

SDA Discussion Paper

Revisiting NATO- ESDP relations

Part 1



A *Security & Defence Agenda* Discussion Paper
Editor: Giles Merritt

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Part 1

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Introduction

by Giles Merritt



This is the first part of an SDA Discussion Paper in which experts from both sides of the Atlantic outline their priorities for the year ahead.

In the first installment of a two-part discussion paper:

Daniel Korski from the European Council on Foreign Relations in London says that the relationship between NATO and ESDP doesn't have to be all that complicated, given that both face the same challenges. These include whether and how far membership should be extended to eastwards, finding the appropriate balance of civilian capabilities with military assets, and ensuring adequate procurement for operations at home and abroad.

Perhaps it is more of a question of identity? Ilana Bet-El a writer on security and defence issues believes the transatlantic relationship is in dire need of redefinition. She says security is an old concept with new approaches, so it would be in the best interest of all parties to

establish a new NATO-ESDP relationship capable of handling complicated issues like terrorism and energy dependence while maintaining the health of the transatlantic financial and trade relations.

David Leakey who heads the EU's Military Staff addresses upcoming priorities for the EU and also emphasises that successful operations must remain the key focus for both the EU and NATO. He reminds readers that any problems in the EU-NATO relationship lies at the very highest political level, in the fixed positions of certain states rather than within the machinery of the organisations themselves.

Ambassador Stewart Eldon, the United Kingdom's Permanent Delegate to the North Atlantic Council writes that to strengthen the relationship there must first be a new 'strategic concept'. Luckily, he says, the big issues involved at the NATO Summit can be addressed in Bucharest this Spring. The timing is crucial, because NATO's forces are engaged in Afghanistan and Kosovo, and Member States' resources are slowly drying up, making

'assured successes' more and more difficult. The European Union, therefore, might be the 'wild card' NATO has been looking for, as it can make use of the 'Berlin-Plus' arrangement and more focus on civilian operations in Kosovo to alleviate pressures elsewhere.

Ana Gomes a Portuguese socialist MEP who is Vice Chair of the European Parliament's Subcommittee on Security and Defence, shifts the focus of the debate to a topic that grabs more attention day by day: if the transatlantic relationship is to

work properly, then Europe's industrial capacity must be addressed as well. Arms export regulations must be harmonised between the two transatlantic markets if technology transfers and procurement are to be practised at their most efficient level. Why not cut the red tape on both sides to allow for the appropriate equipment get to those who need it most?



The second part of this Discussion Paper is to be published in April, and will include contributions from:

- Julianne Smith, Director of the Europe Program at the Centre for Strategic and International Studies (CSIS) in Washington
- Derek Marshall and Tim Williams, respectively Director and Policy Advisor for Aerospace Defence & Homeland Security at the Society of British Aerospace Companies (SBAC) in London
- Alyson Bailes, former Director at the Stockholm International Peace Research Institute (SIPRI) and currently is a visiting professor at the University of Iceland.
- Rafael Bardají, Director for International Politics at the Fundación para el análisis y el estudios social (FAES) in Madrid
- Roberto Menotti, Research Fellow for International Programs at the Aspen Institute Italia in Rome
- Yves Boyer, Assistant Director of the Fondation pour la Recherche Stratégique (FRS) in Paris

A checklist for enhanced EU-NATO cooperation

by Daniel Korski



NATO and the EU's post-Cold War accomplishments are legion, and have confounded those who in the early 1990s predicted NATO's demise or saw the EU's failure over the Balkans as sounding the death-knell of its foreign policy ambitions.

Both have expanded to include formerly Communist countries, and almost all those not already in NATO and the EU have been offered membership of NATO's Partnership for Peace (PfP) or are part of the EU's pre-accession programme. This twin-track expansion has extended the Euro-Atlantic community's reach, creating a 'zone of peace' so that for the first time in 500 years, the European continent is not at the centre of a conflict.

In light of these accomplishments, asking what NATO is for and whether the EU can ever look beyond intra-institutional wrangling may seem inappropriate. But the question is well worth asking as both organisations face considerable problems.

