours" are being affected, e.g. in the Sahel or in the Horn of Africa, two regions where the Union is conducting five crisis management missions.

In addition to long-standing threats – proliferation of weapons of mass destruction, terrorism, failed states, regional conflict and organized crime – there are also new security threats, such as cyber attacks, as well as new risks such as the consequences of

climate change, and increased competition for energy, water and other resources both at a national and international level.

To address these challenges, the transatlantic relationship remains essential. The renewed emphasis by the US on the Asia-Pacific region is a logical consequence of geostrategic developments. It also means that Europe must assume greater responsibility for its own security and that of its neighbourhood. European citizens and the international community will judge Europe first on how it performs in the neighbourhood.

Recent military operations have demonstrated that Europeans lack some of the necessary capabilities, in particular in terms of strategic enablers such as air-to-air refuelling, strategic airlift, intelligence and surveillance. In addition, the financial crisis continues to squeeze defence budgets while elsewhere defence spending is increasing. According to a recent report by the Stockholm International Peace Research Institute, global defence spending is shifting “from the West to the rest”.<sup>1</sup> Europe needs to develop the full range of its instruments, including its security and defence posture, in the light of its interests and these geostrategic developments.

At the same time, the European defence market is also feeling the effects of the financial crisis. Europe’s defence industries are not only important for our security, by providing capabilities for our armed forces, but also for jobs, growth and innovation. Yet,

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1. Stockholm International Peace Research Institute 2013 Yearbook, “Armaments, disarmament and international security”.

## HIGH REPRESENTATIVE

the European defence market remains fragmented in terms of demand and supply. The question is whether this is sustainable in view of today's economic and budgetary realities.

In sum, Europe faces rising security challenges within a changing strategic context while the financial crisis is increasingly affecting its security and defence capability. These developments warrant a strategic debate among Heads of State and Government.

Such a debate at the top level must set priorities. I wish from the outset to set out my view on priorities:

- The Union must be able to act decisively through CSDP as a security provider, in partnership when possible but autonomously when necessary, in its neighbourhood, including through direct intervention. Strategic autonomy must materialize first in the EU's neighbourhood.
- The Union must be able to protect its interests and project its values by contributing to international security, helping to prevent and resolve crises and including through projecting power. The EU's call for an international order based on rule of law and its support for effective multilateralism need to be backed up by credible civilian and military capabilities of the right type, when required.
- The ability to engage with partners is crucial in any crisis. The EU must build regional and bilateral partnerships to be able to both cooperate in crisis management and help build the capacity of partner organisations and third states.
- In a context of increased volatility and new threats, there is

a particular need to improve the ability to engage rapidly. Drawing as necessary on military capabilities, the EU should be able to engage all 5 environments (land, air, maritime, space and cyber). In addition to our traditional yet increasing dependence on security at sea, we have become increasingly dependent on space assets – indispensable in today's operations – and on the ability to operate in cyberspace.

- The comprehensive approach – the use of the various instruments at the disposal of the Union in a strategically coherent and effective manner – must also apply to capability development, to make best use of scarce resources.

We need to place CSDP within this overall context, and against these priorities.

There have been many positive achievements during the 15 years since St. Malo and the Cologne European Council. The EU has created structures, procedures, decision-making bodies for CSDP and has acquired considerable operational experience, having deployed close to 30 missions and operations in three continents. It has developed partnerships with the UN, NATO and the African Union. Following the Treaty of Lisbon, the ambition to “preserve peace, prevent conflicts and strengthen international security” has become an explicit objective of the Union (article 21 TEU).

The Union is currently deploying, through CSDP, more than

## HIGH REPRESENTATIVE

7,000 civilian and military personnel. More importantly, the engagement of our men and women in the field is producing results: the EU's maritime operation ATALANTA has drastically reduced the scourge of piracy off the coast of Somalia, and security in Somalia has greatly improved thanks to the training provided by EUTM Somalia to 3,000 Somali recruits and the EU funding of AMISOM. EUPOL Afghanistan has trained up to 5,000 Afghan police officers, and EULEX Kosovo plays a key role in accompanying implementation of the recent Belgrade-Pristina agreement. In the Sahel, the Union is deploying a military mission (EUTM Mali) and a civilian mission (EUCAP Niger Sahel), both of which contribute to stabilizing the region. The impact of CSDP has raised interest among many partners (the US, Asia, Middle-East,...). In short, the EU is becoming an effective security provider, and is increasingly being recognized as such.

But CSDP also faces challenges: there is no agreed long-term vision on the future of CSDP. Decision-making on new operations or missions is often cumbersome and long. And securing Member States' commitment to supporting missions and operations, especially when it comes to accepting risk and costs, can be challenging, resulting in force generation difficulties. CSDP also faces recurrent capability shortfalls, either due to a lack of commitment or because the capabilities are not available, as well as various legal and financial constraints resulting in difficulties to act rapidly.



Recent trends include:

- CSDP is becoming part of a wider, more comprehensive approach, i.e. part of a strategically coherent use of EU instruments.
- A tendency towards capacity-building missions in support of conflict prevention, crisis management, or post-conflict management: indirect action to complement direct action.
- CSDP is increasingly an integral part of bilateral relationships with third countries and with international and/or regional organisations. Concrete cooperation has resulted in an increased number of security and defence dialogues with partners.

The combination of expanding security challenges and contracting financial resources points toward growing interdependence within the Union to effectively provide security for its citizens, now and in the long term. No Member State alone can face all of the security challenges; nor do they have to. Doing more in common, to cooperate and coordinate more, is increasingly essential.

And in this context, there is a need to address the question of overall defence budgets, imbalances in defence spending across Member States (including between investment in personnel and equipment), as well as capability gaps and duplication among Member States.

## HIGH REPRESENTATIVE

The peace and security of Europe has always been a prerequisite for its economic welfare; we now need to avoid Europe's economic difficulties affecting its capacity to deal with security and defence challenges. For the EU to live up to its role as security provider means that European citizens and the international community need to be able to trust and rely on the EU to deliver when the situation demands. We must move from discussion to delivery.

The following paragraphs contain suggestions and proposals to that effect.

### **II. Proposals and actions to strengthen CSDP**

#### ***Cluster 1: Increase the effectiveness, visibility and impact of CSDP***

1. Further develop the comprehensive approach to conflict prevention, crisis management and stabilisation

The Union has at its disposal many external relations policies and tools – spanning diplomatic, security, defence, financial, trade, development and humanitarian aid, as well as the external dimension of EU internal policies – to deliver the end result that Member States and the international community seek. This is the EU's main strength at the international level. To better communicate this approach, work on a Joint (High Representative/ Commission) Communication on the Comprehensive Approach

is in hand. It can build on successful concrete examples, e.g. in the Horn of Africa or the Sahel.

CSDP crisis management instruments pursue short-term objectives, whereas development instruments are by nature oriented to the long term. Whilst objectives and decision-making procedures are different, this allows for natural synergies and complementarities enabled by an early and intense dialogue between the respective players, and a better alignment is needed.

More concretely, the revised Suggestions for Crisis Management Procedures were endorsed by the PSC at the end of June. They aim at streamlining the CSDP decision-making procedures, whilst at the same time ensuring joined-up EU action principally by using shared awareness and joint analysis across the EU, thereby establishing synergies and complementarity from the outset. Individual tools can then deliver within their own decision-making processes the activity required to reach the shared objective. In addition, a proposal for a revised Exercise Policy will be put forward in the autumn.

A joined-up approach will enhance the overall impact and deliver enduring results. A number of regional or thematic strategies are in place or under development to ensure such an approach, in addition to the existing Horn of Africa and Sahel strategic frameworks. This is also valid for the Western Balkans, which are moving closer to the EU, and where a variety of EU tools and instruments is being used.

# HIGH REPRESENTATIVE

## **Way forward:**

- put forward a Joint Communication on the EU Comprehensive Approach, a policy document to lock in progress achieved and provide the basis for further concrete work;
- endorse and give renewed impetus to the EU Comprehensive Approach;
- strengthen further a regional perspective and ensure close cooperation and alignment between the different CSDP missions and operations in a region (Sahel, Horn of Africa, Western Balkans), as well as political/development activities to increase their impact, effectiveness and visibility;
- continue elaborating or updating regional security strategies (for instance as regards the Sahel, the Horn of Africa, the Gulf of Guinea; Afghanistan/Pakistan);
- strengthen further the EU's engagement with the Western Balkans and its overall coherence.

## 2. Working with partners

The European Union is firmly committed to working in close collaboration with partners: working with partners is an integral part of a comprehensive approach; the Common Security and Defence Policy is an open project. Partnerships can build upon the knowledge, expertise and specific capabilities of our partners, while also drawing them closer to the EU.

### The UN, NATO and the AU

The UN stands at the apex of the international system. The long-standing and unique cooperation between the EU and the United Nations spans many areas, and is particularly vital when it comes to crisis management. At the operational level, cooperation with the UN is dense and fruitful. Recent theatres include Mali, where a joint assessment team examined the needs for supporting the Malian police and counter-terrorism, and Libya, where the EU cooperates closely with UNSMIL. The considerable experience gained in working together in different theatres is accompanied by a regular high level dialogue. In addition, work on the EU-UN Plan of Action to enhance CSDP support to UN peace keeping is being carried forward, to further maximize the potential of the EU-UN relationship.

Strong, coherent and mutually reinforcing cooperation between the EU and NATO remains as important as ever. There are regular meetings between the High Representative and the NATO Secretary General. Staff to staff contacts and reciprocal briefings at all levels facilitate and support that high-level dialogue and cooperation. Operating side by side in a number of theatres, the EU and NATO share an interest in jointly delivering effect. In developing capabilities, we remain committed to ensuring mutual reinforcement and complementarity, fully recognising that the Member States who are also NATO Allies have a single set of forces. In this regard, capability development within the Union will also serve to strengthen the Alliance. Taking stock of earlier

## HIGH REPRESENTATIVE

EU suggestions to help further improving relations, we should continue to strive to remove remaining impediments for formal cooperation, including with regard to the exchange of documents, and consider jointly addressing new security threats.

Progress was made on the three dimensions of the peace and security partnership between the EU and the African Union: strengthening the political dialogue, making the African peace and security architecture (APSA) fully operational and providing predictable funding for the AU's peacekeeping operations. In light of the EU's reaffirmed commitment to enabling partners, further impetus could be given at the occasion of the EU-Africa summit in April 2014.

### Participation in CSDP missions and operations

Non-EU NATO Allies and candidate countries are among the most active contributors to CSDP activities and good cooperation continues in various fora and informal gatherings as well as bilaterally. In addition, the European Union has signed an increasing number of Framework Participation Agreements with third countries, to facilitate and foster their participation in CSDP missions and operations. Twelve such agreements are in force, two more are ready for signature (Australia, Bosnia and Herzegovina) and for three countries (South Korea, Chile, Georgia) negotiations have reached an advanced stage. In addition, and following a decision by the PSC, the Union regularly invites third countries to participate to specific CSDP missions and operations, with partners providing key assets, expertise and knowledge.

### Security and defence dialogues

Many active dialogues in the field of CSDP have been developed with countries and organisations beyond the signatories of an FPA. CSDP is systematically raised in the EU's political dialogue with third parties as well as in relevant counterterrorism dialogues. Such dialogues with partners in the neighbourhood in particular could also address security and law enforcement sector reform and democratic control over the armed forces. The newly created Panel on CSDP of the Eastern Partnership (EaP) opens new opportunities for dialogue and cooperation between the EU and EaP countries.

One size does, however, not fit all: a tailor-made approach is of benefit in better adapting such cooperation to the EU's and partners' respective expectations and interests.

### Building the capacity of partners

The support to capacity-building of local and regional partners, for instance in Niger, Mali and Somalia or through actions in support of the Africa Peace and Security Architecture (such as AMANI Africa etc) is becoming a core capability. We should support partners – individual countries and regional organisations – to increasingly take the responsibility for preventing crises and managing them on their own.

The EU is already well engaged in supporting regional or sub-regional organisations. Building on the lessons learned from Somalia and Mali, we need to improve our ability to engage directly with the countries concerned. Training national security

## HIGH REPRESENTATIVE

forces – which represent the essential building block of any regional or sub-regional force – is a key element of building the African peace and security architecture. This might imply developing tools similar to those at our disposal to support the African Union and the sub-regional organisations.

Further efforts should aim at better synchronising and coordinating the use of different instruments, fully recognising the nexus between security and development and enhancing our collective ability – the EU and its Member States – not only to train and advise but also to equip partners. Today, the EU can train but often it cannot equip. In this context there are lessons to be learned from the experience with bilateral support through the Member States, clearing house mechanisms, trust funds and project cells in missions.

### ***Way forward:***

- continue to develop the partnerships with the UN and NATO focusing on stronger complementarity, cooperation and coordination;
- further encourage and facilitate contributing partners' support to CSDP, with a focus on non-EU European NATO Allies, strategic partners and the partners from the EU's neighbourhood;
- operationalize the Panel on CSDP under the Eastern Partnership taking into account the results of the upcoming EaP Vilnius Summit;



- explore the use of available instruments to assist in progress towards international standards of transparency and accountability of security and defence institutions of partner countries;
- focus increasingly on concrete deliverables in the dialogue with partners, recognising their specificities, sensitivities and possible added value;
- address capacity building of partners from a more holistic and comprehensive angle, including the specific "train and equip" challenge;
- reinforce the peace and security partnership with the African Union and continue strong support to the African Peace and Security Architecture, notably through the support provided to the AMANI cycle of military and civilian exercises;
- search for complementarities and synergies between CSDP operations and other community instruments with a view to developing an EU comprehensive strategy;
- agree that appropriate instruments (concept, organisation, funding) be developed to engage in supporting national security services.

### 3. Respond to upcoming security challenges ('networked security')

The importance of networks in today's globalized world cannot be overestimated. Satellite navigation; communications and imagery, the ubiquity of computers, access to energy: these affect the daily life of citizens. Accordingly, the security of space and cyber

## HIGH REPRESENTATIVE

networks is crucial for modern societies, as is energy security.

Progress in these various areas is unequal, but they are being addressed:

A joint Commission-High Representative Cyber Security Strategy has been published and endorsed by the Council. The strategy emphasizes achieving EU-wide cyber resilience by protecting critical information systems and fostering cooperation between the public and private sector, as well as civilian and defence authorities. It recommends focusing on enhanced EU-wide cooperation to improve the resilience of critical cyber assets, as well as on training, education, technologies, crisis management procedures, cyber exercises and the industry and market dimension. To implement its objectives, the EU could develop a Cyber Defence Policy Framework, focusing on capability development, training education and exercises. Additionally, Member States have agreed the EU Concept for Cyberdefence in EU-led military operations.

The EU and its Member States need to protect their space assets (e.g. Galileo). As the EU role in space evolves, so too will the security and CFSP dimensions of the European space policy. Space must be considered in all its aspects, encompassing technology, innovation and industrial policy, and must ensure strong civil-military coordination. The EU continues strongly to promote a Code of Conduct for outer space activities.

Energy security is a key objective of the EU energy policy. Foreign Ministers have been discussing how foreign policy can

support EU energy security. The European Defence Agency and the EU Military Staff are addressing this further as regards capability development aspects as well as measures to improve energy efficiency by the military.

