



## EU FOREIGN AFFAIRS, DEFENCE AND DEVELOPMENT POLICY SUB-COMMITTEE

### Inquiry into European Defence Capabilities: lessons from the past, signposts for the future

#### Oral and written evidence

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**Dr Dana Allin, International Institute for Strategic Studies – Oral Evidence (QQ 71-90)**

*Evidence Session No. 3.*

*Heard in Public.*

*Questions 71 - 90*

THURSDAY 3 NOVEMBER 2011

Members present

Lord Teverson (Chairman)  
Lord Inge  
Lord Jay of Ewelme  
Lord Jopling  
Lord Lamont of Lerwick  
Lord Selkirk of Douglas  
Lord Sewel  
Lord Trimble  
Lord Williams of Elvel

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**Examination of Witnesses**

*Witnesses:* **Dr Dana Allin**, International Institute for Strategic Studies, and **Ms Xenia Dormandy**, Chatham House.

**Q71 The Chairman:** Good morning and welcome to this session. This is the fourth of the open evidence sessions in our inquiry into the military capabilities available to the European Union, where we are trying to understand how European defence and the security policies of the European Union fit into how defence and security work more generally—not just for this continent but how that fits into a broader north Atlantic position. As you have probably guessed, we want to look at the American dimension, which is particularly important. The EU-NATO relationship has come up strongly in a number of other studies that we have done in the past. I will just formally remind you that this is a public evidence session. We are being webcast. We are also taking a transcription and you will get a copy of that within the week; if you see any factual errors, you will be able to correct those. I think that you have had an idea of the sort of questions that we want to ask. I do not think that either of you wants to make an opening statement but I will ask if you could just introduce yourselves. It is very much up to you who answers which question; it is not compulsory for both of you to answer all the questions but clearly you are very welcome to if you wish. I hope that is clear. Perhaps I could ask you to introduce yourselves briefly, then we will start the session.

**Xenia Dormandy:** Sure. Thank you very much, first of all, for inviting me today. I am Xenia Dormandy and I currently run the project on the United States at Chatham House. I have spent 13 of the last 15 years living in the US—I am half-American and half-British—with four

of those years working in the US Government. I was in the State Department, in the Vice-President's office and in the National Security Council focusing on South Asia, on homeland security and on non-proliferation. I then spent about four years at Harvard, running a research centre on international affairs there, then a couple of years in Switzerland. I arrived here about six months ago and, as I say, I am working at Chatham House on the US.

**Dr Dana Allin:** Thank you very much for the invitation. I am Dana Allin. I am a senior fellow for US foreign policy and transatlantic affairs at the International Institute for Strategic Studies. I am also the editor of *Survival*. I am all-American but I have spent 14 years in the UK and quite a few years before that in many places in Europe. I think that my sort of expatriate situation actually brings out more rather than less of an American perspective, if you understand what I mean.

**The Chairman:** That is something interesting to explore, maybe later or afterwards. Perhaps we could start off with Lord Jay.

**Q72 Lord Jay of Ewelme:** Thank you very much, Lord Chairman. Could I ask to start with whether you see US policy as switching, in a way, from Europe towards what it would perceive to be its own strategic interests that lie more in the Pacific? If that is the case, would that be for political or strategic reasons or because there has to be a choice, given budgetary constraints, and would you see that as being to the detriment of NATO? As a second part to that question, can you see whether any evolution or change in the way in which NATO operates could affect the way in which the US regards it? Those are the key questions for me.

**Xenia Dormandy:** Perhaps I will start. I am sure that many of you saw Secretary Clinton's speech of about two or three weeks ago, which was about US attitudes towards Asia-Pacific. There is no question at all that the US does see Asia-Pacific as the most challenging area—the area where there is most opportunity but most threat as well—so there is clearly, and has been during the Obama Administration a shift, as it were, towards Asia. With that understanding, that is not to say that there is an ignorance of Europe or that America is actually moving away from Europe. There is still a recognition that Europe continues to be important—that partnerships with Europe to continue to be important and that the partnerships within NATO continue to be a vital part of America's national interest, if you will.

Why that shift? It is part strategic and part financial. Clearly, as I said, there is that strategic interest in Asia but also a recognition that budgets are decreasing. The US defence budget is, at a minimum, going to decrease by \$450 billion in the next 10 years. Depending on how the discussions go later this month in the Congress, it could be double that. So there is a decrease of resources that go along with this recognition that Europe is actually stable today—or relatively stable—and that there are already resources in Europe that it can manage itself. So it is partly strategic need and it is partly a recognition that there is less need for the US to be here in Europe. Europe should be ready for what I believe will be a significant change in American force presence in Europe as those budgets decrease, because choices will have to be made. I just want to reiterate: this is not about a degrading of the US-Europe relationship. It is a question of where American resources are most needed today.

**Q73 Lord Jay of Ewelme:** But from what you say, it sounds as though there will none the less be less willingness to commit American forces to a NATO operation somewhere, if it is shifting its emphasis and is subject to the budgetary constraints that you mentioned.

**Xenia Dormandy:** I think one should see it as if part of it is a kind of strategic understanding and part of it is a question of numbers. In a strategic understanding sense, Europe continues to be extremely important but not in terms of a threat to the United States—it is in terms of the partnership that the US has with Europe. In terms of resources, because those are limited and choices have to be made, those choices are more likely to be in Asia, where the need is much greater and there are not alternatives, versus Europe.

You asked a question about evolution or change in NATO and whether that will change US views, to which the answer is yes. There is a very strong feeling in the United States, which was put most bluntly by Secretary Gates just before he left and much more politely and, I would argue, in a much more forward-thinking way by Secretary Panetta just a couple of weeks ago. There is a strong belief in the United States that the European Member States are not putting the kind of budget behind defence that they need to. In part that is perhaps because of the sense that America will be there when needed, so there is a strong sense in the United States of trying to get this message over that, actually, there is going to be a transfer and that Europe has to step up. I am talking now not necessarily about the EU or NATO, but if the European nations or Member States do not step up then the US will eventually, if necessary, have to find alternate ways of getting the job done with different and perhaps new partnerships, either within the current institutions or external to those institutions. There really is a sense that the biggest threat is: do the European nations step up and is NATO, in its smart defence, or the EU, in its sharing and pooling, actually following through with those intentions? At the moment, there is a sense in the US of a certain scepticism—nice intentions, little action.

**Q74 Lord Jay of Ewelme:** Perhaps I could add one follow-up question; perhaps we will come to it later on. When you talk about new partnerships, are you thinking about new partnerships that could be outside NATO or outside developing EU defence policy—a new approach altogether by the United States to how their interest in Europe might be promoted or defended?