Neither plays a significant role in dealing

with two of the 21st century's security challenges: confronting international terrorism and preventing nuclear proliferation. Neither can marshal the resources, personnel and materiel needed for on-going operations, both in and out of theatre. The lack of strategic airlift is emblematic of the hardware problem: in late 2007 a shortage of helicopters was endangering both the EU's mission in Chad and NATO's ISAF in Afghanistan. When NATO provided assistance for the Pakistan earthquake, it was forced to use C-130s instead of C-17s and had to fly 123 missions instead of 40, at three times the cost. High-level, high-readiness formations, such as NATO's Rapid Response Force (NRF) and the EU's Battlegroups, are also still deficient – in NRF's case caught up in questions over funding.

With the stalling of both of their eastward expansions, exerting influence in strategically important regions, such as Central Asia where the Sino-Russian Shanghai Cooperation Organization (SCO) is becoming a bigger player, represents a

problem for both; in 2005 and again in 2007 the SCO called for the withdrawal of U.S troops from the region. In Africa, neither has found ways to assist the African Union (AU) build its capabilities effectively, while the US's military's plans for a new combatant command to be called Africom, may marginalize both NATO and the EU as security players in Africa for years to come.

Perhaps most urgently of all, both organizations are struggling with the twin challenges of integrating civilian and military assets on the one hand, and integrating NATO and EU assets in post-conflict operations on the other. They are sometimes, but not always the same issue. A formal NATO-EU Capability Group has sought to address the latter, but so far with little success.

NATO's 60th anniversary in 2009 will be an opportunity to revitalize Europe's premier security organization, and following this year's US presidential election, re-build a consensus on Euro-Atlantic security, including an agreement on the

role for the EU. This year is a good time for both organizations to begin preparing for 2009 by addressing some key problems. EU leaders' agreement on the Lisbon Treaty means they can now move away from intra-institutional arrangements and focus on Europe's role in the world. A process for updating the EU's Security Strategy by the end of 2008 has, in turn, supplied a read-made vehicle for this. And NATO's Bucharest summit this Spring will also offer an important platform for discussion.

Responsibility for gently moving both processes to a mutually-reinforcing conclusion will rest in large part with France, which takes over the six-month EU's Presidency in mid-year and will – to judge by President Nicolas Sarkozy's declared intention that France should re-join NATO's military command – also set the agenda for NATO.

This will be no easy feat. First, Turkey and Cyprus – and to a lesser extent Greece – have, for their own political reasons, blocked greater cooperation between

NATO and the EU.

Second, President Sarkozy will need to resolve the “French paradox”— opposing efforts to integrate civilian and military components inside NATO but, in parallel, obstructing cooperation between NATO and the EU. The signs so far are good. But the Elysée Palace will need to spell out in greater detail what Sarkozy meant when he said the price for NATO membership was respect for ESDP, and he in turn will need to stamp his views on the recalcitrant diplomats in the Quai d'Orsay, for whom opposing NATO and championing ESDP has been a long-standing article of faith.

What, then, are the main priorities that both organisations should address in the course of 2008? First and foremost, the EU and NATO must maintain their focus on Kosovo and Afghanistan. If they fail in either or both missions, it may become necessary to completely re-construct the Euro-Atlantic security edifice. And even if both mission end successfully – which is far from guaranteed - a number of key problems remain.

Both organisations will also need to rescue their expansion strategies. Their most successful policies - enlargement and pre-accession programmes for countries that have yet to join either organisation – are in danger of faltering. Both NATO and the EU will need to come up with plans to forge ahead with expansion, while still maintaining the integrity of membership, including ensuring that members comply with international law, human rights standards and maintain a consensus about liberal market democracy within the body politic. If this balance can be maintained, the entry of Albania, Croatia and Macedonia (FYROM) into NATO before the end of 2008 should be a priority.

NATO and the EU also need to ensure that their members provide the funds and capabilities to deliver on “core” tasks. According to the Stockholm-based think-tank, SIPRI, Spain spends on a per-capita basis, less than half as much as Italy on defence. In only two regions - Central America and Western Europe – did military expenditure decrease between

2005 and 2006. Just as the UN sets a goal for the world's richest countries to spend 0.7% of GDP on development assistance, so should the EU consider setting an inspirational defence spending target - say 2.5% of GDP - with at least 20% of the defence budget to be spent on equipment and other investments.