### ***Way forward:***

- recognize the importance of cyber and space networks and energy security for European security;
- ensure that cyber infrastructure becomes more secure and resilient within critical infrastructure in the EU. To increase the resilience of the communication and information systems supporting Member States' defence and national security interests, cyber defence capability development should concentrate on detection, response and recovery from sophisticated cyber threats;
- consider developing an EU Cyber Defence Policy Framework, defining also the division of tasks between the Member States and CSDP structures to (1) promote the development of EU Cyber Defence capabilities, research and technologies with the EDA Cyber Defence Roadmap; (2) protect networks supporting CSDP institutions, missions & operations; (3) improve Cyber Defence Training Education & Exercise opportunities for the Member States; (4) strengthen cooperation with NATO, other international organisations, the private sector and academia to ensure effective defence capabilities; (5) develop early warning

## HIGH REPRESENTATIVE

and response mechanisms and to seek synergies between civilian and defence actors in Europe in responding to cyber threats;

- take the necessary steps to ensure the integrity, availability and security of space systems. The EU will play its part in establishing the European Space Situational Awareness (SSA) capability, based on assets from Member States and in cooperation with partners. The EU needs to prepare for its role in space-related crisis management to be able to address threats to its space assets;
- further incorporate energy security into foreign policy considerations;
- call for increasing energy efficiency and environmental responsibility in CSDP missions and operations.

#### 4. Increase our ability to address maritime and border challenges

Europe's maritime security is an integral part of its overall security. It is a crucial domain. Modern economies depend heavily on open sea lanes and the freedom to navigate (90% of European trade is by sea): strategic stockpiles are now based at sea, across the globe, on route from supplier to customer. In the near future, new sea lanes could open up with important geostrategic implications. The Arctic in particular will require increasing attention in terms of maritime safety, surveillance and environmental protection.

The EU has strategic maritime security interests around the globe and needs to be able to safeguard them against significant maritime risks and threats – ranging from illegal migration, drug trafficking, smuggling of goods and illegal fishing to terrorism maritime piracy and armed robbery at sea as well as territorial maritime disputes and acts of aggression or armed conflict between states.

To be a credible and effective partner, the EU needs a strategic, coherent, functional and cost-effective approach to maritime security. We can build on the successes of EU NAVFOR Operation ATALANTA, the EU's first naval operation, and on a significant number of other maritime security-related EU initiatives to internal and external capacity building. The purpose of a European Union Maritime Security Strategy is to bind all these together.

Border security is an integral part of the EU's security. Terrorism, weapons dissemination, illicit trafficking (drugs and humans in particular), illegal immigration and organized crime affect the direct interests of the EU's Member States. It is therefore in the EU's interest to help build the capacities of Third States to control their own territory, manage flows of people and goods and address their respective security challenges, while also fostering economic prosperity.

The EU has a variety of suitable instruments at its disposal in this regard: Common Security and Defence Policy (CSDP) missions, the European Neighbourhood and Partnership Instrument, FRONTEX, the Instrument for Stability (IfS), as well as other EU

## HIGH REPRESENTATIVE

external cooperation instruments. The most recently established mission – EUBAM Libya – is the first CSDP mission fully devoted to border management.

There would be merit in developing a more joined-up approach to capacity building of Third States and regions. The first objective could be to facilitate, starting e.g. in the Sahel, EU support for the financing of infrastructures and equipment for border management forces, and improve and better coordinate the advisory and training actions.

### ***Way forward:***

- put forward a joint HR/Commission Joint Communication containing elements for an EU Maritime Security Strategy on maritime security and build upon it to foster concrete progress in the areas of joint awareness and collective response;
- develop a joined-up EU approach to helping Third States and regions better manage their borders (e.g. in the Sahel).

5. Allow for the deployment of the right assets, timely and effectively on the whole spectrum of crisis management operations. The world faces increased volatility, complexity and uncertainty. Hence the ever increasing strategic value of rapid response: the Union needs to be able to swiftly assess crises and mobilize its various instruments; speedy assessment and deployment can make the difference.

### Rapid deployment of civilian CSDP missions

Over the past few months a broad consensus has emerged on the need to further improve the planning, conduct and support of civilian CSDP missions, and in particular to expedite their deployment.

A roadmap has been established to tackle shortcomings in the setting up of civilian CSDP missions, concerning *inter alia* financial rules, logistics, and staff selection. It puts forward proposals concerning ownership, political buy-in, sustainability, rapidity of deployment, financing, and mission support. Work on these various strands needs to be taken forward between now and December, and further impetus may be required at the level of the European Council.

Meeting the logistic needs of new civilian CSDP missions, in particular during start-up, will be further facilitated by the permanent CSDP Warehouse that became operational in June 2013. The Warehouse has the capacity to store strategic equipment primarily for the effective rapid deployment of 200 personnel into the area of operation of a newly-launched mission within 30 days of the approval of the Crisis Management Concept by the Political and Security Committee. The Warehouse was used for providing equipment to EUBAM Libya. There has been progress in the creation of dedicated instruments and tools (e.g. goalkeeper software) to improve the recruitment and training of civilian personnel for CSDP. As regards mission support, a feasibility study on the creation of a shared services centre has been launched.

## HIGH REPRESENTATIVE

The revision of the Crisis Management Procedures should allow improved access to funding for civilian CSDP missions, and thus facilitate quicker deployment. This would mean an earlier presence of the core team in the theatre of operations. The Head of Mission should also be appointed at an earlier stage and thus be fully involved in the build-up of the mission. In the interests of the more efficient operation of civilian CSDP missions, there is also scope to review relevant provisions in the Financial Regulation and as regards procurement rules (as also set out in the EEAS review).

### Military rapid response

With regard to military rapid response, the case for highly capable and interoperable forces, available at very short notice for EU operations, is stronger than ever.

Within the broader area of rapid response, Battlegroups continue to be the flagship military tool. At their April meeting this year, Defence Ministers highlighted the need to improve the effective employment of the EU Battlegroups (EU BGs) and their operational relevance. EU BGs have been and are still instrumental for helping reinforce the interoperability and effectiveness of Member States' military forces, but they have yet to be deployed.

Work is under way to increase the Battlegroups' usability in the field, while maintaining the level of ambition and sticking to the common commitment of all Member States to the sole military capabilities on stand-by for possible EU rapid response



operations. While efforts should intensify to mitigate the persistent gaps in the EU BG roster, a number of avenues are being considered to make BGs more usable. With discussions still on-going, these include:

- developing Battlegroups' 'modularity' would allow incorporating the modules provided by the Member States most interested in a given crisis, avoiding a too rigid and prescribed composition of the EU BGs, and allowing for more proportionate contributions according to Member States' means.
- enhancing further the 'exercises' and 'certification' dimension of EU BGs would lead to greater interoperability, readiness and operational effectiveness of Member States' forces. Efforts to seek synergies with NATO – notably in the context of its Connected Forces Initiative – should allow ensuring coherence and mutual reinforcement.
- improving advanced planning on the most likely crisis scenarios requiring the use of an EU rapid reaction.

The future of the EUBGs is but one part of the wide Rapid Response concept that provides capabilities fit for all environments either in support of a land-based response or separately utilising the advantages of either European Air or Maritime capabilities or both. The challenge of Rapid Response is the need to adapt to a range of scenarios – this means flexibility and adaptability.

In addition, there would be value in further developing its rapid

## HIGH REPRESENTATIVE

response toolbox. This would reinforce our ability to react to the wide range of possible crises rapidly, but also flexibly, mobilising the required capabilities possibly in combination with other instruments including civilian ones. This could include the means to assess crises and possible responses by the development of structured civil-military rapid reaction assessment teams.

In parallel, cost sharing or common funding, while being sensitive issues, must be addressed to foster Member States' involvement and help find consensus on EU BGs or other Rapid response assets' deployment.

### Crisis management structures

The effectiveness of EU security and defence policies also relates to appropriate structures and processes. The revised Crisis Management Procedures have further improved the fast track procedure. The present CSDP system raises a number of questions in terms of the positioning and reporting lines of the relevant EEAS departments in relation to the HR/VP and relations with other parts of the EEAS and the speed and effectiveness of decision-making, in particular in crisis situations. While the debate on structures is part of the overall discussion on CSDP, concrete progress is to be taken forward in the context of the EEAS review.

### The Lisbon Treaty

There is an unused potential of the Lisbon Treaty in terms of rapid deployment. The Treaty provides for a Start-Up Fund made up of Member States' contributions for CSDP tasks which are

not, or cannot be, charged to the Union budget. However, so far there appears to be no consensus on creating such a Fund.

Secondly, Article 44 opens up the possibility for the Council to entrust the implementation of a task to a group of Member States that are willing and have the necessary capability for such a task. This article could be used in the context of rapid reaction, when consensus exists, and a group of Member States is willing to provide capabilities and take action on behalf of the Union. This offers benefits in terms of flexibility and speed of action. Its application would be *ad hoc*, when a situation arises, but its potential scope of application should be further explored with the Member States. In a way, the case of Mali, with one Member State deploying quickly with others providing niche support such as strategic transport, prefigured such an approach.

### **Way forward:**

- implement the roadmap on rapid deployment of civilian missions, for stocktaking in December and further impetus if required; consider reviewing the financial regulation as applying to civilian CSDP;
- Ministers to endorse in November a new approach to the EU's military Rapid Response, including the Battlegroups;
- discuss with Member States their willingness to address the issue of an increase of common funding areas of application and enhanced Member State support for CSDP missions and operations;

## HIGH REPRESENTATIVE

- consider improvements in terms of structures and processes in the context of the EEAS review;
- consider the relevant Lisbon Treaty articles, in particular article 44 TEU.

### 6. Increase the focus on conflict prevention and post conflict management

Conflict is cyclical. 90% of violent conflicts occur in places that have previous experience in the past thirty years. It is therefore often difficult to neatly sequence conflict prevention and peace-building actions. In this regard, however, all CSDP missions and operations may be seen as directly or indirectly contributing to conflict prevention, and some have this objective at the core of their mandate.

More generally, conflict analysis is a key requirement for exploring options available to the EU for prevention, crisis management and peace-building, on the basis of a shared understanding of the causes and dynamics of violent conflict. Furthermore, an early warning system is also being developed to analyse short- and long-term risks of violent conflict more generally and identify early response options. This system has already been piloted in the Sahel region and is about to be rolled-out further. Finally, the crisis preparedness component of the Instrument for Stability continues to fund the training of civilian and police experts to participate in stabilization missions.

With regard to post-conflict management, conflict-sensitive programming is essential in order to ensure that, to the extent possible, EU actions avoid negative impacts and maximise positive impacts on conflict dynamics, thereby contributing to conflict prevention, peace building and long-term sustainable development.

A joined-up approach, including through joint efforts or joint programming of EU assistance with EU Member States has the potential to further strengthen the EU's impact and its contribution to conflict prevention and sustainable development. In joint programming the EU and its Member States (and possibly other donors) conduct a joint analysis of the country situation leading to a joint response strategy and a division of labour across sectors. In addition, indicative multi-annual allocations will be provided. In more than 40 countries joint programming is now taken forward, including in more than 10 fragile states. It is worth noting that in the global context so-called 'New Deal country compacts' are developed (Somalia a very recent example) which have much in common with joint programming. How the two processes could feed into each other should be further explored.

### ***Way forward:***

- extend the use of conflict analysis, continue to build a culture of conflict sensitivity across the EU system;
- build on lessons-learned with regard to joint programming and New Deal country compacts.

## HIGH REPRESENTATIVE

### 7. Improve CSDP visibility

It is important to communicate to the public at large that security and defence 'matters' now, and that it will matter to their future prosperity, even if our citizens do not necessarily see an immediate external security threat. Heads of State and Government are uniquely placed to pass this message to a wider public, and we should not miss that occasion.

Preparations for the European Council discussion have already provided an opportunity to raise the visibility of CSDP in general. The EEAS, in collaboration with the General Secretariat of the Council and the Commission, is working on a specific communication campaign. This needs to be linked to the communication efforts of the Member States. However, a further analysis of our target audiences, messages and tools is necessary to improve CSDP's visibility in a sustainable way. A targeted Eurobarometer survey on Security and Defence could contribute to this analysis.

We also need further to promote a common security and defence policy culture. In this context, the European Security and Defence College is currently being placed on a new footing, to strengthen a common culture in CSDP and promote training initiatives.

Training and education is a long-term essential investment that Member States can make in support of CSDP. The future generation should have the opportunity to train throughout their respective careers with a view to enhancing efficiency in operating together. Indeed, promoting the way ahead by developing the

networking model or the integration of international activities in national programmes or consideration of the development of improved curricula will all assist in this challenge. A revision of the EU policy for CSDP-related training and education is a possible step to federate accordingly the initiative.

The EU Institute for Security Studies contributes to further develop a common European security culture by enriching the strategic debate, providing analyses and fora for discussion.<sup>2</sup>

### ***Way forward:***

- express a strong commitment to CSDP and to fully grasp the occasion to communicate to a wider public on 'security and defence matters'; a specific website will be developed for the EC in December, with a web-documentary,
- further develop measures to improve CSDP visibility, including: using individual missions and operations as the main 'flagships' of CSDP at the earliest possible stage, demonstrating how they benefit EU citizens; enhance the network of CSDP communicators, including at Member State level; modernise the CSDP website;
- promote interaction and cooperation between national education and training actors, building on the experience with 'military Erasmus';

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2. See for instance: "Enabling the future. European military capabilities 2013-2025: challenges and avenues", EUISS, May 2013.

## HIGH REPRESENTATIVE

### ***Cluster 2: Enhance the development of capabilities***

8. Allow for systematic and more long-term European defence cooperation

Cooperation in the area of military capability development has become essential to the maintenance of capabilities and to the success of CSDP. Cooperation allows Member States to develop, acquire, operate and maintain capabilities together, making best use of potential economies of scale and to enhance military effectiveness. Pooling & Sharing was launched to address this, and good progress has been achieved. Through intensive staff-to-staff contacts, including between EDA and NATO's ACT, there has been close and intensive cooperation with NATO to ensure complementarity and mutual reinforcement with the Smart Defence initiative and more broadly with capability development within NATO. Indeed, the strategic context and the impact of the financial crisis have made even more compelling the case for de-confliction on capability development.

A strong impulse is required at European Council level, both to embed Pooling & Sharing in Member States' defence planning and decision-making processes, and to deliver key capabilities through major cooperative projects.

In line with the Code of Conduct on Pooling & Sharing, there is scope for greater transparency between Member States, including on potential budget cuts, national defence strategies or "White Books" and national defence procurement and modernisation plans. This would facilitate the identification of



capability gaps and/or duplications.

Member States should be encouraged to share their future capability plans in order to address current and future shortfalls. Few Member States will be able to address such shortfalls alone: pooled/shared solutions would allow them to acquire capabilities that would be out of reach individually. The future threats and challenges are such that some convergence of defence capability plans will be required if Member States are to be able to collectively to meet the challenges of the future.

The Code of Conduct on Pooling & Sharing aims at mainstreaming Pooling & Sharing in Member States' planning and decision-making processes. Its implementation will be supported by an annual assessment to Defence Ministers comprising: an analysis of the capability situation in Europe; progress achieved; obstacles; and the impact of defence cuts and possible solutions. The Capability Development Plan (CDP) – a tool endorsed by the EDA Steering Board to assess future threats, identify the capabilities required, prioritize and support the identification of collaborative opportunities – supports and guides capability planners. But the Code of Conduct and the CDP will both require the commitment of Member States if substantive progress is to be achieved.

Rationalisation of demand to reduce the number of variants within collaborative programmes would generate significant economies and improve operational interoperability. In particular, there should be a greater push for harmonised requirements. This would reduce the number of variants of the same

## HIGH REPRESENTATIVE

type of equipment, maximise economies of scale, enhance interoperability, and facilitate cooperation for the whole life-cycle of the capability, which would in turn generate additional economies, efficiencies and improved interoperability (the in-service phase of a major system accounts for around two-thirds of its total through-life cost).