**Xenia Dormandy:** I think first and foremost of Libya—again, I am sure that we will come back to it. Libya was a NATO operation but it involved lots of new partnerships, with Gulf countries most notably. I do not think that there will be a rejection of the institutions, but a sense that, through NATO, through the EU perhaps and through other institutions, we need to look more broadly at other partners coming in and engaging.

**Dr Dana Allin:** I agree with everything that my colleague has said, except that this last question about new partnerships brings us back in an interesting way to the overall question. The possibilities for new partnerships to replace those with European allies are very limited. There has been a beguiling idea that India shares a lot with the United States, including a strategic view, but if you look at the Indian position during the Libyan war you can see very clearly, in these kinds of operations with this kind of view of the responsibilities of American and transatlantic power, there is no Indian partner. It is hard to imagine in the foreseeable future that there will be. In answer to your basic question, I think that the way I would phrase it is that the great security problem in the world of the United States is not in Europe. That is not a failure on the part of Europe but a huge success. It is not that the United States has greater interests in Asia. I have tried to make an off-the-top-of-my-head list of conceivable, plausible contingencies. They start with Korea, which is very dangerous and could involve the United States in a war. They include, with rising and falling concern, or with cycles of concern, Taiwan. The situation there is more generally a question of balancing China without trying to prevent its emergence or to give the Chinese a kind of paranoid view that the United States wants to contain them in a hostile way. They include

unfortunately, somewhat closer to Europe, the Persian Gulf and Iran. This is an area where the Obama Administration felt we were overcommitted. They wanted to end the war in Iraq, get out of Iraq and lessen our commitment, which was seen as costly and to a large extent counterproductive. At the same time, this Administration are involved in an effort—this is somewhat sotto voce because they do not want to admit that Iran is probably going to develop a nuclear capability—to develop a regime of deterrence and reassurance of partners there, particularly of Israel, which could very well bring the United States into a shooting war with Iran. All these things are much higher on the list of probability than any contingency in Europe. Everything that Xenia said about issues of European defence spending and so forth, I would concur with.

**Q75 Lord Jopling:** I am intrigued about what you both said about new institutions and partnerships. Thinking of the United States' westward look, I am one of the few people in this room, I think, who is old enough to remember an organisation called SEATO, which was set up as a parallel organisation to NATO. It collapsed after a very short time. Given the new imperative that the United States has of looking west, do you see any possibility of it trying to encourage a sort of new organisation similar to SEATO, which would bring together friendly countries on the other side of the Pacific basin particularly? It might be there to support the United States' actions and to be available to the Secretary-General if there was a UN imperative in that part of the world. Could you see the United States setting up new partnerships on those sorts of lines on the western end of the Pacific basin?

**Xenia Dormandy:** I do not think that you are going to see new, concrete institutions; I do not think that that is the direction the world is going in. If you take the response to the Asian tsunami in 2004, what you had was five countries coming together for five days to respond before the UN could take action. Those five countries continued to respond but within a UN framework. I am going to miss one or two, but it was the US, India, Canada, Norway—I forget what the last one was. You are seeing more and more ad hoc groups coming together to address a certain challenge. You heard a lot, about four or five years ago, about something called the Quadrilateral, which was Australia, the United Kingdom, India and, I think, Japan. That idea died down for various reasons, not least Chinese antagonism; it seems to be gaining support again. These are not solid institutions like SEATO or NATO but ad hoc groups that come together to respond to a challenge. Training takes place in advance so that they can effectively respond to a challenge, in much the same way as NATO trains. But I do not believe—I do not know whether Dana will agree with me—that you are going to get a long-term, concrete institutionalised organisation in Asia, certainly in the near term. You are going to see much more of this flexible, ad hoc bringing-in of partners when needed to address challenges, perhaps with NATO, depending on what the challenge is.

**Dr Dana Allin:** I agree. It reinforces what I was trying to say in answer to the last question, which is that there just is not an obvious extra, non-European structure of partnerships such as the United States has here in Europe. This is a very old story. It is true that there was an attempt to develop such a thing at the time when we were fighting a war in Vietnam, but the history of the United States' relations with Europe ever since the war has been one of trying to develop—this is not a word that Americans would use because it gets into some of the later questions—a semi-autonomous organisation and European alliance that can balance whatever the threat is, which for most of the time was the Soviet Union. Going back to the 1950s, there was always a view that this should be possible, because the Europeans were becoming rich democracies that had a martial tradition. Our relations with Asian powers are very different; they are more negative; we are more of a strict protector to Japan and obviously to South Korea. Despite all the problems that Europe is having right now—and we

should get to those—the United States will always imagine that Europe can take care of itself, but for a long time it is going to imagine that it is power that has to balance China in the Asia-Pacific.

**Q76 The Chairman:** Before we move on, can I just clarify one thing? One of the recent aspects of NATO—we are going to come on to Libya later—is that America really did not want to lead on the Libyan operation. We will talk about that later, but do you think that, although NATO will perhaps remain the only strong and practically working alliance on a military basis that the United States might have, in future it is going to say the same thing: “We’ll be a part of it if it is on this side of the Atlantic, but we are not going to lead it. Europe’s got to play a much bigger role”? Is that shift going to happen? If so, it will affect strongly what Europe then needs to do and how it responds to that situation.

**Dr Dana Allin:** That is a desire on the part of the United States but it sometimes—I am searching for another word—a threat. In a sense, Secretary Gates was issuing a threat more in sorrow than in anger. He said that, if Europe does not rise to the occasion, there will be a limited appetite in the United States for spending its own defence dollars, and potentially its own lives, to do things that the Europeans could do. What I honestly do not know the answer to is whether, if there came a situation where Europe was threatened, the United States would make good on that threat. I tend to suspect not. I tend to suspect that if Europe proved incapable of rising to the occasion, the United States would be back. But this is all highly abstract because I do not know what that threat is.

**Xenia Dormandy:** The only thing that I would add is that I do not think that one should take Libya as a breaking point or as a turning point. American Administrations have for decades been saying, “We are going to engage where we believe our national interests lie.” I do not believe that the interests change terribly much, but the mechanisms of addressing those interests do change. I think that you will see—and you saw this as regards Libya—Americans saying, “Just how important is this to us at this point given the resources we have available at this point?” You will not be able to create a list that says, “Libya, no; Syria, yes; or Balkans, yes, but something else no.” It will depend very much on the environment, on the resources that America has available, and on how directly those resources or that situation impacts what are defined as America’s interests at that time. Of course, it will depend very much on whether Europe can deal with it itself.

**Q77 Lord Lamont of Lerwick:** I have rather a simple question, which may have a very brief answer. The EU has set itself a number of tasks under the Common Security and Defence Policy, such as battlegroup formations, procurement and missions. To what extent is this known about in the US? Given what you were saying about the desire for a semi-autonomous ability to respond to threats, should it be known?