The EU and NATO need to ensure that key capabilities are created. Of the commitments made at NATO's Prague Summit in 2002, at least 27% will not be met in 2008. For the EU, this means looking anew at the Headline Goal 2010 for military capabilities and the Civilian Headline Goal 2008 for civilian capabilities. EU member states collectively volunteered in 2004 to muster 5,761 police personnel, 631 rule of law experts, 562 civilian administration experts, and 4,988 individuals for civil protection. Yet three years later, the ESDP mission in Afghanistan was still struggling to find police officers. As part of improving civilian "force generation", the EU should examine the idea of setting up a pan-European

reserve corps of 5,000 trained and civilian specialists – private citizens – who, like military reservists, can be called up for deployment under EU auspices.

As over-lapping organisations, the EU and NATO need to find practical ways to cooperate better, especially when dealing with fragile and failing states. Talk of a "reverse Berlin-plus", which would allow NATO access to EU civilian assets - much like the original arrangement allows EU to use NATO's capabilities - is moot as NATO does not have the headquarters apparatus, staff or concepts for managing the range of civilian assets. Two areas for collaboration should be pursued. The US together with European governments should establish a joint NATO-EU Center for Security and Justice Sector Reform to house their respective capabilities in this field. They should also set up a NATO-EU School for Conflict, Post-Conflict and Stabilization to provide training for both civil servants and private sector consultants. This could improve inter-operability in doctrine and training, and create the basis

for joined-up exercises.

The EU and NATO should both develop their respective “strategic concepts”, taking care to avoid duplication and developing better ways to collaborate. For NATO, such a concept must address the gap in the allies’ perceptions of that the North Atlantic alliance is for, and what Article 5, in which its members pledge to defend one another, actually means in this “age of terror”.

Daniel Korski is a senior policy fellow at the European Council on Foreign Relations (ECRF)



The European peacekeeping force protecting civilians and aid workers in Chad will be an important focus of ESDP in 2008. The mission will also serve to streamline delivery of humanitarian aid to refugees caught up in the violence in Darfur.

©EC/ECHO/Frederic Bonamy—Chad: Iridimi & Touloum Camps—MSF

Redefining NATO and the transatlantic relationship

by Ilana Bet-El



The transatlantic relationship is in need of redefinition. There is a wide gap between the reality within which it functions and the rhetoric surrounding it, and this gap is seriously impeding movement on a number of urgent issues. From Afghanistan to Kosovo, from energy to food security, and from financial stability to global trade relations, there is a desperate need for the US and Europe to work together.

Conventional wisdom has it that the US-EU relationship is underpinned by the transatlantic alliance, and that NATO is therefore the major cement for this bond. Such thinking may have been apt during the Cold War, and to a certain extent in the decade that followed it, but it is valid no longer. The alliance remains of paramount significance, but the harsh reality is that NATO no longer contains the interests of all the allies – and as such it lacks the political will to operate effectively in any area. Now, it is not structured to deal with the complex situations demanding transatlantic coop-

eration, even those solely within the remit of defence and security. The difficult situation of ISAF in Afghanistan, further undermined by the constant bickering amongst the allies regarding commitments and caveats, bears witness to this sad state of affairs.

With the drama of the failing transatlantic relationship being played out at NATO, another reality unfolds in another part of Brussels. In the so-called European quarter that houses the European institution EU-US relations have been evolving at impressive speed, reflecting their ever-increasing cooperation over the past decade. The expansion in the size of the US mission to the EU bears witness to this. The mood of cooperation is hardly surprising as the EU and the US are each other's largest trading partners. The sheer volume of trade and foreign direct investment (FDI) has recreated the former defence bond as the *de facto* underpinning of the transatlantic relationship, as it offers security and common interest for both parties.

Regardless of this, the rhetoric both from Washington and many European capitals still focuses almost exclusively NATO as the lynch-pin of the transatlantic relationship, ignoring the central role of the EU – and, most significantly, the mutating nature of security. For we live in an age in which threats are no longer clear issues of war and peace but rather those of terrorism, trade and energy. And it is the institutions of the EU – whose levers of power range are now from financial and economic policies through humanitarian aid to military matters – that are now increasingly well placed to their US counterparts.