In order to make cooperation more systematic, the European Council should also decide on incentives for defence cooperation in Europe for collaborative projects, including of a fiscal nature such as VAT exemption. Protecting cooperative projects and initiatives from budget cuts would act as a real incentive. Innovative financing arrangements (Private Finance Initiative or Public Private Partnerships) should also be considered.

In addition to addressing current shortfalls, Member States should engage in a reflection on the major capability enablers: Air-to-Air Refuelling, Intelligence Surveillance and Reconnaissance, and Satellite Communications. Enablers in the maritime and land domains could also be identified.

In this context, a revision of the CDP is on-going. This, together with the review of the Headline Goal process and the updated Force Catalogue, would form the basis to assess shortfalls and map the capability landscape of the future. This will assess longer-term trends and capability requirements, and contribute to the identification of priorities and collaborative opportunities.

Systematic and long-term defence cooperation could be supported by a strategic level Defence Roadmap, approved by

the European Council, and underpinned by agreed priorities and milestones. It could also pave the way for closer synergies with the Organization for Joint Armament Cooperation (OCCAR), in order to support a seamless approach to capabilities through the whole life-cycle.

Finally, the Treaty provides for an opportunity for an enhanced form of cooperation through Permanent Structured Cooperation (PESCO). While there have been initial exploratory discussions in 2009 and 2010 on the implementation of PESCO, the appetite to move forward remains limited at this stage.

### ***Way forward:***

- promote convergence of Member States' defence plans through increased transparency and information sharing;
- encourage the incorporation of pooling and sharing into national defence plans and maximise the utility of the Capability Development Plan to support Pooling & Sharing;
- harmonize requirements and extend throughout the whole life-cycle;
- commit to extend cooperation in support activities, such as logistics and training;
- promote a strategic Defence Roadmap for systematic and long-term defence cooperation, setting out specific targets and timelines;
- reinforce synergies between EDA and OCCAR;
- decide on incentives for defence cooperation in Europe,

## HIGH REPRESENTATIVE

including of a fiscal nature (VAT). Ring-fence cooperative projects from budget cuts. Explore innovative financing arrangements (PFI/PPP);

- discuss with Member States their willingness to make full use of the Lisbon provisions on Permanent Structured Cooperation.

### 9. Focus on delivering key capabilities

Member States' commitment is now required for cooperative projects in Air-to-Air Refuelling, Satellite Communication, Remotely-Piloted Air Systems and Cyber Defence.

In Air-to-Air Refuelling (AAR), the objective is to improve European operational capacity and reduce dependency on the USA. The key deliverable could be the multinational acquisition of multirole tanker transport aircraft, foreseen for 2020. This would also include cooperation in the areas of aircraft-basing, training and logistics support. In the meantime, short and mid-term solutions are being pursued with a view to increasing interoperability and maximizing the use of existing assets.

Taken together, these inter-related work-strands will considerably enhance Europe's AAR capability.

Pioneer Projects have been promoted to develop capabilities that have both military and civil applications. They are designed to harness synergies in the military and civil domains; maximize dual-use technologies; generate economies of scale; and extend the comprehensive approach into the area of capabilities development. Ministers have endorsed proposals to prepare

three such projects, in the areas of Remotely-Piloted Aircraft Systems, Governmental Satellite Communications (SATCOM) and Cyber Defence. Airlift is another capability with military and civil applications and where greater synergies would be possible.

Remotely-Piloted Aircraft Systems (RPAS) are very likely to constitute a key capability for the future. They offer a broad spectrum of capabilities that can contribute to various aspects of EU-led military and civilian operations. In the civil domain they would provide surveillance *inter alia* in the following areas: border control and management; key infrastructure; disasters; environment; and agriculture. In the military sphere they have demonstrated their operational capacities, including for surveillance and information gathering. There are important political and industrial implications that will need to be addressed.

The objective is to promote a European approach for developing this key future capability. RPAS are a concrete example of a European comprehensive approach applied to capabilities: while being closely linked to Single European Sky, the development of RPAS can benefit from the various EU instruments and actors (regulation, technologies needed for air insertion and anti-collision, certification). While promoting common employment for the short-term solution, there is also an urgent need to prepare a program for the next generation of Medium Altitude Long Endurance (MALE) RPAS. Such a program will be strongly

## HIGH REPRESENTATIVE

supported by the development of enabling technologies and other activities (regulation, certification, standardization) undertaken under civil initiatives, in particular by the European Commission. Horizon 2020 could contribute to the MALE program through development for air insertion and anti-collision under its security dimension, with a potential for surveillance payloads. There is scope for a public private partnership between the Commission, EDA, Member States and industry to develop this capability.

Governmental SATCOM offers the potential for a genuine dual-use cooperative European approach respecting national sovereignty. Member States' military satellite communication assets are currently fragmented in five nationally-owned constellations comprising a total of twelve satellites, whose operational life is expected to end between 2018 and 2025. The objective is the development of a future dual civil-military capability by 2025 via a user-driven approach based on a detailed roadmap. It will require exploitation of the synergies with R&D programmes being performed at a European level and exploration of opportunities for innovative governance and procurement schemes to ensure synergies with the Commission's possible action.

In addition to the above-mentioned pioneer projects, further efforts are needed to enhance access to Satellite High Resolution Imagery – a timely and precise source of information essential for the EU's effective decision-making and for supporting CSDP missions/operations. In particular, facilitating access to Member States' governmental imagery will increase the EU Satellite

Centre's capacity. In parallel, taking advantage of the dual nature of Space, the use of Copernicus (a Commission-funded programme to respond to European policy makers' growing need to rapidly access geospatial information) in support of CSDP should be further explored. This could provide EU missions with the less sensitive products.

As regards Cyber Defence, the objective is to establish a comprehensive and cooperative European approach. EDA activities, based on the recently adopted cyber strategy, focus on realistic deliverables within its remit and expertise: training and exercises, protection of headquarters, and Cyber Defence Research Agenda (focusing on dual-use technologies).

A number of EU policies have implications for defence and require interaction between the Commission and the defence community. This is especially the case for Single European Sky (SES), which will have an impact on defence in financial and operational terms and where the objective of the defence community is to ensure that its views and interests are taken into account. Member States will continue to be supported as the SES develops.

### ***Way forward:***

- commit to specific cooperative projects: AAR, RPAS, Cyber and Satellite communications; agree and implement roadmaps;

## HIGH REPRESENTATIVE

- commit to further developing the EU's access to high resolution imagery;
- consider tasking further work on SESAR, airlift;

### 10. Facilitate synergies between bilateral, sub-regional, European and multilateral initiatives

The development of capabilities through cooperation has become essential. But it is not necessarily straightforward. Member States have made progress in improving capabilities through defence cooperation, be it through multinational frameworks such as the EU's Pooling & Sharing or NATO's Smart Defence, and/or in clusters at the bilateral and regional, and indeed functional, levels. Regional or thematic cooperation offers perhaps the best prospect for coordination/cooperation and sharing of reform processes. It may also yield faster results than initiatives at 28. Importantly, these capabilities developed in regional or thematic groups can be used at the European level (e.g. operations).

Wherever a cooperative approach is pursued – multi-nationally, regionally, bilaterally or functionally – there is a need for coherence to avoid unnecessary duplication and/or gaps. Moreover, whilst some capabilities can successfully be delivered through a regional approach, others cannot: AAR, Space and RPAS being cases in point. And issues such as interoperability or standardisation or certification require a broader approach. Coherence could be enhanced by linking the regional and the European levels, which would also allow smaller Member



States and regional groupings to plug into wider EU policies and industrial interests.

The Code of Conduct on Pooling & Sharing provides for the EDA to act as a framework for coordination and transparency between regional clusters – as well as individual Member States – as a means to enhance and facilitate synergies and identify best practices. The first annual assessment of its implementation will be presented to ministers in November. EDA's 'à la carte' approach, which allows for interested groupings of Member States to work together, also offers a light and flexible model for capability development, as well as for sharing best practice and lessons learned, and improving standardisation, interoperability and through-life support.

One particular cooperative model that merits further examination is the European Airlift Transport Command (EATC), the blueprint of which could be extended to other types of capability such as AAR or Sealift.

Sharing of Lessons Identified (LI) and best practices associated with on-going national defence reform activities could facilitate future regional cooperation in the domains of e.g. new capability development projects, joint HQs and forces, jointly developed doctrine fostering greater inter-operability, shared logistics and maintenance facilities, training and education establishments.

### ***Way forward:***

- in line with the Code of Conduct, EDA to provide an

## HIGH REPRESENTATIVE

overarching framework for these clusters, to facilitate coordination, enhance transparency, and share lessons learned;

- consider extending the European Airlift Transport Command (EATC) model to other areas.

### 11. Civilian capabilities

The majority of CSDP missions are of a civilian nature. Generating civilian capabilities remains a priority, as well as a challenge, due notably to the shortages of personnel in specialised profiles.

In the multifaceted civilian area, political awareness and commitments by the many national ministerial stakeholders involved are essential. The EU continues to support Member States' central role in improving and streamlining national mechanisms and procedures to recruit specialised civilian personnel for CSDP.

Some positive steps were taken, for instance: the increasing number of Member States with a national strategy or equivalent to foster national capacity building for CSDP missions; and progress made in establishing national budget lines for civilian crisis management.

The implementation of the multi-annual Civilian Capability Development Plan agreed last year usefully helps Member States address gaps and ensure that the required capabilities will be available, whilst aiming at the most efficient use of scarce resources. A number of concrete activities are underway:

First of all, the on-going mapping of Member States' niche capabilities provides a picture of national units and/or specialised teams' readiness for CSDP deployment. Furthermore, we continue to engage the European Gendarmerie Force. Their participation in the exploratory mission to Mali has been effective. A formal declaration is expected by the end of this year, which will facilitate appropriate support when rapid deployment of robust policing assets is at stake.

As internal and external security aspects are increasingly interlinked, we continue to strengthen ties between CSDP and the area of Freedom/Security/Justice so as to foster a greater understanding of respective objectives and ensure mutual benefits (including Rule of Law capabilities provided to CSDP missions). Exchange of information needs to continue to stimulate the political awareness and allow for identifying added value and avoiding overlap.

In terms of concrete work, we are encouraging the greater involvement of EU Agencies (EUROPOL, FRONTEX) in CSDP missions and EU external relations in general to benefit from their high expertise. The close association of FRONTEX in the planning and launching of the civilian mission EUBAM Libya is a recent example of this cooperation. Additionally, based on the successful experience of EUFNAVFOR ATALANTA with the circulation of data collected via Interpol's channels, we are exploring the possibility for a cooperation agreement with the latter organisation for CSDP operations and missions.

## HIGH REPRESENTATIVE

### **Way forward:**

- call for renewed efforts in generating civilian capabilities for CSDP;
- continue work on strengthening the ties between CSDP and FSJ and explore ways to enhance support of EU Agencies and Interpol to CSDP.

### **Cluster 3: Strengthening Europe's defence industry**

The European Commission published a Communication on 'Towards a more competitive and efficient defence and security sector' on 24 July. The Communication highlights a set of measures to reinforce the EDTIB and is complementary to the actions outlined in the following cluster.

12. Making a more integrated, sustainable, innovative and competitive EDTIB a reality

A strong, healthy and globally competitive European Defence and Technological Industrial Base (EDTIB) is a prerequisite for developing and sustaining defence capabilities and securing the strategic autonomy of Europe. It is also an invaluable part of Europe's wider economy. In 2011 Europe's Aerospace and Defence Industries generated a turnover of €172 billion and 734,000 direct jobs, and invested €16 billion in R&D.

Declining defence budgets, combined with the fragmentation of European demand and supply requirements, jeopardise the sustainability of this industry.

The concerted effort of all stakeholders (Member States, industry

and the European Institutions) is required to safeguard the future of Europe's defence industrial base. This is particularly important for Member States whose investment decisions in defence R&T, demonstrators and programmes shape the industry's future. Without substantive and strengthened cooperation at European level, including through programmes, there will not be an EDTIB in the future.

Apart from a few notable exceptions, no European government alone can launch major new programmes: the necessary investments are too high and the national markets are too small. With defence budgets under pressure, further market-driven industrial restructuring and consolidation is inevitable. The evolution of Europe's defence supply chain needs to be monitored at European level in order to maintain and develop the key industrial skills and competences necessary to meet future military capabilities. Having established the key skills at risk, there is a need to link available funding to the education providers (both civil and military). To achieve this it is proposed to create a strong, dynamic and coordinated 'Defence Skills Network' between the key stakeholders.

The whole defence supply chain is of importance: from the prime contractor supplying systems-of-systems, through the range of intermediate suppliers to Small and Medium Enterprises (SMEs). SMEs are increasing in importance as a source of innovation and act as key enablers for competitiveness, even more so when part of a cluster. The EDA Steering Board in March endorsed

## HIGH REPRESENTATIVE

an SME Action Plan, which will promote synergies across the whole European supply chain, with a particular focus on dual-use activities. Commission support will be crucial in these joint initiatives. Feedback from the Member States on the interim report has shown a keen interest in enhancing support to SMEs.

EDA is developing, in close cooperation with its Member States and the European Commission, a market monitoring mechanism to provide objective data on the entire European Defence Equipment Market (EDEM), which will support the consideration of additional measures and initiatives to promote the global competitiveness of the EDEM. Active support and contributions from all stakeholders will be essential to ensure the pertinence, comprehensiveness and efficiency of this initiative.

Security of Supply is intrinsically linked to an effective EDTIB as it underpins successful collaboration and operational autonomy. In view of this Member States are working with EDA on concrete measures to increase both short- and long-term Security of Supply, whether related to supply chains, European non-dependencies, raw materials, or investments in key industrial and technological capabilities. Commission work to optimise the use of the Intra-Community Transfer Directive 2009/43/EC will also support in this respect. In addition, there is scope for the Commission to assist Member States in exploiting the possibilities offered by the Defence and Security Procurement Directive (2009/81/EC).

Member States are also looking at ways to enhance their political commitment by strengthening the Framework Agreement on Security of Supply adopted by the EDA Steering Board in 2006 to assist and expedite each other's defence requirements, involve industry in this work and exchange information on existing national regulations on control of strategic assets. This enhanced political commitment, supported by the EDA acting as a clearing house, would be an important step forward.

Member States are working with EDA on tangible measures in the areas of standardisation, military airworthiness and certification. This will benefit governments and industry alike by reducing the costs of testing for certification, as well as promoting mutual acceptance of results, and supporting interoperability. A closer and stronger support by the EU Standardisation Agencies to military standardisation activities would generate efficiencies and synergies. While military airworthiness remains a national prerogative, there would be benefits in harmonising airworthiness standards based on achievements to-date and maximising synergies between EDA and EASA, starting with certification of RPAS. A continuous political commitment is required to make a step change in this domain.

Standardisation and the mutual recognition of processes and results are key enablers for making Pooling & Sharing a reality. In 2008, the EDA received a ministerial mandate for the development of military airworthiness regulation requirements, and significant progress has been achieved. By working together,

## HIGH REPRESENTATIVE

the military community could develop a coordinated European approach similar to that in the civilian aviation safety sector.