**Dr Dana Allin:** It is known. Certainly, of the members of the Administration with whom I am friendly, Philip Gordon, the Assistant Secretary of State for Europe, cut his intellectual teeth studying these kinds of things. On the broader question, although he was always friendly and sympathetic to these efforts, I think that his work led him to be also somewhat sceptical of their success.

**Xenia Dormandy:** I totally agree. It is not just the State Department; the folk at the DoD and the NSC really understand the ins and outs. But I reiterate what Dana said: there is enormous scepticism in the US Administration over, to put it bluntly, a lot of talk but very little action. That is true whether you are talking about some of the initiatives through the EU or whether you are talking about some of the initiatives through NATO. Everyone has

been talking about the idea of sharing but, with the exception of what we are seeing between Britain and France, very little is actually being done. When you talk about planning, everyone goes to the meetings and says, “Well, this is what we’re doing.” So you share the information but you are not actually planning together. So there is enormous scepticism in the United States over great intentions but less good implementation.

**Q78 Lord Lamont of Lerwick:** Is there a fear that some of it on what might be called the planning side—although you were saying that there is not enough planning—is a diversion or an interference?

**Xenia Dormandy:** Interference with NATO?

**Lord Lamont of Lerwick:** Yes, a diversion of effort.

**Xenia Dormandy:** President Clinton started being very wary of—one might go so far as to say antagonistic towards—the CSDP. President Bush followed that perhaps but certainly changed his views. Towards the end of his term he very much thought that, at some level, anything that is improving defence and security capabilities in Europe is a good thing in any guise. If we have to make a choice, we would prefer it to be done through NATO where America has a voice and has a seat at the table, but if it is done through the EU, at least it is being done. President Obama very much has followed the same very pragmatic approach that Europe needs to step up in terms of its capabilities and recognise decreased resources, as we all have, which means that there has to be a certain amount of pooling and sharing. Those kinds of initiatives are important. If it is done in any form, that is great. If it is done within NATO, that is even better. But we will take it any way it happens.

**Dr Dana Allin:** Can I add something? There are strains or various traditions and American attitudes about European defence efforts. There is a tradition or a strain that goes back to the George HW Bush Administration that was outright hostile. They worried that these efforts would create a possibility of a competitor to the United States. Of course, this kind of hostility was revived in the second Bush Administration because of the argument over the Iraq war and the view that France was trying to lead something that was partly anti-American in design. I will not say that that hostility has disappeared but, first, this Administration has a different attitude about these things and, secondly, the problem is not Europe becoming too coherent and too strong at this point; I do not think that that is a serious concern.

The question of duplication of course was always brought up at the same time and it gets mixed into this other argument, which is a more pragmatic argument. Duplication is not so much a problem of military capabilities, because obviously these are fungible, but more a question of issues of talent—talent is scarce. If you are trying to have talented people in NATO and in European planning positions in a European headquarters, it is a reasonable fear that you will spread yourself too thin. But if the idea was taken seriously by some Americans, such as myself, that it would be politically more feasible for the Europeans to develop what I will call an autonomous military capability, and if it were done in an EU framework rather than a NATO framework, I would think that that was a good and plausible idea, which so far has not proven to be correct.

**Q79 Lord Inge:** You have answered quite a lot of the questions I was asked to ask. First, when the United States talks about Europe improving its defence capabilities, I should be interested to know what particular capabilities you think they should be and what key ones it should look at. Despite your last comment, you made it clear that America would like to see NATO as the driving force behind this. Would you then say in more detail exactly what



those capabilities do and whether there are some countries that are not facing up to their responsibilities as members of NATO to improve those capabilities?

**Lord Jay of Ewelme:** That was a long list.

**Xenia Dormandy:** Yes, perhaps I might just touch on the highlights. Many, although not all, of the specific capabilities that are perhaps inadequate in Europe came out in the NATO operations—European intelligence capabilities, and the ability to target and do planning in Europe. There is a recognition in Europe that there are, for example, inadequate numbers of drones, tankers, fuelling capabilities and precision strike—not that Europe does not have the weapons but it does not have enough of them. All these things came out during the Libyan operation, so they are fairly clear and have been talked about quite a lot. What did not come up was heavy lift, because there was not really a need for it, but again that is perceived to be a gap that the US sees.

In terms of countries that really are not stepping up, I would almost reverse the question and say which ones are doing a good job and what makes it such a good job. There is a lot of recognition for Britain with respect to the austerity that everybody is having to go through where they are taking a longer-term planning timeline, a recognition that numbers are going down today but that they are also following a bell curve—they are going to go up some day when the economic situation improves. There is also the recognition both in the UK and in France that, while we may be having to cut capabilities, we do not want to cut so badly that in 10 years' time we cannot reinvigorate those capabilities. So we need to keep a certain kind of base level.

On the other hand, there are also the Dutch and the Danes, where the numbers are so small that you cannot really have a full spectrum of capabilities, so it is a case of figuring out where we can bring the most competitive advantage. You will read and hear again and again in the United States that the Danes, in particular, are pointed out as having much more bang for the buck than many other countries. I also want to say a quick word about Germany, but I suspect that it will come up.

**The Chairman:** We are going to move on to that in the next question.

**Xenia Dormandy:** In that case, I will hold off on that one.

**Dr Dana Allin:** I was ready to talk about Germany but I will also hold off on it. Lord Inge, since you know me from the IISS, you know that I am not one of the IISS defence experts. However, I would say in very broad terms that, even though there were tensions with some of the ideas behind the ESDP, there was an American hope that animated some of the supporters of the ESDP. I am going to put it in terms that you may find preposterous but it was that Europe, however we define it, should be able to fight the equivalent of the Kosovo war without the United States. That is not a huge challenge—well, it is a huge challenge but it seems like the most plausible and helpful way that I can put it.

**Q80 The Chairman:** Can I come back on this area? Given that reality says that there is an ESDP and a NATO, do you think that the United States sees a natural division of tasks between them because they are different types of organisations, or, coming back again to the fact that they are just a duplication, is there a specialisation between those organisations that could be seen as useful? Or is that scraping the barrel in terms of justification?

**Dr Dana Allin:** I do not think that it is scraping the barrel. Following on from the idea that I have just expressed, its intention is that what I still call the ESDP, because I forget the new acronym, should have the ambition of fighting the equivalent of the Kosovo war, but in practice this division of labour has—

**The Chairman:** I am sorry to interrupt. What is in my mind is that there may be more of a potential civil or less militaristic brand to the EU than there is to NATO, which is clearly primarily military. Therefore, you could say that it has failed in getting anywhere near to rerunning Kosovo, which was absolutely hit, but are there other parts of the world that the EU could go to which NATO could not or are there certain types of civilian elements of military operations that it could also do? That is what I am trying to get at.