None of this is to suggest that NATO is redundant, but rather that in the 21st century it is manifestly unsuited to carry the burden of being an outdated definition of the transatlantic alliance and coping with modern security challenges for which it has not been structured. It is therefore time to honour the institution by restructuring it to offer a crucial aspect of a solid transatlantic relationship: the hard

military power needed in conflict situations, and to shore up transatlantic interests in third party negotiations. So NATO must cease to be an arena of dispute, as that harms it by weakening its credibility in the eyes of opponents such as Russia.

It is also time to honour the strong EU-US relationship, and to allow it to publicly perform its central role in facing today's security threats. This has long been the case although conducted far from the public eye. This has been expedient for both sides: the US did not wish to openly acknowledge the enhanced political significance of the EU, and many EU member states did not wish to tell their publics the extent to which transatlantic business of all shades is negotiated through the EU.

The need for this expediency is now past. The state of the world, and especially the nature of the threats facing both the EU and the US, demand a redefinition of their relationship to reflect the realities of our time. NATO is in desperate need of

restructuring, and that can only happen if the political load upon it is lightened. And NATO's European allies will never properly live up to their commitments as long as so much political significance is riding on it. The EU, on the other hand, is in need of a public boost to its international standing.

This should be the year in which this realignment takes place. It is an election year in the US, in which the presidential candidates can be encouraged to offer new visions of the future. It is also the year in which the new EU foreign service, and therefore its common foreign policy, will take shape. On both sides of the Atlantic the need is to seize the moment – for the sake of the transatlantic relationship and also for both partners' own security and prosperity.

Ilana Bet-El is a writer who specialises in defence and security issues, and is the editorial page editor of "European Voice"



An aerial view of Afghanistan's Bamian Valley during a recent NAC visit to ISAF regional commands and PRTs. Counterinsurgency strategy in Afghanistan remains a great challenge for NATO's ISAF mission, as it nears its 3rd year.

© NATO Photos

Joint and separate priorities for the EU and NATO in 2008

by Lt. Gen. David Leakey



I wonder how many times in 2008 journalists and politicians will parrot that a high priority, for NATO and the EU perhaps the top priority is to 'fix' the so called 'bad relationship' between the two organisations, as if it were a technical problem caused by the generals, diplomats and officials. I wonder how many times audiences groaned when they heard it said last year? Of course, generals, diplomats and officials can improve the interaction and 'arrangements' between NATO and the EU. To do so is a priority, since the current and planned operations of both organisations absolutely require it, and delivering an operational effect on the ground is the top priority.

To improve this relationship, the staffs will continue to do this year what we did last year, only better of finding new 'work-arounds' to overcome the obstruction. But it would be a blessed relief if commentators would more consistently acknowledge that the cause of the problem in the EU-NATO relationship lies at the very highest political level, in the fixed

positions of certain states rather than within the machinery of the organisations themselves. The essence of the problem is not a staff issue of turf wars or petty jealousies between the organisations, although these exist and need attention. Nor is the problem caused by differences between the EU and NATO on strategic operational issues. Blockage is the result of a political problem and can be unblocked by a political decision. At the working level we look for ways of contributing to this by creating the right environment; but decisions are needed at political level.

The issue of co-operation between the EU and NATO is not just one of theoretical or academic importance, but rather one of life and death significance. Intelligence sharing, mutual security, medical and life support arrangements in Afghanistan and Kosovo are not just 'nice to have'; they are essential. Soldiers' lives and those of policemen and civilian actors depend on them. Without intimate mutual collaboration we will continue to talk the

talk about the 'comprehensive approach to operations' but fail to walk the walk.

So one priority relating to the EU-NATO relationship is for both external and internal commentators to target the real obstruction to improving this relationship - the political issue - and to recognise its continuing constraints while the commanders and staff down both chains of command make the best arrangements they can within those constraints.