### **Way forward:**

- encourage further efforts to strengthen the EDTIB, to ensure that it is able not only to meet the equipment requirements of Member States and their security of supply and freedom of action, but also remains globally healthy and competitive and stimulates jobs, innovation and growth;
- recognize the role of SMEs in the defence supply chain; enhance support to SMEs;
- encourage further efforts to enhance and broaden support arrangements on security of supply, and encourage further progress on standards, including hybrid standards, certification and military airworthiness;
- incentivise the European defence industry to become more competitive globally including by undertaking collaborative programmes/procurement as a first choice solution with clear deadlines and commitments (e.g. on RPAS).

### 13. Stimulate synergies between civilian and defence R&T

From 2007 to 2011, defence Research & Development expenditure decreased by more than 18% and Research & Technology (R&T) by more than 20%. Moreover defence R&T is fragmented across Member States (more than 85% is still national): pooling resources would generate economies of



scale. Strong investment is needed if Europe is to retain its R&T expertise.

Building on the list of Critical Defence Technologies elaborated in the EDA framework, the technologies that need to be developed at the European level for defence, space, and the civil sector should be identified on a systematic basis to underpin long-term planning of European R&T. It will also ensure that Europe is addressing the challenge of technology non-dependence at the strategic level. On this basis:

- (a) Member States should be encouraged to commit to multi-annual investment in defence R&T through cooperation
- (b) the content and modalities of the Preparatory Action on CSDP Research should be prepared together between the European Commission, EDA and the Member States;
- (c) if Member States so wish, a 'Critical Defence Technology' funding programme by Member States could be launched to fund defence technology research that matches the Commission's proposed Preparatory Action on CSDP research. This joint initiative could allow for preparing the next generation of capabilities. It could fund projects that apply a multi-disciplinary approach through technology research. With a substantial budget for 2014-2020, the fund could lay the basis to develop innovative technologies that address current and future operational needs for the armed forces.

Because technology is increasingly dual-use in nature, there is

## HIGH REPRESENTATIVE

considerable potential for synergies between civil and defence research. The European Framework Cooperation, which coordinates and complements security and defence research work between the Commission, ESA and EDA, has proved its worth. These synergies should be exploited in a more systematic manner under the Horizon 2020 Research Programme.

The pre-commercial procurement scheme can provide a way forward for the development of mature technologies: pooling civil and military requirements for technologies that are needed both for defence and civil applications can lead to the procurement of common prototypes. Joint procurement would enhance interoperability and common standards. This is an area where co-funding between security and defence research can yield promising results.

A comprehensive research strategy could exploit synergies between national dual-use programmes and European research, in areas such as RPAS, cyber security, space, maritime security, green energy and for the key enabling technologies. As requested by EU Ministers of Defence in April 2013, this should lead to a more cooperative and integrated approach in support of Research and Technology. Among the options to consider are: access to EU instruments for dual-use research activities (Horizon 2020, in particular the Programme on Key Enabling Technologies, and European Structural Funds); jointly funded R&T activities on the basis of the article 185 TFEU; and public-

private partnership via the establishment of a joint undertaking on the basis of article 187 TFEU.

Since defence R&T carries risk due to uncertainty on the return of investment, innovative funding solutions should be explored for attracting private funding.

This approach should not be an excuse to reduce defence budget allocations, but rather to focus budget efforts toward the Critical Defence Technologies that need to be maintained and developed at the European level, and to maximise the impact of investment.

### ***Way forward:***

- encourage Member States to commit to the necessary levels of investment in R&T to support the capabilities of the future, and to do so increasingly through cooperation where this provides benefit. This could be further enhanced through joint research programmes with the European Commission through common funding with Member States; and/or pre-commercial procurement and joint undertakings that leverage public-private funding.
- endorse a comprehensive research strategy to exploit synergies between national dual-use programmes and European research.
- consider how to stimulate innovative funding solutions for stimulating private funding in defence R&T.

## HIGH REPRESENTATIVE

- launch a 'Critical Defence Technology' programme to fund Technology research for 2014-2020, that matches the Commission CSDP research.
- support a Preparatory Action from the Commission on CSDP-related research, seeking synergies with national research programmes.

### III. The way forward

*“The strategic, military and economic cases for defence are, for me, quite clear. What we need to make sure we have got is political will from the very top”.*

HRVP/Head of the Agency Speech at the EDA annual conference, Brussels, 21 March 2013

On the basis of a common understanding of the strategic context, the December European Council offers the opportunity to provide strategic direction for the further development of CSDP and defence cooperation in Europe in accordance with the Lisbon Treaty. The discussion on the interim report has shown strong support for a more regular reappraisal of security and defence issues by the Heads of State and Government.

Three elements are of particular importance:

- first, there is a need for concrete deliverables by December. This needs to materialize first through commitments to capability projects. The Council of 18 and 19 November

and the EDA Steering Board provide an opportunity for such commitments;

- second, task further development in particular areas;
- and third, a robust follow-up process is required, to monitor progress, sustain momentum, and provide renewed impetus.

As part of the follow-up process, and if Member States so wish, work could start on more clearly defining the strategic role of the EU in view of the evolving context and following the entry into force of the Lisbon Treaty.

On the basis of the preceding chapters, what follows are elements resulting from the preparatory work which could be considered by the Heads of State and Government:

- express a strong commitment to defence cooperation in Europe to further enhance the Common Security and Defence Policy;
- fully grasp the occasion to communicate to the wider public that 'security and defence matter';
- endorse and give renewed impetus to a strategically coherent and effective use of EU instruments through the comprehensive approach;
- continue developing the partnerships with the UN and NATO focusing on stronger complementarity, co-operation and coordination;
- further encourage and facilitate contributing partners'

## HIGH REPRESENTATIVE

support to CSDP: partners enable the EU, and the EU enables partners. Agree to develop appropriate instruments to engage in supporting the national security services of EU partners (transparency, accountability and capacity building);

- emphasize the critical importance to European security of cyber and space networks and energy security; support the development of an EU Cyber Defence Policy Framework;
- support work towards a maritime security strategy; call for a more comprehensive approach to help Third States and regions better manage their borders;
- call for further improvements in rapid response: rapid civ-mil assessment; rapid deployment of civilian missions including its financial aspects; endorse a new approach to the EU's rapid response assets including the Battlegroups; explore the use of article 44 TEU;
- promote greater convergence of defence planning of EU Member States (transparency, information sharing);
- encourage the incorporation of pooling and sharing into national defence planning;
- harmonize requirements covering the whole life-cycle;
- call for the development of a strategic Defence Roadmap for systematic and long-term defence cooperation, setting out specific targets and timelines;
- decide on incentives for defence cooperation in Europe, including of a fiscal nature (e.g. VAT); ring-fence cooperative

- projects from budget cuts;
- explore innovative financing arrangements (PFI/PPP);
  - commit to specific capability projects: AAR, RPAS, Cyber and Satellite communications; implement roadmaps; and consider tasking work to be done on other key capabilities such as air transport and satellite high resolution imagery;
  - renew efforts in generating civilian capabilities for CSDP and pursue efforts to strengthen the ties between CSDP and Freedom, Security and Justice (FSJ);
  - encourage further efforts to strengthen the EDTIB, to ensure that it is able to meet the equipment requirements of Member States, remain globally competitive and stimulate jobs, innovation and growth;
  - recognize the role of SMEs in the defence supply chain; enhance support to SMEs;
  - encourage further efforts to enhance and broaden support arrangements on security of supply, and encourage further progress on hybrid standards, certification and military airworthiness;
  - incentivise the European defence industry to become more competitive globally, including by undertaking collaborative programmes/procurement as a first choice solution;
  - encourage Member States to commit to the necessary levels of investment in R&T to support the capabilities of the future, and to do so increasingly through cooperation. This could be further enhanced through joint research programmes with

## HIGH REPRESENTATIVE

the European Commission through common funding with Member States; and/or pre-commercial procurement and joint undertakings that leverage public-private funding;

- endorse a comprehensive research strategy to exploit synergies between national dual-use programmes and European research.
- decide on innovative funding solutions for stimulating private funding in defence R&T;
- support a Preparatory Action from the Commission on CSDP-related Research, seeking synergies with national research programmes;
- agree on a robust follow-up process, to monitor progress, sustain momentum and provide renewed impetus at regular intervals, on the basis of input from the High Representative/ Head of the Agency;
- consider launching a European defence reporting initiative to synchronise budget planning cycles and set convergence benchmarks, a 'European semester on defence' in all but name.



# EUROPEAN PARLIAMENT

## On the implementation of the CSDP

### **Report on the implementation of the Common Security and Defence Policy (based on the Annual Report from the Council to European Parliament on the Common Foreign and Security Policy)**

Committee of Foreign Affairs: Maria Eleni Koppa

31.10.2013

MOTION FOR A EUROPEAN PARLIAMENT RESOLUTION  
on the implementation of the Common Security and Defence Policy  
(based on the Annual Report from the Council to the European  
Parliament on the Common Foreign and Security Policy)

The European Parliament,

having regard to the Annual Report from the Council to the  
European Parliament on the Common Foreign and Security  
Policy, in particular the parts concerning the European  
Security and Defence Policy [...]

### **European security and defence in a changing world**

1. Notes the significant and ongoing changes in the geopolitical environment characterised by multidimensional and asymmetric threats, by transnational terrorism, by the rise of emerging powers and a strategic shift in attention by the US towards the Pacific region, by increased poverty, hunger and instability in the EU's southern neighbourhood, by growing

## EUROPEAN PARLIAMENT

maritime security challenges, by the proliferation of weapons of mass destruction and increased illicit trafficking of small arms and light weapons, by challenges in energy security, and by major systemic financial failure and a severe and long-lasting financial and economic crisis with a major impact on the GDP of many EU Member States and, consequently, on national defence budgets on both sides of the Atlantic;

2. Believes that reassessing and strengthening Europe's role in the world constitutes one of the major challenges of the 21st century and that the time has come for the Member States of the Union to show the political will needed for making the EU a relevant global actor and security provider with real strategic autonomy; considers that a change of mindset on the part of Member States is required in order to anchor a European approach to a committed and effective security and defence policy;

3. Welcomes, therefore, the European Council decision to hold a discussion dedicated to security and defence at the December 2013 Summit; considers that this provides a timely opportunity to underline at the highest political level and to communicate to the public in Europe that security and defence issues still matter and that the European dimension is more relevant than ever; strongly believes that the EU needs to be able to provide security for its citizens, to promote and defend its fundamental values, to assume its share of responsibility for world peace and to play an effective role in preventing and managing

## On the implementation of the CSDP

regional crises in its wider neighbourhood, contributing to their resolution and protecting itself against the negative effects of these crises;

4. Welcomes also the report by the High Representative/ Vice-President of the Commission on the CSDP, which pinpoints a number of obstacles which the policy faces; deplores the fact, however, that the report does not propose more in the way of measures aimed specifically at remedying the shortcomings of the CSDP;

5. Looks forward to substantive decisions being taken at the December Summit and puts forward its own recommendations with this report, building upon relevant positions taken by Parliament in the recent past and paying close attention to the ongoing debate on the three main issues (clusters) identified by the December 2012 European Council.

### **Unleashing the potential of the treaties**

6. Notes that the Lisbon Treaty introduced several new instruments in the area of the Common Security and Defence Policy (CSDP) which have not yet been put into practice;

7. Emphasises in this regard the possibility of establishing permanent structured cooperation (PESCO) among Member States (Article 46(6) TEU), of entrusting CSDP instruments and military planning and conduct capabilities in particular to that group of Member States (Articles 42(5) and 44(1) TEU), and of establishing a start-up fund for preparatory activities for missions

## EUROPEAN PARLIAMENT

which are not charged to the Union budget (Article 41(3) TEU) and are not incorporated into the ATHENA mechanism; calls, therefore on the President of the European Council and the Vice-President/High Representative to establish the start-up fund; highlights in this context the importance of mainstreaming CSDP matters into those EU policies which have a multifaceted impact on security and defence or contribute to CSDP, such as development and human rights, industrial research and innovation, internal market, international trade and space policies and others, in order to support those Member States which are engaged in further strengthening the CSDP;

8. Stresses the importance of these commonly agreed provisions for the development of the CSDP and calls on the European Council to conduct a serious discussion about their implementation in a coherent manner; calls on the President of the European Council, the President of the Commission and the Vice-President/High Representative (VP/HR) to play an active role in this process;

### **First cluster: increase the effectiveness, visibility and impact of the CSDP**

9. Points out that, according to the Treaties, the EU's aim is to promote peace, its values and the well-being of its peoples (Article 3 TEU) and that its action on the international scene seeks to consolidate and support democracy, the rule of law and human rights, and to prevent conflicts and strengthen

## On the implementation of the CSDP

international security, in accordance with the purposes and principles of the United Nations Charter, with the principles of the Helsinki Final Act and with the aims of the Charter of Paris, including those relating to external borders (Article 21 TEU); is convinced that the CSDP serves these aims and underlines the need to upgrade it;

10. Stresses that the main asset of the European Union is the availability of various policies and instruments, combined through the 'comprehensive approach', and that it is possible to achieve better results at all levels by better integrating the CSDP into this approach; welcomes in this respect the review of the organisation and functioning of the EEAS published by the VP/HR in July 2013, which recognises the problems of coordination and those related to the speed and effectiveness of decision-making in the area of the CSDP; looks forward to specific decisions being taken at the December Summit and expects the further integration of the CSDP to be analysed thoroughly in the upcoming joint Communication by the VP/HR and the Commission on the implementation of the comprehensive approach;

11. Reiterates its conviction that although elements of the 2003 European Security Strategy, as supplemented in 2008, remain valid, the EU needs to review and to complement this strategy by taking recent developments and the new array of security challenges and risks into account and redefining its strategic interests, objectives and priorities, with a greater emphasis on the protection of its citizens, the defence of critical

## EUROPEAN PARLIAMENT

infrastructures and its neighbourhood, and by dovetailing the different regional and topical sub-strategies; believes that such an exercise will provide a clearer strategic framework for external action by the EU, enhance consistency and, at the same time, communicate better to the citizens the challenges and risks facing them in the future; requests therefore that the European Council launch a debate on the appropriate strategic framework for the Union, mandate the VP/HR to come forward with proposals in this respect before the end of 2014 and ensure sustainable follow-up, subject to regular updates, as primarily defined in the context of the European Security Strategy;

12. Calls for the review of the EU strategic framework to form the basis for a White Paper on EU security and defence policy and suggests that the European Council could set the necessary process in motion; urges the EU Member States, furthermore, to give serious consideration to the European dimension in their national security strategies, White Papers and decision-making in the field of defence; calls on the VP/HR to develop a common template for the shaping of concurrent national reviews;

13. Points to the need to ensure that the EU is in a position to contribute, by means of crisis management operations, to conflict prevention, stabilisation and resolution;

14. Believes that the introduction of a mutual defence clause and a solidarity clause by the Treaties (Article 42(7) TEU and Article 222 TFEU) reinforces the sense of common destiny among European citizens; reminds Member States that only in a spirit

## On the implementation of the CSDP

of commitment, mutual understanding and genuine solidarity will the Union be able to fulfil its global role, thus enhancing the security of Europe and that of its citizens; commends, therefore, the Commission and the European External Action Service (EEAS) for the Joint Proposal on the arrangements for the implementation by the Union of the solidarity clause and calls on the Heads of State and Government to reaffirm their commitment to mutual solidarity and to provide a clear operative interpretation of the two clauses;