**Dr Dana Allin:** I understand what you are getting at but, if that division manifests itself, it is almost by default and, from an American point of view, it comes about through a failure of Europe having been able to act. It is not just a question of capabilities; it is the fact that certain countries are more comfortable with what might be called civilian rules. On its face, that is a useful division if everyone agrees with it, but there have been operations in Congo which have been under an EU flag or a French flag—I cannot remember strictly which they were under—and which had some successes and some failures but potentially could have required very serious military capabilities. If the Europeans had not been ready to deal with that situation, it would have been very tricky and possibly tricky for the United States.

**The Chairman:** Funnily enough—I cannot go into the detail—we had feedback that because they were the same forces, actually they would have been quite up to being more aggressive, but that is another question.

**Xenia Dormandy:** Let me just add something. I agree with Dana that there is not a clear definition of responsibilities—certainly from the American perspective and, I would argue, probably from Britain as well. But the two institutions bring different things to the table and are perceived as bringing different things to the table. They have different mandates and skill sets, if you will, where, arguably, the EU skill set is broader than NATO's. Where NATO is a purely security-related organisation, the EU is diplomatic; it has enormous economic resources to bring to the table, so they can have quite different functions to address problems.

This becomes even more relevant when you also recognise the fact that security threats today are not the same traditional security threats that we saw a decade or two decades ago. You talk about food security, energy, environmental security or water. These are issues that it appears to be easier to discuss and address within an EU framework than within a NATO framework, so there are times when you might see one actor rather than another come forward to take action. I think that there is a recognition of that in the United States.

There is also a recognition in the United States that of course there are also political constraints. In Georgia, where the EU took action, it was an awful lot easier for the EU to do that. NATO would not have been able to do that. There may be contextual reasons that make the EU a better actor than NATO. There is recognition of all those things. The idea that there is a concrete set of guidelines is not accepted as the way forward. There are environmental issues, resource issues and mandate issues that make one actor more appropriate sometimes than another. It does not always work that way: for example, you could argue that piracy should be a NATO operation, but there is actually quite a capable EU operation taking place. So that does not always fit, but there is a recognition that there are differences in that respect.

**The Chairman:** That is very interesting. Clearly, the main message from America is: pay your way and get it right first and we can deal with the details afterwards.

**Xenia Dormandy:** To go back to that point, if the EU suddenly builds capabilities in Member States, as Dana says, saying that it is easier to do so within the EU, the United States will say, "Well great, at least there are more resources, training and pooling and it is happening."

**Q81 Lord Sewel:** Let us turn to the British-French defence treaty. What is the US view of that and, I suppose, what do they see it as being capable of delivering? Is it a model that can be extended? The second question is basically the German question. What is seen as Germany's contribution to collective defence?

**Dr Dana Allin:** Let me start by saying that I think there is a great deal of enthusiasm for the UK-French defence arrangement, because it corresponds to an American pragmatic streak. There is a recognition that this Government, in particular, is not going to put many eggs in an overtly EU basket but is willing to develop European defence co-operation by another name. The United States—I mean US officials—recognise that there are huge constraints on European defence spending right now. Until the euro and economic crises are solved and well behind us, those constraints will remain. Any form of co-operation that involves pooling of assets—I am speaking abstractly in larger terms—leveraging what are after all substantial defence budgets in Europe in absolute terms, is strongly endorsed in the United States.

Our perennial French problem, which I personally think is as much the fault of the United States as of France, is logically ameliorated by France working more closely with the UK, with whom we do not have these perennial tensions—or irritations, because in the grand scheme of things, they are nothing more than irritations. One would think that they would be ameliorated to the extent that France is thinking and planning together with the UK. You asked a question about Germany.

**Lord Sewel:** Yes, just the bald question: what is the view of Germany's contribution to collective defence?

**Dr Dana Allin:** In the United States, we still have in our diplomatic and foreign policy DNA a very close relationship with Germany. It was a special relationship throughout the Cold War that in some ways rivalled the relationship with the UK, and it continued into the Balkan crisis and so forth. There is obviously concern about Germany—especially, I would say, from the Pentagon. There is no question but that there has been exasperation about Germany and Afghanistan. When people talk about caveats or limits on NATO operations there, they are worried in the first instance about Germany because Germany is such a big country with a large military force. If Americans are honest, however—many Americans are honest—and they think about our Afghanistan problem, they would be very hard pressed to say that it is a German problem, particularly to the extent that under the Obama Administration the war has been, in relative terms, largely Americanised.

In future, the Pentagon may remember its frustrations. Sometimes it expresses these as frustrations with the Europeans, sometimes more specifically with Germany. We had this after the Kosovo war; we had this in Afghanistan. As you could hear from Secretary Gates's petulant or frustrated remarks, we had it after Libya. That is what you will have on the Pentagon side, but on the political side, with the exception of Afghanistan, about which the story is not yet told, those are all remembered as successes. Libya, in political terms, is seen in the United States as a success. That is very important in thinking about the future.

**Xenia Dormandy:** Just very briefly, I agree with everything that Dana says about the American attitude towards the British-French defence treaties. In fact, I will go one step further and say that the Americans would almost like to put this up as an exemplar of how Europe needs to improve. As I said, it has been a great example of two countries coming together to share resources in a way that does not say that it is never going to change—sharing in a way that allows both countries to continue to have sovereignty and capabilities and, one day, maybe re-up individually if necessary. That is a model that the US is extremely supportive of and would encourage others to implement similarly.

**Q82 Lord Sewel:** Sorry, what does that mean: “encourage others”? Does it mean extend the British-French relationship to involve others, or other bilateral groupings?

**Xenia Dormandy:** I think, from the American perspective, it is an example where two nations have come together saying, “We have objectives. We want to have the capabilities to meet those objectives. Given the circumstances in which we are, we can do so more effectively together than apart.” That concept, in and of itself, is essentially not so different from the pooling and sharing concept in the EU; it is not so different from what NATO is trying to do. So I would say it is not about France and the UK saying, “Let’s get Italy in,” or, “Let’s get Germany in”; it is more things are actually being done. So it is this idea of saying: “How do we actually use what are our enormous but nevertheless limited resources more broadly to ensure that we as a region have the capability to defend and prevent?” It is more of a theoretical question as opposed to which countries should come in.

Vis-à-vis Germany, let me say one quick word specifically about Libya, because Dana has done a very good job of looking at it in a more historical and broader perspective. There was enormous political frustration over Germany’s stance over Libya—the sense that Germany was not actually taking the political step of engaging, even if it was not going to take the operational step of providing resources. So there was enormous frustration on the political side. Perhaps there was some understanding—Merkel had an election and there were all sorts of things going on domestically—but nevertheless it was felt that Germany should have stepped up with the other NATO members. On the operational side, there was much less frustration. If you get beyond the German decision over the Libya operation politically, operationally there is recognition that Germany was quite helpful in terms of backfilling, keeping US bases open and functional. They could cause all sorts of problems if they wanted to and they do not and they did not. So there was a slightly different perspective if you are talking operationally versus politically.

