

MORE EUROPE

MORE FROM EUROPE, MORE TO EUROPE

SPENDING AND ARRANGING BETTER ON DEFENCE TO SHOULDER
INCREASED RESPONSIBILITIES FOR INTERNATIONAL PEACE AND SECURITY

1. We need to fully exploit Europe's potential as key player in international peace and security. We need to explore innovative and effective ways to assume additional responsibilities. These should reflect changes in the geo-strategic environment and a better use of available resources.
2. Since the adoption of the European Security Strategy in 2003, a number of considerable developments took place worldwide, which significantly affected the security environment, such as the human rights dimension which is more and more relevant also from the security viewpoint. Another example is our deeper and more sophisticated knowledge of the nature and implications of threats to our cyber- and energy security. Events like the "Arab awakening" added further elements that deserve a thorough consideration. In general, cooperative security and security partnerships with third countries and other relevant International Organisations are expected to play a greater role in the EU policy.
3. Whereas the EU has progressed in devising and implementing a number of policies to respond to challenges entailed by the changing international environment, the need remains to find a way ahead together for a continual process of systemic reflection, taking into account also the new institutional framework set by the Lisbon Treaty. This is a task that cannot be postponed: in today's environment we can not afford to find 28 different individual paths.
4. The commonality of values and interests between Europe and North America should remain the cornerstone of this approach. This commonality - which is enshrined in the Atlantic Alliance - should, where appropriate, go beyond a mere division of tasks and focus on how to work better together, building further on the existing European and Western independent but mutually supportive approaches, especially in the areas of non-military security.

5. The distinctive feature and added value of the EU action in this field lies in the comprehensive (i.e. civil-military) approach to crisis management underpinning CSDP. It also represents the main driver towards increased complementarity and specialization in the Euro-Atlantic security partnership. Such partnership is, in any case, best served by the acquisition from European partners of the full spectrum of relevant military capabilities and by their collective political commitment to use them, whenever necessary, to safeguard international peace and security..
6. This could be the basis of a renewed transatlantic security community, where we need **more Europe** (in both ways: more **from** Europe in terms of capabilities and more **to** Europe in terms of political commitment), not to replace NATO but to bolster Euro-Atlantic cooperation and solidarity in XXI Century terms. This is a call which is shared by all our international partners, old and new.
7. On the resources side, the build-up of joint capabilities is of utmost importance in this endeavour. If EU member states do not pool their efforts, where appropriate on certain common requirements or capabilities, none of them, nor Europe as a whole, will be able to guarantee its own security. Without a real and effective coordination of national defence planning, we are bound to lose capabilities. Member states must overcome national reservations and be ready to agree on a certain level of reciprocal interdependence, particularly between those States that lack key capabilities.
8. In 2012, for the first time, European overall defence expenditure will be lower than the Asian one, reflecting the rising strategic relevance of Eastern countries and the comparatively lower weight of Europe. Thus, a stronger and closer cooperation among EU states is required for both budgetary reasons and strategic rationale. It is not too late for Europe to get its defence institutions and security relationships on track. But it will require leadership from political leaders and policy makers on this continent. That's why we need to be brave; we need to come up with feasible solutions as the financial crisis increases the urgency of closer cooperation. We need to think not merely because money is out but rather because money will not come back again for a long time, whereas challenges and instability are already here.
9. The achievement of a stronger and more efficient CSDP, which can complement NATO in guaranteeing Europe's security, is the prerequisite to share a larger part of global challenges with our allies and partners, where the search for complementarities goes hand in hand with the widely recognized need to avoid unnecessary duplications and focus on synergies.

Boosting Europe's security beyond the distinction between internal and external security.

10. Since the traditional distinction between the internal and external dimensions of security is fading out, we should avoid any narrowly sectoral approach, which could affect the quality and speed of our overall response to security threats or risks, regardless of their specific origin, within or outside of our borders.
We need to look at today's global challenges in the framework of an "anticipatory diplomacy" which should enable us to better understand and pre-empt the underlying vulnerabilities and threats before they become apparent.
The disruption of vital activities in our daily lives - such as the so called "critical infrastructures" as well as protective mechanisms and regulatory frameworks - could not be caused by terrorist or subversive groups but the effects can be equally devastating and we need to cope with them, regardless of their source, while relying on the prompt and effective solidarity of external partners, allies and interested stakeholders. This is particularly important for energy security, as well as for cyber security.
11. In light of this, we should explore all solutions, including, where appropriate, those available under the solidarity clause provided by Art. 222 TFEU, according to which "The Union and its Member States shall act jointly in a spirit of solidarity if a Member State is the object of a terrorist attack or the victim of a natural or man-made disaster". While the focus of this provision remains on disaster response to events within the territory of the EU, we should explore the possibility of a wider interpretation of this clause where territoriality is not seen as a pre-condition for its application and a special focus is given to the need to address threats to our security originating outside of EU Member States territory.