15. Notes with concern that the number and timeliness of CSDP missions and operations, and the development of civilian and especially military means and capabilities for the CSDP, fall short of what is required, given the EU's increasingly insecure and unstable neighbourhood; deplores, in particular, the limited overall scope of the CSDP missions related to the crises in Libya and Mali and regrets the lack of flexibility within the Union's decision-making procedures which account for delayed effective responses in crisis scenarios, as the two examples illustrate; calls for the situation to be monitored and for the operational engagement in Eastern Europe and the Southern Caucasus, which has yielded positive results, to be maintained; calls for greater ambition and serious efforts to improve the design of future CSDP missions and operations under a 'lessons learned process' and to develop appropriate exit strategies; invites the VP/HR to steer this process and welcomes in this respect her report published on 15 October 2013 as an important step on

## EUROPEAN PARLIAMENT

how to make the CSDP more effective and proactive;

16. Emphasises the need to enhance the visibility of European crisis management and to place all efforts under the CSDP, making use, where appropriate, of the provision in Article 44 TEU for a Council decision entrusting the implementation of a task to a group of Member States which are willing and have the necessary capability for such a task;

17. Expresses its concern, based on experience in the recent past, that the comprehensive approach to crisis management has not yet reached its full potential; considers that missions and operations are more meaningful when they are embedded into a regional strategy, as the positive example of the Horn of Africa demonstrates; takes note of the 'Suggestions for crisis management procedures for CSDP crisis management operations' endorsed by the Member States on 18 June 2013;

18. Asks that the functional problems of civilian CSDP missions, notably regarding the speed of deployment and staffing, be tackled by reviewing their legal and financial framework, which often complicates the decision-making process and leads to delays; calls for an increase in the number of qualified and politically independent strategic planners, which is too small in comparison to the number of missions; further asks Member States to create a 'civilian reserve corps' that could be deployed quickly if needed, and welcomes in this regard the recently established permanent CSDP warehouse;

19. Recalls its 2001 resolution, which called for the creation of



## On the implementation of the CSDP

a European Civil Peace Corps; welcomes recent efforts to create a Voluntary Humanitarian Aid Corps within the Commission and a pool of experts in mediation, dialogue and reconciliation within the External Action Service; also welcomes the existence and continuation of the Peacebuilding Partnership between the External Action Service and relevant civil society stakeholders;

20. Stresses the important role of mediation and dialogue in preventing and resolving conflicts peacefully; commends the progress which the EEAS has made in strengthening its mediation capacities and reiterates its support for further enhancing Europe's capacities in this field; believes that Parliament's successful involvement in mediation processes has demonstrated the important role parliamentarians can play in supporting mediation and dialogue processes and intends to further step up its efforts in this field;

21. Proposes the inclusion of human rights and gender advisors in all CSDP missions and encourages the exchange of best practices among CSDP missions to ensure that human rights concerns are fully taken into account and women are fully protected and included in conflict and post-conflict resolution; invites the Council and the EEAS to take further steps to include gender aspects in staff planning for CSDP missions;

22. Highlights the fact that successful military operations require a clear command and control function; reiterates therefore its call for the establishment of a permanent military operational headquarters; notes with regret the lack of progress

## EUROPEAN PARLIAMENT

on this issue and the strong resistance by some Member States; stresses further that an effective CSDP requires adequate early warning and intelligence support; considers, therefore, that these headquarters should include cells for intelligence gathering and for early warning/situational awareness;

23. Reiterates its support for a provisional solution and draws attention to its proposal to improve the status of the currently active Operations Centre for the Horn of Africa and assist military planning and coordination among those operating on the ground; asks the VP/HR to develop such an option, within the constraints of its current size and infrastructure, in order to optimise the use of existing resources, and to examine the feasibility of widening the geographical area of operations to encompass other important regions; considers that this body should have legal capacity and be assigned the role of coordinating procurement between Brussels and individual mission headquarters, using economies of scale to maximise savings;

24. Notes the fact that EU battlegroups have never yet been deployed and considers that their existence will be difficult to justify over time; stresses that they constitute an important tool for timely force generation, training and rapid reaction; welcomes the decision to address this issue during the December Summit; is convinced that the EU should dispose of high-readiness standing battle forces, with land, air, naval, cyber and special forces components and a high level of ambition; underlines the fact that EU battlegroups should be deployable for all types of

## On the implementation of the CSDP

crises, including climate-driven humanitarian crisis; favours a more flexible and targeted approach to enhance the response and adaptability to different crisis situations, and to improve modularity in order to close gaps during the initial phases of the launch of CSDP operations without, however, compromising the operational capacity of the battlegroup as a whole;

25. Highlights the fact that greater efforts should be made to integrate at EU level initiatives such as the Eurocorps and the European Air Group;

26. Confirms that the existing financial system of 'costs lie where they fall' constitutes a serious problem for the CSDP, leading to delays or complete blockages in decision-making, notably on the quick deployment of battlegroups; recommends that Member States agree on an EU financing mechanism based on burden-sharing for the use of battlegroups under the EU flag, in order to give them a realistic future; also calls – in the interests of consistency and efficiency – for the EEAS to be given control over the financial instruments linked to the crisis management measures that it plans and carries out; expects the VP/HR and interested Member States to put forward concrete proposals in this respect;

27. Expresses its concern, furthermore, that the economic and debt crisis may have an impact on the willingness of EU Member States to contribute to CSDP missions and operations, particularly those with military and defence implications; calls therefore for extension of the scope of the ATHENA mechanism

## EUROPEAN PARLIAMENT

and use of the start-up fund (Article 41(3) TEU) to ensure the rapid financing of urgent tasks; stresses, however, that even if the CSDP needs to be reenergised, this should be done in accordance with budgetary constraints;

28. Invites Member States to exploit the possibilities offered by PESCO and to start implementing this Treaty provision in order to tackle the prevailing 'CSDP fatigue' and deepen military cooperation and integration; calls on the European Council to deliver clear guidelines for its implementation and invites Member States that are not interested to act constructively; stresses that the possibility of joining at a later stage should be left open in order to ensure flexibility and to avoid a two-speed Europe;

29. Points out that the EU has a vital interest in a secure and open maritime environment that allows the free passage of commerce and the peaceful, legal and sustainable use of the oceans' riches; stresses the need to develop an EU maritime foreign policy which aims at protecting and preserving critical infrastructure, open sea routes and natural resources and puts an emphasis on the peaceful resolution of conflicts, within the context of international law and in line with the provisions of the UN Convention on the Law of the Sea; looks forward to the adoption of the EU Maritime Security Strategy, in line with the April 2010 Council conclusions, and calls for the development of a specific implementation plan; points out that the integration of maritime surveillance across sectors and borders is already a cross-sectoral tool of the EU Integrated Maritime Policy (IPM); highlights the importance of swiftly implementing the

## On the implementation of the CSDP

Common Information Sharing Environment project and building a 'bridge' between the IPM and the CSDP to improve information sharing between them;

30. Underlines the need to prevent the militarisation of regions like the Arctic and stresses the need to use peaceful means of conflict resolution, including trade instruments;

31. Requests that the European Council reconfirm the importance of space, which underpins the strategic autonomy of the EU and its Member States and the potential to gain autonomous access to space by developing launchers and satellites; reiterates the importance of gathering precise intelligence for both civil and military CSDP missions and operations; emphasises in particular the role of space-based assets in the field of conflict prevention and crisis management before, during and after a crisis; invites the Commission to develop a specific policy to support the development of multiple-use space assets;

32. Reiterates the growing importance of tackling cyber security threats; invites the European Council to develop guidelines for the implementation of the EU Cyber Security Strategy and to take concrete measures regarding the protection of cyber infrastructure, and investing in enhancing EU-wide cooperation on crisis management procedures, cyber exercises, training and education; calls on the Commission and the VP/HR to ensure that cyber-security policy is enacted in a cross-sectoral manner, so as to ensure adequate bridging arrangements between the EU's internal and external security policies, and on

## EUROPEAN PARLIAMENT

all Member States to develop or finalise their respective national Cyber Security Strategies and to aim for a greater degree of synchronisation at Union level;

33. Asks the European Council to reaffirm the significance of Europe's energy supply and a diversified and sustainable access to energy resources; notes that some Member States lack the capacity to diversify their energy supplies and are thus becoming increasingly vulnerable; in this respect, strongly supports the collaborative efforts of Member States in crisis situations; stresses that the protection of critical infrastructure in Europe should activate the mutual defence and/or solidarity clause; notes also that operation ATALANTA is already performing an energy security role by combating pirates who have hijacked a number of oil tankers since 2008; believes, therefore, that these aspects need to be part of the necessary strategic approach; emphasises, in this connection, that energy supply is a crucial factor for successful CSDP missions and operations;

34. Underscores the importance of energy efficiency in the field of defence, in particular, stressing the need to assess the impact of energy consumption on defence budgets and military effectiveness and develop a comprehensive energy efficiency strategy for the armed forces;

35. Underlines the importance for the EU to further develop partnerships and deepen its security dialogue with the UN, regional organisations and relevant players, including Eastern Partnership and Southern Neighbourhood countries;

## On the implementation of the CSDP

36. Points out that the EU should further engage with the UN, the African Union, the OSCE and ASEAN in order to share analysis and cooperate in addressing the challenges of environmental policy and climate change, including their security implications; underlines the need for preventive action and urges the EU to develop and improve early warning capabilities;

37. Calls for stronger cooperation between the EU and NATO structures through a complementary approach and closer coordination in order to help avoid duplication between the two partners and to effectively tackle the new threats; is convinced that strengthening the CSDP does no harm to, and indeed reinforces, collective security and transatlantic links; asserts that the development of defence capabilities within an EU context also benefits NATO; notes the constructive collaboration regarding the EU's pooling and sharing initiative and NATO's smart defence initiative; welcomes the Republic of Cyprus's intention to join NATO's Partnership for Peace Programme, which can be a game changer, and urges Turkey to adopt an equally constructive attitude; urges the development of a comprehensive framework for EU-NATO cooperation and the deepening of political dialogue with full respect for the decision-making of each party;

38. Takes the view that the EU needs to be able to act autonomously, particularly in its own neighbourhood, but always in line with the provisions of the UN Charter and ensuring full respect for international humanitarian law.

## EUROPEAN PARLIAMENT

### **Second cluster: enhance the development of defence capabilities**

39. Echoes concerns that further cuts in national defence budgets will make it impossible to maintain critical military capabilities and will result in the irreversible loss of know-how and technologies; notes that the shortfalls in Member States' capabilities became apparent during the operations in Libya and Mali and that the economic crisis has exacerbated existing structural problems; reiterates its view, however, that the problem is less of a budgetary nature than of a political one;

40. Notes the proposals put forward by the VP/HR in her October 2013 report on the CSDP, in particular those intended to create incentives, including tax incentives, for cooperation in the defence capability field; stresses the opportunity for Member States to enjoy the full benefits of working closer together to generate military efficiency and to decide to optimise and spend scarce resources in a better and smarter way, by creating synergies and by a coordinated reduction of unnecessary duplication, redundant and obsolete capabilities;

41. Welcomes the ongoing revision of the Capability Development Plan as the basis for a long-term joint transformation concept for capability-building; believes that this transformation concept should be discussed regularly and its implementation streamlined and, as appropriate, reviewed;

42. Draws attention to the mission of the European Defence Agency (EDA), as provided for in Articles 42(3) and 45 TEU,



## On the implementation of the CSDP

according to which the Agency is entrusted with important tasks in terms of implementing permanent structured cooperation, formulating a European capabilities and armaments policy, developing the military capabilities of Member States and strengthening the industrial and technological base of the defence sector, but without financial implications for the EU budget;

43. Considers that, although not a panacea, the pooling and sharing of military capabilities constitutes an important response to shortfalls in European capabilities; welcomes the facilitating role of the EDA and the progress achieved so far; believes that pooling and sharing should not only be considered in terms of joint sourcing, but also in terms of integration, and should cover the shared maintenance and utilisation of capabilities;

44. Calls for the European Defence Agency (EDA) to be given a stronger role in coordinating capabilities, with a view to ending duplication and the existence of parallel programmes in the Member States, which place an excessive burden on taxpayers;

45. Invites the EU Member States to improve information-sharing on defence planning and, in line with the Code of Conduct on Pooling and Sharing, to include pooling and sharing solutions in national defence planning cycles and decision-making processes;

46. Stresses that mutual trust, transparency and reliability are key factors for the success of any common endeavour in the area of security and defence; is convinced that the development

## EUROPEAN PARLIAMENT

of defence capabilities must be embedded into a strategic approach that determines the appropriate mix of capabilities and the goals for which they should be used;

47. In the light of the above, expects the upcoming Defence Summit:

- (a) to provide political and strategic guidance, reconfirming the Member States' commitment to capability development and the level of ambition outlined in the 2008 Declaration on Strengthening Capabilities;
- (b) to set the foundations for truly collective planning, ranging from strategic planning to procurement and technological development, whilst paying particular attention to the issues of financial arrangements and incentives;
- (c) to step up the implementation of existing projects, particularly those regarding strategic enablers, and to provide political support for the EDA's flagship projects, i.e. Air-to-Air Refuelling, Satellite Communication, Remotely Piloted Aircraft Systems, Cyber Defence, and the Single European Sky;
- (d) to task the VP/HR and the EDA, in tandem with the Commission, to come forward with new practical proposals regarding the development of defence capabilities by the end of 2014;
- (e) to establish a monitoring process which regularly assesses the progress achieved;
- (f) to reiterate the value of closer collaboration with NATO and

- strategic partners in the capabilities' development domain;
- (g) to consider launching development work on a Military Headline Goal 2025, possibly complemented by an Industrial Headline Goal.

### **Third cluster: strengthen Europe's defence industry**

48. Welcomes the Commission Communication entitled 'Towards a more competitive and efficient defence and security sector', which brings forward some fresh ideas and proposals; fully supports the Commission's efforts to deepen the internal defence and security market and to develop a defence industrial policy, providing adequate support for SMEs which play a key role in innovation, R&D, job creation and economic growth, in line with the Europe 2020 Strategy;

49. Underlines the fact that strengthening the technological and industrial base of the defence sector is an objective of the Union enshrined in Articles 42(3) and 45 TEU; stresses that a solid European Defence Technological and Industrial Base (EDTIB) which is able to sustain CSDP and further enhance Europe's military capabilities, whilst preserving the EU's strategic autonomy, is crucial for an effective European defence; highlights the link between research, industry and capability development, which are all necessary elements for economic growth, job creation and competitiveness, as well as for a stronger CSDP;

50. Reiterates the need for a strong and less fragmented European defence industry that is capable of sustaining the

## EUROPEAN PARLIAMENT

CSDP and enhancing the EU's strategic autonomy; highlights the importance of certification and standardisation for improving the interoperability of the armed forces; calls on the European Council to mandate the EDA to prepare a roadmap for the development of defence industrial standards, and on the Member States to streamline European certification procedures with the mutual recognition of certificates and to harmonise their certification procedures;

51. Stresses that the anticipation and management of change and restructuring are an integral part of any industrial policy; considers, therefore, that further market integration in the defence sector must go hand in hand with active social dialogue and the mitigation of its negative impacts on regional and local economies, making full use of EU financial instruments, such as the European Social Fund and the European Globalisation Fund;

52. Calls on the European Council to take action in these areas through sound financing of R&D, including at Union level; supports the development of effective and cost-efficient cooperation between civilian security and defence research activities; stresses, however, the continued need for an effective dual-use export regime;

53. Stresses the need to ensure new sources of financing for research and innovation in the defence field, e.g. through Horizon 2020.