**Q83 Lord Williams of Elvel:** This question relates to the putative division of labour between the EU and NATO. We have largely covered this territory, but if there is anything you would like to add, be my guest.

**Xenia Dormandy:** I think that we have covered it, unless there is something specific.

**The Chairman:** I have rather trampled over part of it as well already, so let us move on.

**Q84 Lord Trimble:** This is a rather specific question. The Turkish position on sharing NATO facilities, which derives from the Cyprus problem, has caused difficulties for European Union planners. Is there any way in which the United States can help in this matter?

**Xenia Dormandy:** In preparation for this I spoke in the past few days to some colleagues at DoD and elsewhere. I will mention no names but the response was essentially on three issues. We—when I say “we”, I mean America—do not have the leverage over Turkey that we once did, so it is a case of even if we were able to, it is not clear that America would have any impact. The second point is that, with the little leverage or influence that we do have, there are a number of issues that are far higher in our national interest—whether missile defence sites or the Turkish-Israel relationship—and will be higher on our to-do list with Turkey. The third point is—again, I am paraphrasing—frankly the EU has not given us much to work with, even if we were going to step up and reprioritise. So, with the not having the leverage, the whole load of other more important issues and the fact that we have nothing to play with even if the first two were not the case, you will not see much ability from the US to take action in terms of influencing Turkey on these issues.

**Lord Trimble:** I put the question in terms of the problems deriving from Cyprus. The problem also derives somewhat from Turkey's exasperation with the EU as a whole. Turkey is still a NATO member and it is beginning to develop its own rather individualistic foreign policy. Is that not a bit of a concern?

**Dr Dana Allin:** The evolution does not just apply to Turkish-US relations, but since that is what we are talking about let me say that the evolution of US-Turkish relations is one of the most rapid, bewildering and potentially far-reaching developments that I have seen in international relations in the past decade. There is a coterie of people in this Administration who in their think-tank life were very much pro-Turkish. They are people who are very much on the centre-left in the United States but who irritated a lot of Europeans by going around talking about how important it was for Turkey to be admitted to the European Union. They are—I wanted to say “clueless”, but that is not really the word I am looking for. They are exasperated and are facing a situation that has huge strategic implications in terms of Turkey developing a more autonomous and more activist foreign policy. We are getting off subject here, but we should be thinking about ways of turning it to our advantage. For example, it is frustrating from an American point of view that Turkey behaves in ways that sometimes can be seen as demagogic vis-à-vis Gaza and Israel. But who would we rather have as champions of the Palestinians in the region—Iran or Turkey? Anyway, that is off subject.

**Lord Trimble:** That is an interesting point.

**Xenia Dormandy:** The only thing that I would add is that for the past couple of years in the United States there has been news article after news article about America losing Turkey in the sense that Turkey's foreign policy is gaining independence. I will get a little off subject and say—this has always been a personal view—that America never had Turkey, so the idea that America is losing it is fundamentally false. We have seen and will continue to see an independent Turkish foreign policy. I agree 100% with Dana that we should see that independence as something that is actually useful, which we can work with, rather than something that should be seen in a negative light.

**Q85 Lord Jopling:** You will be well aware that there is a matter of contention between the UK and other EU Member States with regard to the creation of a military headquarters for the European Union. Can you say what the United States' attitude would be to that proposition, whether it is necessary or a good idea? If one were created, what effect might it have on NATO and its planning procedures?

**Xenia Dormandy:** I think that generally speaking the American attitude towards an operational HQ for the EU is negative. It is the idea that if you have limited resources, is this really where those resources should be put? There have been huge cuts in the NATO command structure over the past couple of years, from 13,000 to 8,000, and the idea that you will now be putting resources into creating new structures and new capabilities is one that Americans do not support, particularly when the current system seems to work reasonably well. The other slightly controversial point I would make very lightly—I do not want this to be taken too far—is that there is also the sense that a separate EU operational HQ would, if anything, give America more freedom to say, “Well we don't need to act.” If it is going through NATO, America has a voice and a seat. If it is entirely independent, at some level it would be harder for the European nations to get America to step forward and to be more proactive, where it is otherwise a little hesitant to doing so.

**Dr Dana Allin:** The opposition to things like an EU headquarters has been, for the last 15 or so years, phrased in terms that America does not want to see—I forget the word that was

used—a European caucus that reaches decisions before discussing them with the United States. I never quite understood that American opposition because I have always had a slightly Gaullist view of these things: it is better for Europe, and therefore better for the United States, if Europe develops a sense of itself as a security actor, and having a headquarters for EU operations is part and parcel of developing this sense of a European defence autonomy. Then you get—I have already referred to this—the practical problem. One of the practical problems is that, as I say, talent is scarce, and if you are diverting talent from NATO then you might have a problem. In practice, Libya was seen as a European-led operation and it was led out of NATO. There were reasons for that. Against international relations theory, NATO seems to have a surprising amount of durable relevance and utility.

**Q86 Lord Selkirk of Douglas:** You have partly answered the question that I am going to ask, but can I just ask in slightly more detail about defence planners in Europe, with relevance to Libya? Was there a sufficiency of really good planners? Did they work very well together? Were there shortcomings? Were there any lessons?

**Dr Dana Allin:** I have to admit that I do not know the answer to that question. Do you have any thoughts?

**Xenia Dormandy:** It is a really short answer: no, there were not sufficient planners. There is a US perception of a real need for more training and more capabilities in this area. I will give one example. Admiral Locklear, who was running this at Naples, I believe, apparently put out a call—this is anecdotal—for certain skills, including planning, and the only countries capable of actually coming forward were the Brits, the French and, I think, the Italians. There was a real question of, “Well, they are being used elsewhere; we do not have them.” The very simple answer is that more of those skills are needed and they are not there.

**Lord Selkirk of Douglas:** Thank you very much.

**Lord Jopling:** Yes, but anecdotally I have heard that, if there had not been a major influx of United States planners into that operation, it would not have worked.

**Xenia Dormandy:** I think that we are saying the same thing. There had to be. There were a couple of situations or a couple of areas where America had to provide an influx—whether it was in drones, whether it was in planning, whether it was in targeting—because there was not the sufficient capability. It was not that there was a complete lack of it; there just was not sufficient capability.

**Q87 The Chairman:** We have talked about Germany; perhaps we can come back to France for a minute. We talked about irritation sometimes with France, but one thing that has changed over the past four years, or whatever it is now, is that France has actually come back into NATO. I do not get the impression from the pending presidential elections in France that anyone is touting that they should immediately come out; unless anyone corrects me, I have not heard that. It seems now that it is accepted as part of French military and foreign policy that it will remain an active part of NATO. Does that help this whole issue or does it really not make a lot of difference?