Towards an integrated civil-military planning and conduct capability

12. The added value that the EU can bring to the Defence and Security sector, without creating any unnecessary duplication with capabilities already existing within the NATO environment, consists in comprehensive interventions with a higher degree of integration between civil and military actors, of the type foreseen in the Lisbon Treaty and in accordance with the level of ambition of the European Union. The further development of the Comprehensive Approach along the lines suggested by Denmark would be highly advisable.
13. The activities of the EU in the Horn of Africa are an initial example, albeit embryonic, of a multidimensional structured civil-military approach. However, the

existence of separate lines of command and control reveals that we are just coordinating military operations and civilian missions, without a real planning integration at the strategic and operational levels. We should therefore make an additional effort to foster the civilian-military planning and conduct capabilities of the EU at the strategic level. Furthermore, we have to ensure that the OpsCentre reaches its full capacity and new CSDP missions and operations are planned and conducted in a more coherent and efficient manner, in line with the comprehensive approach. The review of crisis management procedures should help ensure that we bring increased coherence between all the EU's activities, since the various EU instruments must be from the outset be closely coordinated and firmly embedded in an overarching political strategy. The most appropriate sequencing of short, medium and long term measures (including elements for an exit strategy being formulated even before a mission gets going) is the key for a successful implementation of the EU's comprehensive approach.

14. In order to strengthen the degree of integration between military and civil components in the EEAS environment, we need to act on procedures and structures at the politico-strategic and strategic (military & civil) levels, examining feasible reorganizations of the existing crisis management structures in Brussels that do not involve further increases in costs. At the operation level, while integrated missions already exist, we could further examine the potential of existing missions in order to better combine, within a single structure, military, police and civil components thus enabling the most comprehensive approach possible.
15. In order to proceed gradually, it would be valuable to test more integrated planning and conduct of operations during ad-hoc exercises, thereby developing a training concept that has already been partly devised for the highly successful Exercise MULTILAYER 2012 (planning and coordinating military and civilian CSDP engagement) and which should take into account all lessons learnt from an exercise which proved the effectiveness of a “comprehensive approach” in action..

A new European defence planning process. Best practices and lessons learnt in national defence restructuring processes

16. The present phase of fiscal austerity, while affecting almost all MS's and compelling a widespread reduction in defence budgets, should stimulate a growing political impetus to go for a more incisive interaction and integration of our militaries and to accept some degree of interdependency. We should exploit this unique opportunity to build a more effective Europe of defence, by making a serious effort to protect defence budgets from being eroded by legacy capabilities, by better allocating and coordinating the resources we have; and by following through on commitments to each other. It has

to be clear that by increasing European capacity we are not in competition with our allies in the Euro-Atlantic arena; on the contrary, while strengthening the European dimension of defence we strengthen the whole Euro-Atlantic community.