### **Concluding remarks**

54. Fully supports holding a debate on the three clusters at the December Defence Summit; highlights their equal importance and the fact that they are interlinked by an inherent logic serving the same strategic goals;

55. Calls on the European Council, as well as policymakers at all levels in the Member States of the Union, to show greater ambition and courage in launching a public debate, this being even more important in times of economic austerity; stresses the need to invest more and step up cooperation in the area of security and defence, and to explain the causal nexus between security and defence on the one hand, and freedom, democracy, rule of law and prosperity on the other;

56. Stresses the indivisible link between internal and external security and that a peaceful, secure and stable environment is a precondition for preserving the political, economic and social model in Europe;

57. Expresses its high hopes that this European Council will not be an isolated event, but the starting point of a continuous process that revisits security and defence matters at European Council level on a regular basis; favours, as a follow-up to the European Council, the establishment of a roadmap with specific benchmarks and timelines, and a reporting mechanism; advocates the creation of a Council of Defence Ministers in the medium term in order to give security and defence matters the weight they deserve;

## EUROPEAN PARLIAMENT

58. Resolves to maintain and strengthen closer links with the Member States' national parliaments through regular meetings in order to promote dialogue and exchanges of views on matters of security and defence;

59. Believes that the CSDP is a basic pillar of the European integration process;

60. Instructs its President to forward this resolution to the President of the European Council, the VP/HR, the Council, the Commission, the governments and parliaments of the Member States, the Secretary-General of NATO, the President of the NATO Parliamentary Assembly, the Secretary-General of the United Nations, the Chairman-in-Office of the OSCE, the President of the OSCE Parliamentary Assembly, the Chair of the Assembly of the African Union and the Secretary General of ASEAN.

### **MINORITY OPINION**

on the Implementation of the Common Security and Defence Policy (based on the Annual Report from the Council to the European Parliament on the Common Foreign and Security Policy).

Committee on Foreign Affairs, Rapporteur: Maria Eleni Koppa.

Minority Opinion tabled by GUE/NGL MEPs Sabine Lösing, Willy Meyer, Nikolaos Chountis.

The report wants to grant the military a central role for the security of energy resources and trade lines and heretofore advocates the further militarization of the EU by demanding more CSDP-missions and military capabilities as well as “flexible, high-readiness standing battle forces” – *de facto* a European Army.

We object this report as it wants to transform the EU into a global military actor, especially since it:

- advocates an EUHQ with intelligence support as well as a permanent Defence Council;
- supports reviewing the financial framework for CSDP missions by the extension of the ATHENA mechanism beyond parliamentary control and the financing of EDA from the EU budget;
- blurs the line between civilian and military research (and funding) as well as between internal and external security;
- regrets that the battlegroups have never been deployed in EU military operations;
- advocates mutual defence and solidarity clause (Art. 42(7))

## EUROPEAN PARLIAMENT

TEU + Art. 222 TFEU) also to secure trade, energy routes/  
critical infrastructure

- generally focuses on military “solutions” instead of capacities for civil peaceful conflict solutions.

We demand:

- radical (including CBRN) disarmament on EU and global levels;
- no military funding from EU-budget
- all activities strictly within UN Charter, International Law;
- civilian EU, strict civil peaceful approaches to conflict solutions, separation of civil and military actions;
- strict separation of EU from NATO.



# COUNCIL OF THE EUROPEAN UNION

## Council conclusions on CSDP

Brussels, 25-26 November 2013

The Council adopted the following conclusions:

“1. In today’s changing world the European Union is called upon to assume increased responsibilities in the maintenance of international peace and security, in order to guarantee the security of its citizens and the promotion of its values and interests. To this end, in its conclusions of December 2012, the European Council expressed its commitment to enhancing the effectiveness of the Common Security and Defence Policy as a tangible contribution to international crisis management. In line with these conclusions, the High Representative/Head of the European Defence Agency presented her report with further proposals and actions to strengthen CSDP.

2. The Council welcomes this report as a key contribution to the European Council on security and defence scheduled for December 2013. It stresses the importance of enabling the EU to assume increased responsibilities as a security provider, at the international level and in particular in its neighbourhood, thereby also enhancing its own security and its role as a strategic global actor. The Council believes that the EU through CSDP and other instruments has a strong role to play through its unique

## COUNCIL OF THE EUROPEAN UNION

comprehensive approach to preventing and managing conflicts and their causes.

It stresses the importance of working with its partners, in particular the UN, NATO, OSCE, and African Union, as well as strategic partners and partner countries in its neighbourhood, with due respect to the institutional framework and decision-making autonomy of the EU. The EU faces long-standing and emerging security challenges, within a rapidly changing and complex geostrategic environment, while the financial crisis is posing challenges to the security and defence capabilities of the European countries. It therefore underlines the need to build on the results achieved so far and renew the commitment by Member States to improve the availability of the necessary capabilities and to foster a more integrated, sustainable, innovative and competitive European defence technological and industrial base all across the EU, on which the capabilities of the future depend and which provides jobs, growth and innovation.

3. In this context, the Council underlines that security and defence matter. This should be reflected in our communication strategy to raise public awareness. The Council also underlines the importance of addressing the need to sustain sufficient expenditures related to security and defence. Furthermore, the Council signals that European interdependence is becoming increasingly paramount and therefore stresses the need to address these challenges together, making the best use of scarce national and Union resources through increased and

more systematic cooperation and coordination among Member States, and making coherent and effective use of the EU's instruments and policies. This should contribute to a less-fragmented defence sector and to remedying capability shortfalls and avoiding redundancies. In order to effectively support these efforts, consideration should be given to more clearly defining the strategic role and priorities of the EU, also based on its contribution to global security through the comprehensive approach and experience with CSDP missions and operations, taking into account the evolving international context and the entry into force of the Lisbon Treaty.

4. The Council looks forward to the forthcoming discussion among Heads of State and Government providing strategic guidance to strengthen CSDP and deepen cooperation on security and defence in Europe, in accordance with the Lisbon Treaty. The Council strongly supports a robust follow-up process to ensure and monitor concrete progress and sustain the momentum across all three clusters of effectiveness, visibility and impact of CSDP, capability development, and industry and market. As part of this process, it welcomes the analysis of the EU's strategic context set out in the High Representative's CSDP report as a basis for further assessing the EU's challenges and opportunities in the strategic environment and considering priorities for further actions and for regional engagement. It invites the European Council to consider requesting the High Representative to present first high level observations, based on

## COUNCIL OF THE EUROPEAN UNION

consultations with Member States, in Spring 2015.

The Council will revert to the issue of security and defence, and the concrete proposals and work strands below, by mid-2014 on the basis of a progress report. It further invites the European Council to remain seized of the matter and to provide renewed impetus at regular intervals, on the basis of input from the High Representative, also acting as Vice President of the European Commission, notably through the European External Action Service and the European Defence Agency, as well as the European Commission, all acting in accordance with their respective responsibilities and cooperating closely as required.

### Increasing the effectiveness, visibility and impact of CSDP

5. CSDP crisis management missions and operations continue to provide a tangible and effective contribution of the EU to international peace and security. Today the EU deploys more than 7000 staff, in 12 civilian missions and 4 military operations.

6. The Council welcomes that a number of regional strategies are in place, in particular for the Sahel and the Horn of Africa, to ensure a joined-up approach encompassing security that enhances the overall impact of EU action and delivers enduring results. It underlines the need to elaborate new regional strategies where necessary, or update existing ones, thereby further strengthening the regional perspective and close cooperation between the different CSDP missions and operations in a region. They should also take into account

the sustainment of EU actions through for example capacity building of partner countries and regional organisations. The Council confirms the readiness of the EU to consider options for assuming further security responsibilities in the Western Balkans when the conditions are right and in coordination with all the relevant actors.

7. The EU has a uniquely wide array of policies and tools at its disposal – spanning the diplomatic, security, defence, financial, trade, and development fields. This is the EU's main strength at the international level. It is the world's largest trading bloc and, collectively, the biggest donor of development and humanitarian aid. The Council recalls the relevant Treaty provision regarding consistency in external action and with other policies, and the responsibility of the Council and the European Commission to cooperate to that effect, assisted by the High Representative. In order to tackle both long-standing and new security threats, the EU needs to apply and further develop its comprehensive approach to all phases of the conflict cycle, from early warning and prevention, through management to stabilization and peace-building. In this context, practical improvements should be prepared for a smooth transitioning of CSDP missions and operations, drawing on the whole array of available EU and Member States' instruments, thereby sustaining progress achieved in the field. The Council supports a renewed impetus to a strategically coherent and effective use of the EU's and Member States' array of instruments, including to improve EU

## COUNCIL OF THE EUROPEAN UNION

structures' shared awareness and joint situation analysis, using the EU delegations in the field. It looks forward to an ambitious Joint Communication from the High Representative and the European Commission on the EU Comprehensive Approach, forthcoming well ahead of the FAC in December, providing a basis for implementation, e.g. through an action plan, and allowing to make full use of the role of the High Representative who is also one of the Vice Presidents of the European Commission.

8. In this context, the Council recalls as well the important nexus between development and security as developed in the Agenda for Change: there cannot be sustainable development without peace and security, and without development and poverty eradication there will be no sustainable peace. The Council underlines that coherence between security and development, taking into account human rights and human security, both at a policy and an operational level, is a process that requires short-term improvements and longer term action. In this context, it recalls its Conclusions of November 2007 and May 2012, and calls for a swift follow-up of the adoption of the relevant Action Plan.

9. The Council notes that improvements in relation to the CSDP structures and their positioning within the EEAS, as well as in relation to the comprehensive approach including as regards maintaining active EEAS influence on programming of EU external assistance, should be considered in the context of the EEAS Review. It further notes that the revised

Crisis Management Procedures also aim at facilitating greater efficiency and better synergies between civilian and military planning. Recalling its Conclusions of December 2011 and July 2012, the Council stresses the need for making optimal use of all the CSDP structures in this regard, and reiterates the importance of adequate resourcing, including civilian expertise, in order for them to be able to deliver on their mandates.

10. The Council stresses that supporting capacity-building of partner countries and regional organizations in crisis situations is crucial to enable them to increasingly prevent or manage crises by themselves. Enabling security forces (armed forces, police, gendarmerie, border management) through training and advice in the framework of CSDP should be complemented by, and may be dependent on, other measures to enhance their functioning by promoting or facilitating that they have adequate and appropriate equipment, resources, salaries and infrastructure. Such efforts should be part of a broader engagement on Security Sector Reform and cannot be separated from EU actions to promote human rights, democracy and good governance. The Council stresses the need to consider with the recipient country as well as with other international donors, as appropriate, issues of early identification of equipment needs and resources, interoperability and international coherence, maintenance and sustainability, and suitable governance. It agrees that, notwithstanding bilateral assistance by Member States, further work is needed to more systematically address requirements for, and possible limitations

## COUNCIL OF THE EUROPEAN UNION

to provide, equipment necessary for security forces to be trained effectively and sustainably by CSDP missions and operations, based on the principle of local ownership and in full respect of applicable EU and international rules on arms exports. It calls for concrete steps to improve the coherence and effectiveness of CSDP, wider EU and Member States' actions in this regard, with the aim of allowing for a more effective, systematic and swift mobilization of EU and Member States' instruments to achieve agreed EU political objectives in crisis situations. Such an EU initiative could be applied to a number of countries or regions and has particular relevance in the framework of the EU-Africa summit of April 2014. It invites the High Representative, together with the European Commission, to propose recommendations in the first semester of 2014, including on possible priority areas for concrete implementation.

11. The Council emphasizes that internal and external security dimensions are increasingly inter-linked. It underlines the importance to continue to strengthen the ties between CSDP and Freedom/Security/Justice (FSJ) actors, so as to foster a greater understanding of respective objectives and ensure mutual benefits. This will, *inter alia*, help to cope with important horizontal issues such as illegal immigration, organized crime and terrorism. In this context, the greater contribution of EU agencies (EUROPOL, FRONTEX, CEPOL) as well as of INTERPOL to CSDP should be further accelerated, as appropriate.



12. The Council emphasizes the increasing strategic value of rapid response. To be credible as a security provider, the EU must be in a position to swiftly and effectively assess crises and mobilize its various instruments to address them, preventing and managing conflict. Early warning, advance planning, conflict prevention, regional security strategies and crisis management planning and execution should be more closely linked. It notes that the revised crisis management procedures also facilitate swift action when necessary. Stressing that the Union needs to enhance its ability to plan and deploy the right civilian and military assets rapidly and effectively on the whole spectrum of crisis management operations, the Council:

- a. encourages the EEAS to further improve the planning, conduct and support of civilian missions and in particular to expedite their rapid deployment and early effective delivery on their mandates. To this end, a roadmap has been established to tackle shortcomings. In this context, the Council underlines the importance of its implementation as well as of regular reporting on progress made and urges to continue the efforts towards ensuring early access to financing of civilian deployments and flexibility in using of available resources. Recognizing that political support for CSDP Missions by Member States and host nations is key to their success, the Council also calls for continued work on ensuring ownership, political buy-in and sustainability of

## COUNCIL OF THE EUROPEAN UNION

results achieved and looks forward to regular reporting on the respective work strands. As regards mission support, the Council looks forward to the early finalization of the recently launched feasibility study on setting up a Shared Services Centre. The Council also underlines the need to take work forward on evaluation of the impact of CSDP missions.

- b. underlines the need for concrete improvements in EU military rapid response capabilities including the EU Battlegroups (EU BGs), with the aim of developing a more flexible, multi-service suite of assets, and related mechanisms for making them available on a voluntary basis. This includes:
- improving the operational usability/deployability of the EU BGs by strengthening their modularity, while maintaining their core capabilities, in order to make them more adaptable to the entire range of possible crises and crisis management tasks (including training and advice to third countries), in coherence with the work on the identification of possible additional assets under the EU Rapid Response Concept and stressing that any EU BG on standby should be capable of meeting all the EU BG standards and criteria;
  - taking forward the agreed Framework Nation approach to fill the EU BG Roster more systematically, while confirming Member States' continued commitment to the agreed level of ambition;
  - improving the role of the EU BGs as a vehicle for

## Council conclusions on CSDP

transformation, multinational cooperation and interoperability including through proposals to enhance and streamline the exercises involving EU BGs and improve the certification process;

- more structured involvement of the EU BGs in advance planning including contingency planning;
- the regular use of consultations and exercises at the political level by participants of a EUBG on stand-by, on a voluntary basis, in order to enable political engagement and faster decision-making;
- remaining in close contact with NATO to develop proposals for synergies between the EU and NATO in the field of rapid response where requirements overlap, retain best practices, and avoid unnecessary duplication, as well as preserve and improve when necessary and possible the commonality between standards and criteria, with due respect to the decision-making autonomy of the EU and NATO in this context;
- and agreeing to consider the financial aspects as part of the follow-up to the European Council in view of the next review of the Athena mechanism.

Noting that the financial aspects should be taken forward as a separate work strand, the Council endorses the proposals set out in the EEAS note on EU rapid response capabilities and Battlegroups. It invites the High Representative to further elaborate the proposals with the Member States with

## COUNCIL OF THE EUROPEAN UNION

a view to a swift implementation.

- c. notes the possibility of looking into the appropriate use of relevant Treaty articles in the field of rapid response, including Article 44 TEU.

13. The Council also encourages further work to enhance cooperation in the field of emergency humanitarian response, in line with internationally agreed guidelines.