**Dr Dana Allin:** I think that at the time France went back into the integrated command there were two American comments on it that one heard. One was: “This is great. It is symbolically hugely important. It is an end to a quarrel and shows that France does have a very strong Atlanticist side and an Atlanticist loyalty.” The other comment was: “But it is not going to make much difference because France was working at an operational level.” You heard constantly from US officers that their working relationship with the French was very close. They would work around any problems that had to do with their absence from the

integrated command. The French military was considered by American officers to be a vital part of NATO planning already.

**Q88 Lord Sewel:** Was the problem in Libya a matter of absolute lack of capability or was it more a reluctance of people to commit?

**Xenia Dormandy:** My sense is that it was an absolute. Again, you have to recognise that in part that is because such skills are being used elsewhere—Afghanistan, et cetera—but that is just the reality that one has to be able to respond to. I believe that it was an absolute.

**Q89 The Chairman:** Lastly, to tidy up—I think we have gone through most of the area in the last questions that we were going to go through—one of ironies on Libya is that from a European point of view it is seen as a success and as Europe stepping up to the mark. If Tripoli had not fallen for another month, it might have got pretty difficult in terms of keeping Europe together and where it was going and whether it was stuck. But in the United States there certainly seemed to be a lot of criticism afterwards that President Obama had driven from the back seat and had not taken a lead. Was that purely political rhetoric from the opposition to the Administration in the United States, or is there something in the American DNA that says that back home they are not going to be able to cope with America being in the back and Europe being in the front, even when it is in Europe? What is the effect of that?

**Dr Dana Allin:** Can I say a couple of things? First of all, yes, there was dissonance in the American reaction, but much of that dissonance has to be understood as we are well into an election campaign right now. I think there is a kind of reflexive insistence that anything that Obama does has to be considered not only wrong but anti-American. It is really quite bitter.

An important point about this phrase “leading from behind”, which some poor, happily anonymous, schmuck said in an interview, is that it is obviously a joke—an off-the-cuff remark. It was a joke relating to a larger truth, something that you might even go so far as to call an Obama doctrine. President Obama expressed this doctrine in explaining his goals and the need for this intervention. He explained the intervention in terms of the responsibility to protect that he had referred to also in his Nobel acceptance speech, so there was nothing new here. I do not want to say that it is a model for anything else because I do not know what those other contingencies would be, but it is certainly in the mind of the President and his Administration. It has been stated so explicitly. It is a model for the way in which the United States exercises leadership, which has not always been out front. The Administration are extremely proud of the fact—I do not know how accurate the figure is—that this is said to have cost the United States \$1 billion, which somebody remarked is a rounding error in the US defence budget. At a time when the United States is looking at all its budgets, it was able to do something successfully where its role was indispensable, but it was none the less not a huge over-commitment for it. If something like that comes up again where the United States can do it the same way, it will certainly try.

**Xenia Dormandy:** I said earlier that the interests do not change terribly much in different Administrations, but the mechanisms change quite a lot. It is one of the big differences between President Bush and President Obama that President Bush promoted democracy and President Obama supports it. You will hear again and again President Obama say, “We will support others as they are driving towards...” as opposed to, “We are going to promote something.” That is important. Roger Cohen wrote a column for the *New York Times* in the past couple of weeks where he took the expression “leading from behind” and said, “Yes, absolutely yes, and again yes.” There is nothing negative about the idea of building coalitions, working together and partnerships. This is the way in which it should be done, so

why do we mock it so much? That takes me exactly to where Dana started, which is that it is political season, and the Republicans have been having a field day with that expression. There has also been, very small in the corners of little articles, McCain saying, “Yeah, Libya was a positive operation. I applaud Obama,” and Romney saying, “Yeah, actually, it worked. Maybe I would have done it differently, but this was a success.” But that is quite quiet compared to the rest of the rhetoric.

**Q90 Lord Selkirk of Douglas:** Can I raise a subject which comes up under the first question asked? You may know that we have done a report on the EU and China. We are aware of China buying up a large part of the world’s debt. Has there been a recent shift in emphasis of America’s policy towards Taiwan?

**The Chairman:** I think we need to do this fairly briefly.

**Xenia Dormandy:** The very brief answer is that America will continue to stand by its treaties and its agreements with Taiwan. There is absolutely no word in America to stop doing that. The question of exactly what that means tends to change by Administration in terms of the military equipment and the like that America will sell to Taiwan. Equally, there are differing degrees of frustration about what Taiwan wants to buy, what it asks for and what it has the budget for.

**The Chairman:** Dana and Xenia, thank you very much indeed for what has been a really interesting session. We were very concerned to make sure that we started to look at a much broader concept of what Europe should be doing rather than just looking at it from the inside and at each other. It has really opened the subject out a great deal. Thank you very much indeed. We have very much appreciated your contributions.



## BAE Systems – Oral evidence (QQ 314-344)

*Evidence Session No. 15.*

*Heard in Public.*

*Questions 314 - 344*

THURSDAY 1 DECEMBER 2011

### Members present

Lord Teverson (Chairman)  
Baroness Bonham-Carter of Yarnbury  
Lord Inge  
Lord Jay of Ewelme  
Lord Jones  
Lord Jopling  
Lord Radice  
Lord Selkirk of Douglas  
Lord Sewel  
Lord Trimble

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### Examination of Witnesses

**Sir Brian Burridge**, Vice-President, Strategic Marketing, Finmeccanica UK, **Bill Giles**, Director-General Europe, BAE Systems (Brussels), **Rear Admiral Rees Ward**, Chief Executive Officer, UK Aerospace, Defence, Security and Space Industries (ADS), and **Alvin Wilby**, Vice-President, Strategy and Technical, Thales UK

**Q314 The Chairman:** Gentlemen, Rear Admiral, I welcome you here today. Thank you very much indeed for attending this session, which is part of our inquiry into EU military capabilities. I should just go through what are probably quite obvious points. This is an open session. It is being webcast and recorded. We will take a transcript. We will provide that transcript to you so that if we have made any factual errors in terms of the transcription you will have an opportunity to put them right. We occasionally get acronyms slightly wrong or whatever. We will make sure that you will see those so we get those correct. You have had some idea of the questions, I think. I am keen to keep the session to approximately one and a half hours. I am very grateful that we have such good representation from the industry, because we have not really looked at this part of the subject so far, outside of the European Defence Agency. It would probably be a good idea to keep to time and things from our side and yours fairly short. I know you will all be extremely enthusiastic but I would encourage you that it will probably work quite well for us if you do not all answer all the questions. But I will leave it to you to sort out who leads on which question, if that is okay. We sometimes

give an opportunity for opening statements but I think it is probably easier to get straight into the questions, if that is okay with you. Perhaps we could go straight into the session. I would like to ask whether, in these days of globalisation and multinationals, there such a thing as a European defence industry. If there is, how will that change and will there be such a thing in the future?