Turning to priorities within the EU, there is a need to continue refining and developing internally our own comprehensive approach, both between the various civilian instruments of ESDP (police, rule of law, judicial and administrative) and with those of the Commission and between the military and civilian actors. Significant progress was achieved last year with the setting-up within the Council Secretariat of the Civilian Planning and Conduct Capability - Civilian Operation Headquarters to give it its wholly unofficial but more descriptive title. The degree of increasing excellent

collaboration between the Commission and the military and civilian arms of the Council Secretariat has surprised even me! But where is more focus needed? It is not for me to comment on how the civilian side of the EU house should arrange its affairs. However, it is clear that operations are increasingly likely to be of a civilian/military mix. Some of this may be relatively easy to manage, such as the joint civilian/military SSR mission planned for Guinea Bissau. That's because these undertakings are unarmed and non-executive missions rather than executive or armed operations. But how will we mix the civilian and military command and control chains when the civilian and military instruments are both engaged in executive operations? Drawing lessons from Afghanistan and Iraq, we know the importance of the mantra - unity of effort to achieve unity of effect. But how do we improve the EU ability and capacity to achieve this in Brussels and at the EU operational and theatre levels? The two separate EU operations in Bosnia (EUPM and EUFOR) have collaborated well in the

last three years, albeit in a permissive security and political setting. There are helpful models to draw from this, even if the EUPM mission is not an executive mission in an operational sense. But we need to address how to arrange our C2 structures for an executive civ/mil intervention in a more fragile political and unstable security situation than Bosnia where a more integrated rather than just a collaborative civ/mil approach is required.

The difficulty should not be underestimated. There are traditional, cultural, constitutional and institutional obstructions and obstructiveness to overcome. Progress is being made in Brussels, but it is evolutionary and slow. The key question is whether there is the political appetite for a more collaborative or even joint civ/mil operation under one commander, and if so whether the commander should be civilian or military. Movement on this is improbable while factions are stuck in the mindset of separate and compartmented civilian and military operations. I am not advocating

the inseparability of civilian and military operations. However, the nature of many current interventions in areas of instability whether before or after conflict, require a more integrated civilian and military approach. Until this issue is addressed more seriously there will not be an effectively integrated civ/mil operation capable of delivering a unified effect.

As to developing military capability, the EU's priority is to deliver better European military capability. The European Defence Agency (EDA) plays a major role here, and excellent interaction between the EUMS, the EU member states and the EDA is pivotal. Recognising the limitations of 27 member states working together in this process, the focus is on those areas where working together can add value to pragmatic and concrete proposals for cooperation.

In this respect, the good work on evaluation and assessment that produced the Progress Catalogue 07 (PC 07) will be useful to demonstrate and help prioritise the shortfalls in the EU's declared military

capability. While PC 07, along with the EU's Lessons Learned process, will act as a compass to give direction for work on capability development, real progress is in the hands of member states and their willingness to invest, not just in the EDA and other EU programmes but in their own defence budgets.

This last point is a priority and a challenge for both the EU and NATO. It goes without saying that we need to avoid unnecessary duplication between NATO and the EU, but European governments' willingness to spend more money on the research, development and procurement of defence capability is vital. Equally vital is the need for the countries grouped both in NATO and the EU to find the resources to provide all the necessary force elements for the operations to which both are committed. Successful operations are, after all, the top priority.

David Leakey is the Director General of the European Union Military Staff



Both the EU Kosovo Mission and NATO's KFOR face a challenging future in light of Kosovo's recently declared independence.

© Combat Camera—Försvarets Bildbyrå
(Swedish KFOR—soldiers in Kosovo, flying a helicopter)

Reaffirming NATO's transatlantic indivisibility could help define its new 'Strategic Concept'

by Stewart Eldon



For security policy, 2008 is likely to be an important year for both NATO and the EU. As can sometimes happen, real life may turn out to be a more important driver of change than institutional priorities.

Operations will be critical for both organisations. Within NATO, International Security Assistance Force (ISAF) has in many ways had a greater transformational impact than have more traditional elements of the reform agenda. Those NATO allies that are involved, particularly in the south and east of Afghanistan, have had no option but to develop better and more expeditionary ways of doing things. Theatre-wide packages have improved ISAF's command, control and communications systems and new technology - including Friendly Force Identification - is now contributing towards more effective network-enabled capability.