14. The Council recognizes the importance of networks in today's globalized world and the need for the EU to engage in all domains – land, air, maritime, space and cyber. It underlines the importance of improving the EU's ability to respond to emerging security challenges and calls for concrete steps, notably:

- a. to implement and take forward the CSDP-related cyber defence aspects of the EU Cybersecurity Strategy in line with the Council conclusions of June 2013, in full respect of the responsibility of Member States in particular regarding protection of critical infrastructure. The Council invites the High Representative, in cooperation with the EDA and the European Commission, to present in 2014 an EU Cyber Defence Policy Framework to promote: the development of Member States' cyber defence capabilities, research and technologies through the development and implementation of a comprehensive roadmap for strengthening cyber defence capabilities; the reinforced protection of communication networks supporting CSDP structures, missions and

## Council conclusions on CSDP

- operations; the mainstreaming of cyber security into EU crisis management; raising awareness through improved training, education and exercise opportunities for the Member States; synergies with wider EU cyber policies and all relevant other actors and agencies in Europe such as the EU Agency for Network and Information Security; to cooperate with relevant international partners, notably with NATO, as appropriate;
- b. to adopt by June 2014 an EU Maritime Security Strategy, on the basis of elements provided by a joint Communication from the European Commission and the High Representative to be presented by early 2014, that includes CSDP within a holistic, cross-sectoral and EU values-driven approach, taking into account Member States' contributions and achievements, to enable improved coordination in this field. The Council calls for the subsequent elaboration of action plans to implement the EU Maritime Security Strategy including as regards CSDP, by the end of 2014. It stresses the importance of safeguarding the EU's strategic maritime security interests against a broad range of risks and threats, enhancing EU and Member States' capabilities, and working comprehensively, making optimal use of existing structures and regulatory frameworks, and in coordination with all relevant actors, to respond to maritime challenges in strategic areas;
  - c. to continue to develop CSDP support to border management

## COUNCIL OF THE EUROPEAN UNION

as part of a wider and more joined-up EU approach to help third states and regions better manage their borders, and calls for the finalization of the concept for CSDP support to Integrated Border Management by the end of 2013, recognizing its possible application to ongoing and future CSDP activities. The Council acknowledges the need to address the Sahel-Saharan region security challenges, including those in Libya. In this context, it invites the High Representative to present by early 2014 an options paper with proposals for further action to support Sahel-Saharan border management, in response to local needs and requirements, building on the concept for CSDP support to Integrated Border Management and taking into account the importance of strengthening the African peace and security architecture, as well as the EU strategy for security and development in the Sahel;

- d. to strengthen the coherence in the EU response to energy challenges in the defence sector, with a focus on fostering cooperation and finding new solutions to promote energy efficiency in Member States' armed forces and EU crisis management operations, involving the Member States, the European Commission and the EDA, and taking into account all relevant EU tools as well as the ongoing work on energy efficiency in relevant other actors;
- e. to ensure the integrity, availability and security of space systems and promoting and working towards the adoption of

an international Code of Conduct on outer space activities. The Council emphasizes the need to make optimal use of the EU Satellite Centre, including by effectively addressing requirements for high resolution satellite imagery, including from governmental sources, to support the EU's decision-making and CSDP missions and operations.

15. The Council stresses its commitment to working in close collaboration with its partners. The Union will continue building and operationalizing regional and bilateral partnerships to be able to cooperate in crisis management. Work will continue to be taken forward within the existing framework, as defined by various European Councils and subsequent arrangements and with due respect to the institutional framework and decision-making autonomy of the EU. In light of this, the Council:

- a. supports maximizing the unique and long-standing cooperation with the United Nations in crisis management, building on the experience gained in working together in different theatres, pursuing regular high level dialogue, including through the EU-UN Steering Committee and taking forward the EU-UN Plan of Action to enhance CSDP support to UN peacekeeping, including in the area of rapid response;
- b. underlines the importance of strong, coherent and mutually reinforcing EU-NATO cooperation in crisis management, in particular in areas where both operate side by side, and

## COUNCIL OF THE EUROPEAN UNION

on military capability development where requirements overlap, in order to seek synergies, ensure complementarity of effort and avoid unnecessary duplication; it encourages further implementation of practical steps for effective EU cooperation with NATO while keeping with the overall objective of building a true organization-to-organization relationship;

- c. welcomes the progress made in the peace and security partnership between the EU and the African Union, strengthening dialogue, making the African Peace and Security Architecture (APSA) fully operational and providing predictable funding for the AU's peacekeeping operations, and looks forward to giving renewed impetus at the forthcoming EU-Africa summit of April 2014;
- d. welcomes the close cooperation with the OSCE on shared issues in crisis management;
- e. encourages dialogue by engaging with regional fora with a security dimension;
- f. welcomes the valuable contributions and political support of partner countries to CSDP missions and operations, and encourages pursuing the further signing of Framework Participation Agreements. It further encourages and fosters contributing partners' support to CSDP, with a focus on non-EU NATO Allies, strategic partners, partner countries in the neighbourhood, notably the Mediterranean and Eastern partners (including through the newly established



## Council conclusions on CSDP

Eastern Partnership Panel on CSDP) and other individual partner countries, including by developing regular security and defence dialogues within the framework of EU political dialogues with these partners, and offering opportunities for training and advice, including through the European Security and Defence College. It notes that priority should be given to cooperation with partners who share with the EU common values and principles and are able and willing to support EU crisis management efforts.

16. The Council looks forward to the adoption of the Council Decision on the arrangements for the implementation by the Union of the solidarity clause (Article 222 TFEU).

### Enhancing the development of capabilities

17. To deliver on security responsibilities, the Council reiterates that EU Member States must be ready to provide future-oriented capabilities, both in the civilian domain and in the field of defence. It underlines the need to enhance the development of capabilities, as they underpin the EU's ability to act as a security provider. It recalls that, on a national and voluntary basis, EU Member States develop capabilities and make them available to the EU.

18. Taking into account the frequent recourse to missions which are civilian in nature, the Council acknowledges that the demand for deployable civilian experts will remain high and underlines its determination to improve the generation of civilian

## COUNCIL OF THE EUROPEAN UNION

capabilities. To this end, Member States are encouraged notably to continue to improve at national level, in full respect of national competences, and, as appropriate, also at EU level together with the EEAS and the Commission, mechanisms and procedures to recruit and train civilian personnel for CSDP. The Council encourages the EEAS to continue further work on improving recruitment procedures and increase transparency, including for senior positions, taking into account the nature of these missions, using capabilities provided by Member States. The Council considers that the ambitions and priority areas initially agreed at Feira European Council in 2000 and subsequently taken forward, could be revisited to take account of the 10 years of EU experience and lessons identified from civilian missions and capability development. In this light, the Council stresses the importance of fully implementing the Civilian Capability Development Plan and further work on tools to help address identified gaps, including by finalizing the Goalkeeper project and developing a list of generic civilian CSDP tasks.

19. The Council underlines that a more systematic and longer-term approach to European defence cooperation has become essential to preserve and develop military capabilities, as well as the technological and industrial base that underpins them, especially in the context of today's financial austerity. Cooperation allows Member States to develop, acquire, operate and maintain capabilities together, thereby achieving economies of scale and enhancing military effectiveness. In this regard, the

## Council conclusions on CSDP

Council calls upon Member States to deliver key capabilities through cooperative projects and encourages them to make best use of the EU Code of Conduct on Pooling and Sharing in their national defence planning processes, with the support of the European Defence Agency (EDA).

20. The Council reiterates the need to continue good coordination and mutual reinforcement with NATO in order to ensure complementarity and increase coherence, in particular regarding the EU military capability development process and the NATO defence planning process in their outcomes and timelines, with due respect to the institutional framework and decision-making autonomy of both organizations.

21. With a view to developing a systematic and longer term approach, the Council:

- a. calls for the effective implementation and use of the Capability Development Plan as a tool to support and orientate national capability planning, identify the capabilities required, and seize collaborative opportunities;
- b. underlines the need to further increase transparency and information sharing on defence planning to allow national planners and decision-makers to consider greater convergence of capability needs and timelines, with the aim of widening opportunities for cooperation from the outset;
- c. promotes the consolidation of demand through, notably, harmonized requirements covering the whole-life cycle;
- d. calls to examine the further development of incentives

## COUNCIL OF THE EUROPEAN UNION

for cooperation in Europe, including by investigating non-market distorting fiscal measures for collaborative projects in accordance with the existing European law;

- e. encourages synergies between bilateral, sub-regional, European and multilateral initiatives with a view to sharing information and contributing to improved coherence, with the support of the EDA;
- f. calls on Member States to develop proposals to enhance multinational cooperation in the area of enablers and build on existing cooperative models in the area of strategic lift, ranging from multinational coordination centres (Athens Multinational Sealift Coordination Centre, Movement Coordination Centre Europe) to the European Air Transport Command (EATC), which integrates all transferred national responsibilities and resources in a multinational headquarters. It welcomes the increased pooling and sharing of European military transport capabilities after the announcement by Spain and Italy of their will to join the EATC and notes that the EATC will facilitate cooperation on the entry in service of the A400M multi-role airlifter within five Member States' air forces. It calls upon Member States to explore possibilities to replicate in particular the EATC model to areas such as transport helicopters, maritime capabilities, or protection of armed forces, including medical evacuation;
- g. calls for further policy guidance to support systematic and long-term defence cooperation, focusing on closing identified

## Council conclusions on CSDP

capability gaps within CSDP, including by examining the idea of a strategic defence roadmap.

22. The Council remains committed to delivering key capabilities through concrete projects by Member States supported by EDA. It therefore:

- welcomes the substantive progress achieved in enhancing Europe's Air-to-Air Refuelling capacity, especially as regards the procurement and/or pooled operation of a Multi-Role Tanker Transport fleet (with initial operational capacity in 2020), under the lead of the Netherlands, with the development of the pooled procurement strategy in close cooperation with OCCAR, the pooled operational concept, and possible synergies in the field of certification, qualification, in-service support, and training. The Council calls on all participating Member States to continue their work on reducing the shortfalls by increasing the fleet inventory and see if their investment plans allow joining the MRTT project. Developing synergies and interoperability and reducing fragmentation between the various owners will reduce the whole-life cost. The Council also calls for greater commitments as regards short term solutions, including to increase interoperability between tankers/receivers through air-to-air refuelling clearance trials, as organized by Italy, and potentially through access to unallocated hours in the UK Voyager programme;
- welcomes the progress achieved in stepping up

## COUNCIL OF THE EUROPEAN UNION

cooperation among Member States on Remotely Piloted Aircraft Systems (RPAS): the establishment of a user community for present and near-future use and the preparation of a programme on European Medium Altitude Long Endurance in the 2020-2025 timeframe;

- underlines the need to intensify EU-level cooperation on RPAS. In this regard, it encourages the European Commission to establish the regulatory framework for an initial RPAS integration into the European Aviation System by 2016. It supports appropriate R&D activities for this integration to be undertaken by SESAR (Single European Sky ATM Research) Joint Undertaking as soon as possible, as well as close synergies between EDA, SESAR Joint Undertaking and the Member States in the development of technologies needed for air traffic insertion and anti-collision and complementarity between EASA and EDA in the development of a pertinent certification system;
- underlining the need to prepare the next generation of Governmental Satellite Communication, welcomes the roadmap on Governmental Satellite communication;
- welcomes the development of concrete projects in the area of cyber defence, in the context of a comprehensive and cooperative EU approach on cyber security and defence, on the basis of EDA initiatives in: training and exercises, protection of CSDP structures and missions and operations and research. It encourages the timely

## Council conclusions on CSDP

development and implementation of a comprehensive roadmap for strengthening Cyber Defence Capabilities involving all actors in this domain.

23. The Council calls for strong management of these programmes, on the basis of consolidated requirements and increased cooperation between EDA and OCCAR, in accordance with the mechanisms set out in the EDA-OCCAR administrative arrangement.

24. The Council invites the European Commission to maximise cross-fertilisation between EDA programmes and the outcome of EU civil research programmes in areas of dual use technologies such as, *inter alia*, RPAS and Governmental Satellite Communications in order to support activities by Member States in these areas. The Council encourages the European Commission, the EDA and the EEAS to examine modalities for dual-use capabilities, starting with pilot cases such as RPAS, air lift, future transport helicopters, satellite communications, cyber security and maritime security, in order to support Member States' activities in these areas.

25. While underlining the operational and financial impact of Single European Sky (SES) on military aviation, the Council welcomes the progress achieved so far, and encourages the EDA to continue its efforts to ensure that the views and needs of the defence community, including in support of Member States, are taken into account. It encourages the active participation of

## COUNCIL OF THE EUROPEAN UNION

Member States in this work.

26. Acknowledging that the development of technologies is a prerequisite for the EU to preserve and develop its maritime capabilities, the Council calls for coordinated civil-military interaction in maritime research and technology to support cost-effective capabilities, European industry's global competitiveness and European non-dependence. The Council reiterates the need to improve information sharing across the range of European maritime actors, including building on the synergies provided by the technological solutions of the maritime surveillance network developed by Member States, supported by the EDA, and the Commission's work towards a Common Information Sharing Environment.

27. The Council underlines the importance of cooperation for new solutions to increase energy efficiency in defence and crisis management. Recalling the EU Energy 2020 strategy and its headline targets, the Council reiterates the need to contribute to innovative solutions in research and technology to improve the effectiveness of operations and the sustainability of European deployments. To this end, the Council supports increased efforts between all civilian and military stakeholders, including within the EDA's Military Green initiative, and encourages the EDA and the European Commission to work with Member States on a more coordinated approach to identify possible objectives and focus areas of action to increase energy efficiency in defence and crisis management, including through a possible strategic framework.



## Council conclusions on CSDP

28. The Council welcomes European initiatives aiming at protecting critical space infrastructures; thus supporting efforts in further developing a civil-military Space Situational Awareness capability in Europe and further calls for increasing attention to cyber and maritime challenges in this area.

29. The Council calls for further progress in concrete projects related to Countering Improvised Explosive Devices (C-IED) and to consider building on the EU Concept for C-IED towards a Comprehensive EU Strategy to counter this threat.

### Strengthening defence industry

30. The Council recalls that, including in the context of a fully comprehensive CSDP, a more integrated, sustainable, innovative and competitive European Defence Technological and Industrial Base (EDTIB) remains crucial for developing and sustaining Europe's military capabilities. This can also enhance Europe's strategic autonomy, strengthening its ability to act with partners. To this end, further efforts must be made to strengthen the EDTIB, while further reflecting on the way forward, to ensure operational effectiveness and security of supply, while remaining globally competitive and stimulating jobs, innovation and growth across the EU. To this end, these efforts should be inclusive with opportunities for defence industry in the EU, balanced and in full compliance with EU law.

In this context, the Council welcomes the Communication of the European Commission "Towards a more competitive and efficient defence and security sector", aimed at strengthening Europe's

## COUNCIL OF THE EUROPEAN UNION

defence industry and enhancing the efficiency of the defence equipment market. It encourages the European Commission and the EDA, in close cooperation with the Member States, to identify and further develop concrete measures in support of the EDTIB, including in order to ensure its development across Europe. It notes that these issues will be further discussed in the context of the European Council and its follow-up.

31. A well-functioning defence market based on openness, equal treatment and opportunities, and transparency for all European suppliers is crucial. The Council calls on the European Commission to ensure the full implementation of the two defence directives on procurement in the fields of security and defence and on intra-EU transfers of defence-related products, without prejudice to Article 346 TFEU. The Council stresses the importance of fair market conditions across the EU as well as for access to the global market. It takes note that the European Commission with the EDA will monitor the impact of both directives on the EDTIB and on cooperation in Europe and to see whether the directives have opened up the market for subcontractors from all over Europe.