**Sir Brian Burridge:** Thank you. Yes, there is such a thing as the European defence industry, for two reasons. First, there is a European defence market and, secondly, Member States have a view about the degree to which their indigenous industry provides them with operational sovereignty over military capabilities. The point aligned with that would also cover the management of Member States' economies, in the sense that the degree to which they balance their economy between manufacturing and say, services, means that they will have an interest. If they put a particular accent on manufacturing, they will have a particular interest in the research and development that underpins that.

**Q315 The Chairman:** Perhaps I could ask about BAE Systems. Are the operations in different countries seen as separate? Are there barriers to intellectual property in different Member States or countries, or North America? How does that aggregation and de-aggregation really work in practice?

**Sir Brian Burridge:** Finmeccanica in Europe is predominantly in three countries with its manufacturing base: the UK, Italy and Poland. The other major leg is in the United States. It is regarded in Europe as a single company but indigenous intellectual property exists in, say, the UK because Finmeccanica grew in this country through acquisition. Some of the former BAE Systems electronics industry has with it indigenous intellectual property which is regarded as (a) commercially very important and (b) in some cases a matter of meeting the UK Government's requirement for operational sovereignty. In generality, the nature of the business is that it is global. In our case, because we invest 10% of revenue in R&D, we seek to generate leading-edge technology that we can export globally.

**Bill Giles:** BAE Systems in Europe is essentially in the United Kingdom. However, we have a land systems business in Sweden that we wholly own and a joint venture in guided weapons. MBDA, with EADS and Finmeccanica. That essentially is our presence on the ground in Europe, but about 50% of our business is in the United States. The rules on technology transfer in respect of the United States are extremely strict. Therefore, there is much less opportunity transatlantically to do what you might be able to do in Europe, which is to obtain synergies from bringing businesses together and operating single activities across national borders.

**The Chairman:** Mr Wilby, did you have any comment?

**Alvin Wilby:** I am very much the same. All our companies operate in a number of countries. We try to optimise our investment and product development to address a global market. Obviously, the extent to which we can truly harmonise that is always limited by national security issues. In Thales, there will be capabilities in key technologies that are purely for the UK. In the same way that you asked whether there is a European defence industrial base, there is a UK industrial base as well, made up of the UK components of a number of large, global companies.

**Q316 Lord Jay of Ewelme:** In a sense, that answers the question that I wanted to ask, which is a subset of the Lord Chairman's question. Can one talk about a UK capability any more—either an R&D or industrial capability? If we can, do we think that it is diminishing or increasing? Does that matter?

**Rear Admiral Rees Ward:** Yes we can. As Sir Brian mentioned in his opening remarks, it can be defined by operational sovereignty, IPR, jobs et cetera. One thing that is unique about the UK industrial base is the open nature of our market. The UK market has been of a much more open nature than many other markets around the world. That is evinced by the major global players who have decided that the investment opportunities in this market are good. They have come and developed a footprint on the ground. Finmeccanica, Thales, GD, Raytheon and all the major players are here. The fact is that they are developing economic value in the United Kingdom. They are employing UK personnel in the main and they are developing intellectual property here. Therefore, there is a serious point about the economic value that is being developed by the UK defence industry, which we might go on to later.

**Sir Brian Burridge:** Perhaps I could add to that. There is strategic value in this. The United Kingdom has deep roots in defence capability, because of the nature of both its Armed forces and its industry. All that you have heard so far in answer to this question could be summed up as a body of knowledge. That body knowledge is what underpins the way in which the UK is able to use its Armed forces. At the edge of the envelope, in fact, that is the way the UK has traditionally operated. It can do that because it can rely on this body of knowledge, which has a number of stakeholders—not least the armed services themselves, parliamentarians, Ministers, academics and industry. That allows the UK collectively to get the maximum capability out of its equipment. It allows it to modify its equipment rapidly in accordance with any threat it might find. It also allows research and development to be operationally focused. That is certainly one of the things that the Committee will want to pursue: the degree to which that operational focus is common across Europe.

**Q317 Lord Jay of Ewelme:** I have one small follow-up question: do you collectively see the progress in Franco-British co-operation as a procurement issue as much as an operational one?

**Rear Admiral Rees Ward:** It is a very wide co-operation and wide-ranging treaty. In many ways, if you were looking at co-operation in equipment and systems, the most successful co-operation in terms of bilateral co-operation is when you have the various levels aligned—the political level, the military use of the system that is being developed, the doctrine operational concept, the Ministry of Defence and acquisition process, and the industry. You will understand that it is quite difficult to get all of that aligned. But when it works, it works extremely well.

**Lord Sewel:** So what is the answer to the question?

**Rear Admiral Rees Ward:** I think it is early days in the treaty at the moment. We are making good progress. It is not as though France and the UK have not tried to co-operate on defence acquisition before now. Some of those elements that I alluded to previously were not as well aligned before. I think that we have a better opportunity now than we have had in the past.

**Sir Brian Burridge:** The answer from an industrial point of view comes on two levels. First, it is a matter of example to Europe. The UK and France are the two nations who meet the NATO requirement to spend 2% of GDP on defence. It rather shows a sense of leadership and coalescence. On an industrial level, it is very much seen as an acquisition issue which has an impact on the future footprint of the industry in Europe. We are in a period where traditional European excellence in, say, fast-jet combat air is beginning to decline.

**Q318 Lord Jones:** Lord Chairman, gentlemen, concerning the CSDP and its impact on the European Union's defence industry so far, we wonder if there is not a fundamental contradiction in some of the CSDP's aims. We know that it was created not only to strengthen European military capabilities but also to build a European defence industrial base. But if one strengthens European companies, would the net effect not be a rise in the cost of defence equipment, thus giving the Governments access to less, rather than more, defence capability? This has crossed our minds and we wondered if you could put your teeth into that and tell us why that is not the case—if that is your view.