17. The on-going, non-synchronized and nationally-oriented restructurings of several European militaries will likely deliver an even more upsetting picture of unnecessary duplications and strategic weaknesses vis-à-vis the emerging need of rapid and effective intervention in complex and out-of-area crises. Basically, several countries are induced to scratch the same kind of expensive-to-operate military capabilities, thus reducing the overall strategic capacity and self-sufficiency of Europe in terms of power projection. Quite the opposite, Europe needs to acquire or strengthen those force-enablers and force-multipliers which grant the ability to intervene and sustain military actions over long distances and long periods, in high-threat scenarios, in order to bridge the capability gap with the United States and re-balance the burden-sharing within the Atlantic Alliance. A brave step towards a “smart” and “shared” approach to defence cuts.
18. As Nations own a single set of forces and capabilities, which can be offered to the EU, NATO or the UN, many EU-NATO nations have already decided to contribute the NATO Defence Planning Capability Survey 2010 to the European Union, in order to support the coordination and information sharing between the EU and NATO in the capability development process.
19. In this context, the European Capability Development Plan (CDP) is a crucial means to develop EU capabilities by optimizing the available resources and maximizing the cooperation among Member States. The CDP could certainly benefit from some adjustments. In details, it should:
 - be designed as a cycle restarting itself after a defined time lapse and re-engaging the political will at every start;
 - be synchronized and harmonized with the NATO Defence Planning Process in order to align outputs that inform Ministerial discussions and decisions and achieve complementarities between EU and NATO capability development;
 - be capable of orienting national capability development processes;
 - ensure that each Member State’s contribution of forces and capabilities is consistent with its potential, for a more balanced burden-sharing.
20. At the same time, through the Partnership for Peace (PfP) Planning and Review Process (PARP) we already have a framework within which non-NATO EU Member States participate in defence planning within the framework of NATO. Participants find the opportunity to develop capabilities alongside NATO beneficial in terms of

standardisation and interoperability. We would encourage using the PARP framework to a larger extent given the number of non-NATO EU Nations who already use it, and also look at greater alignment between the two.

21. The enhancement of existing mechanisms (i.e. NATO-EU Capability Group) could lead to higher coherence between the two capability processes and should therefore be more aggressively pursued.
22. Successful standardisation management reduces both costs and risks in defence acquisition and is the bedrock of achieving interoperability between nations' Armed Forces.
23. The availability of a single set of forces and capabilities to many of those European Member States belonging to both the EU and NATO, makes it particularly important to direct the common funding towards those Command & Control infrastructures that are complementary and does not constitute unnecessary duplications, avoiding to bind forces and capabilities to only one of the two organizations. We should therefore carefully and timely prepare the next review, taking into due account the legitimate concerns of those already offering valuable contributions in kind for key assets and capabilities while, at the same time, providing pragmatic and realistic options for those Member States that need to develop ad hoc P/S arrangements.

Enhancing multinational forces' arrangements

24. The development of multinational forces represents an extremely effective solution not only for sharing the costs of expensive capabilities, but also for furthering technical and operational integration and, perhaps most important, for increasing the political cohesion among partners in the event of an actual deployment of these forces.
25. However, a clear and steady commitment to employ these capabilities is paramount for their effective contribution to our common security and defence policy. Therefore, the issue of increasing usability and flexibility of EU Battlegroups requires further discussion notably at the EU level on lead nations' regular voluntary commitments, pooling and sharing of critical capabilities, BG's support to ongoing operations and civil-military cooperation. We should also explore the feasibility of modular Battlegroups equipped also with specific civilian capabilities.
26. Also, a significant degree of "regionalisation", the existence of a lead-nation able to provide a permanent framework for multinational cooperation and the opportunity to

benefit from some financing from the European Union¹ could substantially improve the effectiveness of this kind of cooperation². European navies already enjoy a high degree of interoperability, while all member states – and the Union as a whole – would certainly welcome an improved surveillance of the maritime environment and an increased ability to safeguard common interests at sea. In the short to medium term we should enhance already existing European multilateral initiatives while also exploring ways to coordinate possible new multinational maritime forces with standing NATO naval groups (or to agree on "double hatting" formulas), in order to avoid unnecessary duplications and to gain synergies from a better use of our assets.

A single European Defence Market and the European Defence Technological and Industrial Base (EDTIB)

27. In a time of fiscal austerity throughout Europe, the quest for a single European defence market becomes increasingly important. The EU has fostered its role in this field after the entering into force of the Lisbon Treaty and through the “defence package” managed by the European Commission and the activity of the European Defence Agency (EDA).
28. In this respect, it is particularly important to strengthen the European Defence Technological and Industrial Base (EDTIB) implementing measures indicated in the Strategy launched by the EDA Ministerial Steering Board in May 2007 which is now subject to a review process.
29. Governments and Industry should facilitate this work, expanding their dialogue and collaboration. This is even more important when pro-growth economic, financial and industrial strategies are becoming crucial, especially in areas – like defence- where basic European needs are best met by European cooperative efforts.
30. In particular, Europe should continue to encourage cooperation, increase competition and fair opportunities, especially for Small and Medium-sized Enterprises. Europe also has to reinforce /consolidate the framework set by the 2009 EU Directives on intra-EU transfers of defence related products and procurement in the field of defence and security.
31. The European defence market needs to take advantage of the principle of interdependence, of the areas of excellence developed by MS and at the same time to

¹ or the International Organization (NATO, UN) under whose leadership and mandate the forces would be employed.