32. The Council stresses the importance of Small and Medium Enterprises (SMEs) in the defence supply chain especially as a source of innovation and key enablers for competitiveness. In this regard, it invites the European Commission to investigate together with Member States the possibilities for additional measures to the framework of Directive 2009/81 to stimulate

participation of European SMEs in the supply chain. It calls for further action to promote greater access of SMEs to both Defence and Security markets, as well as R&T. It invites the Commission to ensure the full implementation of its SMEs instruments and to encourage a strong involvement of SMEs in future EU R&T programmes. It encourages Member States to make full use of the relevant provisions of the two defence directives for SMEs in order to maximize the potential benefits. The Council encourages the European Commission's intention to foster EU-wide the development of value chains in the defence industry, in particular by strengthening the role of system providers to allow for a broad participation of SMEs in the defence market. It invites the European Commission, in close cooperation with the Member States, EDA and by promoting the active involvement of industry, to submit concrete proposals in the context of the progress report on how to promote regional networks and strategic clusters in line with a market-driven, competitive-based approach and geographical footprint, as well as proposals including financial options on supporting SMEs.

33. Moreover, the Council recognizes the importance of security of supply to enable further defence cooperation and ensure freedom of action, as well as the effective functioning of the European Defence Market and the EDTIB. In this regard, the Council welcomes the adoption within the EDA of the enhanced Framework Arrangement on Security of Supply, and urges Member States to implement its provisions in line with

## COUNCIL OF THE EUROPEAN UNION

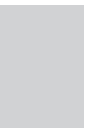
their constitutional obligations. It encourages the European Commission with the EDA to continue their efforts to enhance and broaden support arrangements on security of supply at the European level.

34. It also looks forward to tangible measures on standards and certification – which will benefit governments and industry alike by reducing costs and enhancing interoperability. The Council encourages the EDA, in close cooperation with the European Commission, to develop by mid-2014 a roadmap for the development of defence industrial standards on the basis of the preparatory work conducted by the EDA, based on the European Defence Standards Reference system (EDSTAR) and its experiences in the field of military airworthiness, while avoiding duplication with existing standards. Moreover, the Council encourages the EDA to produce options on how to increase mutual recognition of military certification within the European Union.

35. The Council encourages Member States to continue to invest in R&T in order to retain defence R&T expertise and contribute to innovation and competitiveness. Recognizing the consequences of the trend to cut in defence R&T, the Council encourages the Member States, EDA and the European Commission to preserve and further develop identified critical defence technologies, increase collaborative investments, maximize synergies between national and EU instruments and monitor the development of critical defence technologies.

36. The Council calls for concrete actions to exploit the potential for synergies between civil and defence research, notably: intensified cooperation between the European Commission, Member States and EDA in research programmes; innovative solutions for stimulating private funding in R&T; and proposals for relevant research topics which could be funded under a Preparatory Action from the European Commission on CSDP-related research, to be prepared together with Member States, the EDA and EEAS. As a matter of priority, the Council encourages the European Commission and EDA to work on solutions with the Member States, industry and research institutions to set up an EU framework allowing and improving the mutual use of civilian and military research results for dual-use applications, including results on the so-called “key enabling technologies” stemming from Horizon 2020 and other civil focus programmes.

37. The Council underlines that its conclusions concerning the enhancement of military capability development and strengthening defence industry addressed to the EDA constitute the Council guidelines for EDA for its work in 2014, within the context of the Council decision defining the statute, seat and operating rules of EDA (Council decision 2011/411/CFSP of 12 July 2011).”



# EUROPEAN COUNCIL CONCLUSIONS

**19/20 December 2013**

For the first time since the entry into force of the Lisbon Treaty, the European Council held a thematic debate on defence. It identified priority actions for stronger cooperation. This debate was preceded by a meeting with the NATO Secretary-General. He presented his assessment of current and future security challenges and welcomed the ongoing efforts and commitments by the EU and its Member States as being compatible with, and beneficial to NATO.

The European Council welcomed the general approach reached by the Council on the Single Resolution Mechanism, which will be a cornerstone of the Banking Union. The European Council reviewed the economic situation and the progress in implementing the Compact for Growth, Jobs and Competitiveness. The European Council also identified the main features of the Partnerships for Growth, Jobs and Competitiveness to support structural reform, with a view to concluding discussions by October next year.

## **I. COMMON SECURITY AND DEFENCE POLICY**

1. Defence matters. An effective Common Security and

## EUROPEAN COUNCIL CONCLUSIONS

Defence Policy helps to enhance the security of European citizens and contributes to peace and stability in our neighbourhood and in the broader world. But Europe's strategic and geopolitical environment is evolving rapidly. Defence budgets in Europe are constrained, limiting the ability to develop, deploy and sustain military capabilities. Fragmented European defence markets jeopardise the sustainability and competitiveness of Europe's defence and security industry.

2. The EU and its Member States must exercise greater responsibilities in response to those challenges if they want to contribute to maintaining peace and security through CSDP together with key partners such as the United Nations and NATO. The Common Security and Defence Policy (CSDP) will continue to develop in full complementarity with NATO in the agreed framework of the strategic partnership between the EU and NATO and in compliance with the decision-making autonomy and procedures of each. This requires having the necessary means and maintaining a sufficient level of investment. Today, the European Council is making a strong commitment to the further development of a credible and effective CSDP, in accordance with the Lisbon Treaty and the opportunities it offers. The European Council calls on the Member States to deepen defence cooperation by improving the capacity to conduct missions and operations and by making full use of synergies in order to improve the development and availability of the required civilian and military capabilities, supported by a more integrated,



sustainable, innovative and competitive European Defence Technological and Industrial Base (EDTIB). This will also bring benefits in terms of growth, jobs and innovation to the broader European industrial sector.

3. In response to the European Council conclusions of December 2012, important work has been undertaken by the Commission, the High Representative, the European Defence Agency and the Member States. The Council adopted substantial conclusions on 25 November 2013, which the European Council endorses.

4. On that basis the European Council has identified a number of priority actions built around three axes: increasing the effectiveness, visibility and impact of CSDP; enhancing the development of capabilities and strengthening Europe's defence industry.

(a) Increasing the effectiveness, visibility and impact of CSDP

5. In recent years progress has been made in a number of areas relating to CSDP. The numerous civilian and military crisis management missions and operations throughout the world are a tangible expression of the Union's commitment to international peace and security. Through CSDP, the Union today deploys more than 7000 staff in 12 civilian missions and four military operations. The European Union and its Member States can bring to the international stage the unique ability to combine, in a consistent manner, policies and tools ranging from diplomacy,

## EUROPEAN COUNCIL CONCLUSIONS

security and defence to finance, trade, development and justice. Further improving the efficiency and effectiveness of this EU Comprehensive Approach, including as it applies to EU crisis management, is a priority. In this context, the European Council welcomes the presentation of the joint communication from the Commission and the High Representative.

6. The Union remains fully committed to working in close collaboration with its global, transatlantic and regional partners. Such collaboration should be further developed in a spirit of mutual reinforcement and complementarity.

7. The European Council emphasises the importance of supporting partner countries and regional organisations, through providing training, advice, equipment and resources where appropriate, so that they can increasingly prevent or manage crises by themselves. The European Council invites the Member States, the High Representative and the Commission to ensure the greatest possible coherence between the Union's and Member States' actions to this effect.

8. The EU and its Member States need to be able to plan and deploy the right civilian and military assets rapidly and effectively. The European Council emphasises the need to improve the EU rapid response capabilities, including through more flexible and deployable EU Battle groups as Member States so decide. The financial aspects of EU missions and operations should be rapidly examined, including in the context of the Athena mechanism review, with a view to improving the system of their financing,

based on a report from the High Representative. The European Council invites the Commission, the High Representative and the Member States to ensure that the procedures and rules for civilian missions enable the Union to be more flexible and speed up the deployment of EU civilian missions.

9. New security challenges continue to emerge. Europe's internal and external security dimensions are increasingly interlinked. To enable the EU and its Member States to respond, in coherence with NATO efforts, the European Council calls for:

- an EU Cyber Defence Policy Framework in 2014, on the basis of a proposal by the High Representative, in cooperation with the Commission and the European Defence Agency;
- an EU Maritime Security Strategy by June 2014, on the basis of a joint Communication from the Commission and the High Representative, taking into account the opinions of the Member States, and the subsequent elaboration of action plans to respond to maritime challenges;
- increased synergies between CSDP and Freedom/Security/Justice actors to tackle horizontal issues such as illegal migration, organised crime and terrorism;
- progress in developing CSDP support for third states and regions, in order to help them to improve border management;
- further strengthening cooperation to tackle energy security challenges.

## EUROPEAN COUNCIL CONCLUSIONS

The European Council invites the High Representative, in close cooperation with the Commission, to assess the impact of changes in the global environment, and to report to the Council in the course of 2015 on the challenges and opportunities arising for the Union, following consultations with the Member States.

### (b) Enhancing the development of capabilities

10. Cooperation in the area of military capability development is crucial to maintaining key capabilities, remedying shortfalls and avoiding redundancies. Pooling demand, consolidating requirements and realising economies of scale will allow Member States to enhance the efficient use of resources and ensure interoperability, including with key partner organisations such as NATO. Cooperative approaches whereby willing Member States or groups of Member States develop capabilities based on common standards or decide on common usage, maintenance or training arrangements, while enjoying access to such capabilities, will allow participants to benefit from economies of scale and enhanced military effectiveness.

11. The European Council remains committed to delivering key capabilities and addressing critical shortfalls through concrete projects by Member States, supported by the European Defence Agency. Bearing in mind that the capabilities are owned and operated by the Member States, it welcomes:

- the development of Remotely Piloted Aircraft Systems (RPAS) in the 2020-2025 timeframe: preparations for a

programme of a next-generation European Medium Altitude Long Endurance RPAS; the establishment of an RPAS user community among the participating Member States owning and operating these RPAS; close synergies with the European Commission on regulation (for an initial RPAS integration into the European Aviation System by 2016); appropriate funding from 2014 for R&D activities;

- the development of Air-to-Air refuelling capacity: progress towards increasing overall capacity and reducing fragmentation, especially as regards the establishment of a Multi-Role Tanker Transport capacity, with synergies in the field of certification, qualification, in-service support and training;
- Satellite Communication: preparations for the next generation of Governmental Satellite Communication through close cooperation between the Member States, the Commission and the European Space Agency; a users' group should be set up in 2014;
- Cyber: developing a roadmap and concrete projects focused on training and exercises, improving civil/military cooperation on the basis of the EU Cybersecurity Strategy as well as the protection of assets in EU missions and operations.

12. Cooperation should be facilitated by increased transparency and information sharing in defence planning, allowing national planners and decision-makers to consider greater convergence

## EUROPEAN COUNCIL CONCLUSIONS

of capability needs and timelines. To foster more systematic and long-term cooperation the European Council invites the High Representative and the European Defence Agency to put forward an appropriate policy framework by the end of 2014, in full coherence with existing NATO planning processes.

13. The European Council welcomes the existing cooperative models, such as the European Air Transport Command (EATC), and encourages Member States to explore ways to replicate the EATC model in other areas.

14. The European Council welcomes the progress achieved in cooperation through the European Defence Agency Code of Conduct on Pooling and Sharing. It encourages the further development of incentives for and innovative approaches to such cooperation, including by investigating non market-distorting fiscal measures in accordance with existing European law. It invites the European Defence Agency to examine ways in which Member States can cooperate more effectively and efficiently in pooled procurement projects, with a view to reporting back to the Council by the end of 2014.

15. Taking into account the frequent recourse to missions which are civilian in nature, the European Council calls for the enhanced development of civilian capabilities and stresses the importance of fully implementing the Civilian Capability Development Plan.

(c) Strengthening Europe's defence industry

16. Europe needs a more integrated, sustainable, innovative and competitive defence technological and industrial base (EDTIB) to develop and sustain defence capabilities. This can also enhance its strategic autonomy and its ability to act with partners. The EDTIB should be strengthened to ensure operational effectiveness and security of supply, while remaining globally competitive and stimulating jobs, innovation and growth across the EU. These efforts should be inclusive with opportunities for defence industry in the EU, balanced and in full compliance with EU law. The European Council stresses the need to further develop the necessary skills identified as essential to the future of the European defence industry.

17. A well-functioning defence market based on openness, equal treatment and opportunities, and transparency for all European suppliers is crucial. The European Council welcomes the Commission communication "Towards a more competitive and efficient defence and security sector". It notes the intention of the Commission to develop, in close cooperation with the High Representative and the European Defence Agency, a roadmap for implementation. It stresses the importance of ensuring the full and correct implementation and application of the two defence Directives of 2009, *inter alia* with a view to opening up the market for subcontractors from all over Europe, ensuring economies of scale and allowing a better circulation of defence products.

## EUROPEAN COUNCIL CONCLUSIONS

### ***Research – dual-use***

18. To ensure the long-term competitiveness of the European defence industry and secure the modern capabilities needed, it is essential to retain defence Research & Technology (R&T) expertise, especially in critical defence technologies. The European Council invites the Member States to increase investment in cooperative research programmes, in particular collaborative investments, and to maximise synergies between national and EU research. Civilian and defence research reinforce each other, including in key enabling technologies and on energy efficiency technology. The European Council therefore welcomes the Commission's intention to evaluate how the results under Horizon 2020 could also benefit defence and security industrial capabilities. It invites the Commission and the European Defence Agency to work closely with Member States to develop proposals to stimulate further dual-use research. A Preparatory Action on CSDP-related research will be set up, while seeking synergies with national research programmes whenever possible.

### ***Certification and standardisation***

19. Developing standards and certification procedures for defence equipment reduces costs, harmonises demand and enhances interoperability. The European Defence Agency and the Commission will prepare a roadmap for the development of defence industrial standards by mid-2014, without duplicating existing standards, in particular NATO standards. Together with



the Commission and Member States, the European Defence Agency will also develop options for lowering the costs of military certification, including by increasing mutual recognition between EU Member States. It should report to the Council on both issues by mid-2014.

### ***SMEs***

20. SMEs are an important element in the defence supply chain, a source of innovation and key enablers for competitiveness. The European Council underlines the importance of cross-border market access for SMEs and stresses that full use should be made of the possibilities that EU law offers on subcontracting and general licensing of transfers and invites the Commission to investigate the possibilities for additional measures to open up supply chains to SMEs from all Member States. Supporting regional networks of SMEs and strategic clusters is also critically important. The European Council welcomes the Commission proposals to promote greater access of SMEs to defence and security markets and to encourage strong involvement of SMEs in future EU funding programmes.

### ***Security of Supply***

21. The European Council emphasises the importance of Security of Supply arrangements for the development of long-term planning and cooperation, and for the functioning of the internal market for defence. It welcomes the recent adoption within the European Defence Agency of an enhanced Framework Arrangement on Security of Supply and calls on the Commission

## EUROPEAN COUNCIL CONCLUSIONS

to develop with Member States and in cooperation with the High Representative and the European Defence Agency a roadmap for a comprehensive EU-wide Security of Supply regime, which takes account of the globalised nature of critical supply chains.

(d) Way forward

The European Council invites the Council, the Commission, the High Representative, the European Defence Agency and the Member States, within their respective spheres of competence, to take determined and verifiable steps to implement the orientations set out above. The European Council will assess concrete progress on all issues in June 2015 and provide further guidance, on the basis of a report from the Council drawing on inputs from the Commission, the High Representative and the European Defence Agency.



***2013 was a crucial year for the EU's  
Common Security and Defence Policy.***

***This collection of key texts will serve both as  
a useful reference tool and as testimony to  
the work carried out towards reinvigorating  
security and defence cooperation in Europe.***

Catherine Ashton,  
High Representative of the Union  
for Foreign Affairs & Security Policy