The EU's Police Mission in Afghanistan is at the time of writing, still in the process of being deployed. Twenty-first century crisis management will increasingly require

operations that are undertaken in a joined-up civil-military way. Co-operation between EUPol and other actors is an example of the sort of wider international co-ordination that will be needed to make the broader Afghanistan mission a success. The sooner the Afghan people and their government can take responsibility for their own future, in security as well as other areas, the more assured success will be.

In Kosovo, both NATO and the EU will have key roles to play following the failure of the parties to reach agreement on its status. Initially, KFOR will be in the front line, but over time it is the EU that is likely to have the key international role. Here again, it's vital that the two organisations find ways to work together smoothly and seamlessly.

The Berlin-plus arrangements will remain important for operations in which NATO as such is not involved. But experience in both Afghanistan and Kosovo suggests more work will be needed to cover circumstances in which both organisations

are engaged in the same theatre, albeit with different mandates. In establishing guidelines for such operations, it will be important to take to heart the lessons learned from the 2002 understandings between NATO and the EU.

Underlying both organisations' work during the course of this year will be the challenge of improving the defence capabilities of many European countries. Europe's deficit is growing, both in terms of present capabilities and of defence spending; only six countries that are members of NATO and the EU currently meet the target of devoting 2% of their GDPs to their defence budget. The problem affects NATO and the EU alike, and must be tackled. A revitalised NATO/EU Capabilities Group could make a significant contribution. So, too, could specific capability-based initiatives, for example on combat helicopters where work is now under way at NATO. Improved burden-sharing will benefit us all.

The policies of the French government led by President Nicolas Sarkozy may provide

an opportunity to take forward work in all these areas. An approach which allows NATO and ESDP truly to complement each other, rather than compete, would be very welcome to the UK. It is something we have been arguing for some time. It could take forward the aspirations of NATO allies that are not EU countries for a closer and more meaningful relationship with ESDP. And it could help the international community apply to better effect the limited resources available for conflict resolution and crisis management.

A new outlook for ESDP would also offer an opportunity for NATO to update its own aims and objectives. Some of this has already been done, for example in the Comprehensive Political Guidance published last year at the Riga Summit. But work remains in other areas. One of these - the Comprehensive Approach in NATO jargon - is about mapping out how the alliance could cooperate better with such other actors as the UN, NGOs - and of course the EU - when tackling complex operations involving a number of different

actors.

It would make sense for the next NATO Summit in Bucharest to lay the ground-work for a new Strategic Concept; this might be formally commissioned at the alliance's 60th anniversary Summit in 2009.

The transatlantic relationship remains the bedrock of NATO, and if evidence of this were needed, it can be seen in the scale of the resources the US has committed to the NATO operation in Afghanistan. American policy towards NATO is likely to remain bi-partisan with its essentials unlikely to change whoever is in the White House from early 2009. But as the Alliance strives to adapt to new security challenges like energy security and cyber-defence, a re-statement of the indivisibility of transatlantic security could be a helpful backdrop to work on a new Strategic Concept for NATO.

Ambassador Stewart Eldon is the United Kingdom's Permanent Representative on the North Atlantic Council

The steps Europe must take towards a common defence marketplace

by Ana Gomes



Recent EU-level efforts to open up procurement practices in the defence equipment market are very welcome, because they reflect a sense of urgency that in Europe hadn't been seen before in this area.

The package of initiatives presented by the European Commission in early December last year is an important step in the right direction. The fact that EU member states are now comfortable about letting the Commission take initiatives in this area - even of a legislative kind - reflects not only awareness of the dire need to build a European defence equipment market, but also the development of some sort of consensus about what constitutes a specifically 'European interest' in this area. It is this that is totally new.

So it's a very welcome package. Together with the European Defence Agenda (EDA) code of conduct on defence procurement and the Commission's interpretative Communication about article 296, *these two new directives go a long way toward creating the right conditions for a radical*

improvement of the transparency, efficiency and competitiveness of Europe's national defence industries.

It is important that EU member states and the European Parliament should quickly approve these draft directives; the Parliament will definitely not stand in their way, while member states must actually implement the new legislation and restrict the use of derogations under Art. 296 to procurement contracts that involve absolutely vital security concerns. They now have a directive that is tailor-made for defence goods and which fully takes into account the specificities of the defence market. If member states insist on using Art. 296, they must nevertheless publish these contracts on the EDA website so that transparency and true competition are guaranteed. The stakes in this area couldn't be higher: we need to spend what we spend on defence much better before we try to convince our citizens that we need to spend more.