² There are already many examples of effective multinational forces across Europe, including the Multinational Land Force (MLF), the European Air Transport Command (EATC) and EUROMARFOR.

promote forms of cooperation among MS, allowing them to bridge technological and industrial gaps as well as to build new and more developed capabilities.

32. A single European defence market can be successfully developed by taking into consideration the reality of the defence industry in the EU MS today, the deep diversity of the Defence-related suppliers' base, the present level of competition and the peculiarity of this market for reasons rooted in the security concerns of every single MS.
33. A sound balance between cost-effectiveness and national security represents a "key element" for this market oriented process to succeed. We should identify ways and means to successfully combine national defence concerns and the economies of scale as well as the industrial and technological opportunities offered by a single market.
34. All these aspects should be considered in defining new initiatives in the defence market. The European Commission is an important player to recognise this market as a part of the whole European internal market.
35. At the end of last year a Task Force on Defence has been established by the Commission to study what can be done for enhancing EDTIB, particularly with regard to the EU internal market. The Task Force should work together with EDA and MS's to help to define a common strategy for this decade in terms of market regulation and technological development.
36. The new requirements of European armed forces (for international missions, net-centric warfare and defence cyber war) imply new technological developments. Even the commonality of the new equipment could take advantage by new cooperative R&D programs and the acceptance of technological excellence as a basis for industrial and operational restructuring. This new phase must be supported also by EU funds, in particular through the Commission funding research capabilities.
37. The defence sector could be a key element in enhancing a European economic growth more oriented towards an advanced technological community. Dual technologies must have an important role in Horizon 2020 program and this could also support the development of new defence equipment.
38. The "dual use model can foster civilian-military synergies well in line with the EU "comprehensive approach" to security related issues and it represents a useful opportunity not only to widen the use and lower the costs of space and maritime technologies, but also to allow different actors in the field of national and international

security to access and exploit these services. We should further explore and, where appropriate, encourage these synergies, exploiting the inner duality of present and future capabilities, expanding their accessibility and taking into account – whenever possible – of “civilian” requirements in the development of future systems.

39. Against the backdrop of current financial constraints, the challenge for Europe is to do better with less and to improve its defence capabilities by fully exploiting the wide variety of existing national and EU resources, maximising synergies and strengthening cooperation.

40. The situation is extremely severe and worrying especially for the R&D area, where Defence programs – that are normally financed by public debt – risk to be cancelled, delayed or streamlined to a level of ineffectiveness, because of the lack of available funds.

This negative trend could be dramatically changed by inserting the project bond scheme as an additional supplier of funds to accomplish key Defence Programs. This expansion has to be made possible by acknowledging, at the highest level, that infrastructural and high technology investments in the European Security and Defence areas deserve - for political, strategic, economic and industrial reasons - the same level of support, which is provided to other sectors covered by the present and future pro-growth financial instruments. Such statement of principle should thus lead to carefully analyze how the innovative project bond instrument might be used with regard to the European defence industry, taking into account the existing legal framework and its political implications. We are confident that such instrument could prove to be a valuable tool for investing in relevant defence infrastructures and telecommunication projects.

A network of European military education

41. European MS's are gradually developing several initiatives aimed at the improvement of the joint military education. The “European Security and Defence College” (ESDC)³ and the “European Initiative for the Exchange of Young Officers”⁴, are noteworthy. This is an area in which we have already come a long way in the recent past and where we can hopefully improve further in a relatively easy way.

42. Now we should strengthen the activities enabling networks on military education, focusing on “interagency” and “comprehensive approach to security” and

³ established in 2005 with the aim of providing strategic-level education in ESDP (now CSDP)

⁴ often referred to as “Military Erasmus”, aimed at developing the exchanges of future military officers, during their initial education, between the Armed Forces of the States volunteering to adhere to the initiative

complementing the “NATO & Partner Education and Training Network” (NPETN), in order to avoid unnecessary duplications of efforts and to facilitate synergies among similar initiatives. In order to consolidate and improve an EU educational system, two key criteria could be taken as a reference for the future:

- “synergy” among the EU Member States and the other “actors” in the education and training area (e.g., NATO, International Organizations, etc.);
- “effectiveness” in planning and implementing the activities according to the common interest in preparing personnel.