There are, though, a number of vital elements still missing from this new frame-

work. First, for the directive on intra-community transfer of defence equipment to be safely and fully applied, we need to make sure that the arms exports policies of member states are harmonised. Unfortunately, the draft directive's comments in this respect are not wholly satisfactory. We risk facilitating the movement of weapons from an EU member state with a tough arms export policy to others with weaker ones. We know what the solution to this challenge is and the Directive refers to it - we need to finish the process of harmonization of the EU Code of Conduct on Arms Exports and make it legally binding on all member states as soon as possible so as to close all possible loopholes.

Second, the directive on defence procurement lacks one important element. It doesn't contemplate the idea of European preference. The EU is the only global actor that protects its defence market less than its market for socks and shirts. This is a strategic area that needs to be treated with strategic vision - there is

nothing in the new directive that stimulates the creation of a true European defence industry able to contribute to Europe's strategic autonomy and to its ESDP needs.

In fact, EU defence ministers agreed to as much at a meeting of the Steering Board of the European Defence Agency last May 14. In the "Strategy for the European Defence Technological and Industrial Base" they agreed that there should be "less dependence on non-European sources for key defence technologies"; they "recognise that the problem of accessing the US defence market, and of establishing balanced technology exchange across the Atlantic, make it natural and necessary for Europeans to cooperate more closely to ensure the future of their own DTIB" and most strikingly, when it comes to identifying key technologies, EU defence ministers agreed that "we need to identify, from a European perspective, the key defence technologies that we must seek to preserve and develop. Military capability need is the prime criterion, but we must

also have regard to the needs of autonomy and operational sovereignty”.

In this context, the most recent efforts of the Commission are not ambitious enough and do not offer solutions to the problem of “dependence on non-European sources for key technologies.”

Concerning the issue of a transatlantic defence markets has by now become clear to everyone that we should stop dreaming about a Utopian transatlantic defence market as it seems less realistic by the day. The US will never deal with the EU as a whole in this domain, because it is in America’s interest to pick off a few privileged few and deal with them individually. The Congress will never allow any US administration to reform export and technology transfer laws enough for a level playing field to develop - and who can imagine EADS being able to take a big chunk of any US major?

The Joint Strike Fighter/F-35 project is a classic example of how US-led transatlantic projects can on the one hand make Euro-

pean countries and their industries completely dependent on decisions made in the Pentagon, while on the other they crowd out any European industrial alternative.

All European efforts in this field are of course a means to an end: the EU's final strategic goal in the field of security and defence is a European Union practicing effective multilateralism, assuming its global 'responsibility to protect', supporting the UN and exporting arms responsibly according to a legally binding Code of Conduct. The EU should therefore develop and procure the equipment *it* needs to successfully pursue the principles of the European Security Strategy within the context of ESDP.

Ana Gomes is a Member of the European Parliament and serves as Vice-chairwoman on the Security and Defence Committee

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THE SECURITY & DEFENCE AGENDA (SDA) IS THE ONLY SPECIALIST BRUSSELS-BASED THINK-TANK WHERE EU INSTITUTIONS, NATO, NATIONAL GOVERNMENTS, INDUSTRY, SPECIALISED AND INTERNATIONAL MEDIA, THINK TANKS, ACADEMIA AND NGOs GATHER TO DISCUSS THE FUTURE OF EUROPEAN AND TRANSATLANTIC SECURITY AND DEFENCE POLICIES IN EUROPE AND WORLDWIDE.

Building on the combined expertise and authority of those involved in our meetings, the SDA gives greater prominence to the complex questions of how EU and NATO policies can complement one another, and how transatlantic challenges such as terrorism and Weapons of Mass Destruction can be met.

By offering a high-level and neutral platform for debate, the SDA sets out to clarify policy positions, stimulate discussion and ensure a wider understanding of defence and security issues by the press and public opinion.

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- Monthly Roundtables and Evening debates
- Press Dinners and Lunches
- International Conferences
- Reporting Groups and special events

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