43. Accordingly, the enhancement of European military education could be based on the following guidelines:

- implementation and adoption, wherever possible, of the networking model, creating a pool of educational multinational institutions and integrating their activities in the national educational systems;
- change of national policies on education to harmonize national and international programs, gradually including international activities in national programs;
- development of a “common curriculum”, aimed at defining common learning areas corresponding to the main professional objectives.

ESDC could become the main European player for education and training on the CSDP and “EU Crisis Management”, including crises and conflicts prevention and “Stabilization & Reconstruction”, avoiding any unnecessary duplication of existing training programmes or changes in the ESDC’s institutional setup

44. Cooperation among Nations concurring to the “European Initiative for the Exchange of Young Officers” should also be enhanced, in order to identify common educational areas, foster exchanges and concentrate capabilities in a few dedicated structures - according to respective national expertise - in order to maximize resources.

Conclusions: balancing national identities and a common goal

45. In summarising our thoughts, it is important to highlight that we need to balance national identities and the ultimate goal of a common defence. This principle lies at the core of the European project since its very beginning.

46. As far as defence is concerned, it is now stated by article 24 of the Lisbon Treaty, with the specific reference to the “progressive framing of a common defence policy that might lead to a common defence” and from an historical point of view the impulse to establish the European Economic Community (EEC) with the Rome Treaty

in 1957 came as a reaction to the failure of the European Community of Defence (ECD) in 1954.

47. As a matter of fact, based on the history of the European Union, we have to take into due account a general sensitivity on the issue of national identity related to defence issues. No Member State is prepared to renounce to national prerogatives in the field of defence until the time is reached where a comprehensive political plan is accepted for a further, bolder “pooling of sovereignty” which should remain compatible with the existing NATO obligations and should in the same vein contribute further to avoid the risk of any re-nationalization of defence and security policies in Europe.

The debate launched in 2011 by the HR Report on CSDP, followed by the 1 December 2011 FAC Conclusions, has proven that it is possible to find a common ground in the EU to make real progress in the field of defence.

48. In the light of the above, it is crucial to remind ourselves that the impact of the EU action in a specific domain, like security and defence policy, is far bigger than what it is possible to obtain from the mere combination of the valuable efforts of the single Member States, even in the framework of the coalitions formed by some of them. Only with more integration, including in the fields of security and defence, we will be able to attain our objective of making Europe a major global player.
49. To this end, the EU needs to be prepared to face this challenge basing on the existing Treaties and on the pragmatic and inclusive approach which until now has been successful. The full implementation of the Council Conclusions of 1 December 2011 and 23 July 2012 would be an important milestone on the way of making the CSDP stronger and more efficient. But we have to be more ambitious.

As President Barroso rightly stressed in his State of the Union 2012 Address, “we need to launch a comprehensive review of European capabilities and begin truly collective defence planning”. It is time therefore to pave the way for a constructive discussion of European defence matters at a special session of one of the next European Councils in 2013. The December 2012 European Council should task its President to present to such session bold and innovative proposals, fully profiting of the excellent preparatory work already underway.

50. Summing-up, Europe must do more by implementing five basic principles (Commitment, Comprehensiveness, Capability, Connectivity and Cooperation) in pursuing its Commitment to the international security and stability effort, making available to the international community its unique Comprehensive approach,

developing the necessary Capabilities, in close Cooperation and Connectivity with NATO in order to avoid unnecessary duplication.

51. Under the present circumstances, a balanced but forward-looking “D-Drive for Europe” represents a very concrete project, aimed at reaching a higher degree of cooperation, spanning from strategic planning to procurement, from education to technology, while paying special attention to the issue of financial arrangements. A stronger European defence would also make much easier for us to fulfil the obligations coming from the Atlantic Alliance at the degree requested by our North American Allies in the present circumstances.
52. “More Europe” in defence matters does not mean that we are about to merge our national Armed Forces into a single European Army. Instead, we want to make our collective contribution to international peace and security much more cost-effective and consistent.