**Sir Brian Burridge:** Let me see whether I can create an argument that suggests the reverse, that actually, taken to its conclusion, CSDP will provide a competitive marketplace and therefore better value for money for Member States, but only if a certain set of circumstances are met. In my view, CSDP requires three inputs. The first is defence resources. Member States will need to recognise that, in the same way that NATO sets a benchmark at 2%, there must be an equivalent benchmark in EU Member States. Secondly, they need to apply those resources to the modernisation of their Armed forces. As Members will well know, many European Armed forces are still conscript-based; they are very static by nature and so their ability to deploy is limited. The third point is the political will to deploy. Without that political will to deploy Armed forces, none of the effort that goes into this will necessarily be operationally focused. That has to be the driver for getting value for money out of defence acquisition. If we go to 1999, the Helsinki headline goal had 60,000 deployable for six months. That was a substantial force. As we know, we have come rather down the staircase to where we are now with modest battlegroups. The real impact and degree of operational effect that CSDP points at is relatively small in terms of its potential impact on industry as a whole. But what it might do, through the work of the EDA and some of the capability development programmes, is create a more competitive environment by focusing industrial consortia on the type of military capability that nations need. So it is possible, but it will take a long time. That said, there is no existential military threat in Europe at the moment. There is certainly an existential economic threat. Without the glue of fear, which we were so used to in the Cold War driving Member States to invest in their militaries, it is hard to say what the result will actually be.

**Q319 Lord Jones:** On investment in the industry—I am only a humble Committee Member and do not know much about this issue—I would like to ask about BAE. Can you tell us how big your workforce is and what your annual export revenue is? Particularly, I read in the economic sections of newspapers that the company is tempted long term to migrate across the Atlantic and seek its fortune in the United States and thereabouts, and long term it is not looking to develop its base in the UK. Given its huge employment here in Britain, that is important. I wonder if you had come to the Committee with an answer to that consideration.

**The Chairman:** Perhaps, if Lord Jones does not mind, we could broaden that. If European defence expenditure continues to go down, are we going to lose everything from this side of the pond altogether? That is, if you do not mind that broader context as well as the UK one.

**Lord Jones:** With that intervention in mind, Lord Chairman, President Bush had a famous Defense Secretary who used a sneering phrase about “old Europe”. Are we looking at decay here or is there a prospect?

**Bill Giles:** There is a great variety of questions there and I am not sure I will answer all of them. I may not remember precisely our employment figures. BAE Systems is absolutely committed to maintaining its industrial base in the United Kingdom. The air sector in

particular is of huge technological importance and enormous export value—and plainly, as Sir Brian Burridge has said, in relation to supporting the RAF and providing their requirements. The company is absolutely committed to that. BAE, like any other company, will plainly always keep its strategic options open. We have to adapt to the world as it is. But in the particular context of the United States, as elsewhere, we expect to see substantial reductions in defence budgets. That then plainly conditions the company's view of the American market. There is no question but that BAE is wholly committed to the UK, but investment is a pre-requisite for companies to survive. We depend particularly in the United Kingdom on government investment. I think that the challenge more broadly, in the context of Europe, as the Lord Chairman mentioned, is whether we can, in this particular time of declining budgets, corral better R&D investment and then procurement of equipment on a larger scale and across borders. I touched earlier on our presence in Europe. There is company ownership and such like, but very big programmes, for example the Eurofighter Typhoon programme, have been running for many years and the company, along with Finmeccanica and EADS, are very closely involved. This is an enormous transnational project that works very well within Europe. The information exchanges that are done are within Europe. The generation of the intellectual property is within Europe and for the UK's part plainly in the United Kingdom. There is more potential in this area. Having said that, we are all aware that collaborative programmes have a number of difficulties—for reasons that Rees Ward touched on earlier. The challenge, therefore, is to try to make the European collective or Member States who are interested in Europe perform in a more effective way.

**Q320 Lord Jones:** You might employ 50,000 people and earn perhaps £4.5 billion and know that the Government are desperately keen to retain your huge skills base. But why did the company decide to leave civil aviation and get out of its partnership in the European Airbus consortium? It appeared that you were going to look to the United States to develop your industries.

**The Chairman:** I think we are going too far down the corporate history of BAE, but if you have a very quick response.

**Lord Jones:** It is only an annual appearance, Lord Chairman. Forgive me.

**Bill Giles:** I think that that was an economic judgment on being a 20% partner in a European consortium in civil aerospace, and what the company's real position was in that. The judgment was taken at the time that we should step out. That was not a comment on Europe particularly, more a comment on our involvement in civil aerospace.

**Rear Admiral Rees Ward:** Lord Chairman, may I broaden this out to your question about the UK defence industrial base? Bill Giles has made the point that in defence markets it is all about Government being the sole procurer and what resources Government choose to put into that particular defence market. Currently, the defence industry in the United Kingdom is approximately 300,000 in terms of employment, both direct and indirect. It produces something like £35 billion of value into the economy, so it is a substantial contributor to the economy. I believe that its exports last year were in excess of £7 billion, so it is a significant contributor to the balance of trade. We have mentioned before that global companies will come and invest in this country if they see opportunities. If the defence budget is sustained, you will have the situation that we have at the moment where the major global players will come to this country and participate in competitions for the capabilities that we generate. If defence resources reduce, those companies will make choices and, because they are global companies, they will make them on the basis of where the best opportunity is and the best investment decision can be made. That is all very well and good for the global companies but

we have a substantial supply chain in this country. In terms of SMEs, we probably have more SMEs in this country as part of supply chains than France, Germany, Sweden, Italy and Spain all put together. My point here is that the global companies are big enough to look after themselves. If they choose to move out of this country, so be it. That is their choice. But that will have a deleterious effect on the huge supply chain that we have in this country. This country has the second largest defence capability in the world, second only to the United States. It is certainly the largest one in Europe. That is where we are.

**Sir Brian Burridge:** Might I briefly give you another perspective on this? From the Finmeccanica standpoint, we have invested £1.4 billion in inward investment into the UK since 2006. We are the second largest supplier to the UK Ministry of Defence and we have about 9,600 jobs here. But we export £700 million-worth of trade from the UK. That brings with it an investment of £220 million in research and development, of which £70 million is our own shareholders' money and £150 million co-investment with Government. That is significant in generating the intellectual property, the research relationships with universities and the UK's position as a leading technology nation. As the Rear Admiral says, we have a plethora of SMEs. We have 1,350 in our supply chains, taking about £420 million a year. That is a microcosm of what other parts of Europe look like. Other parts of Europe, both in our own company and generally, develop some very competitive products. The A400M is going to be a very competitive product on the world market. Our helicopters, generated out of Europe between AgustaWestland and Eurocopter, are very competitive on world markets. Our defence electronics, particularly in radar and electro-optics across Europe, are very competitive in world markets. Provided that one can be competitive and export out of Europe, the fact that European defence budgets are declining does not sound the death knell.

**The Chairman:** Thank you. Perhaps we can move on from that to Lord Inge and again keep it within a European perspective.

**Q321 Lord Inge:** I would like to talk about the European Defence Agency, which I think was really set up to combine research and development with procurement. Can you give us your view of how that has worked? I would have thought that something like research and development would be a very sensitive subject within companies. I am not sure that they would be very keen to share research and development. Has this become a bureaucracy or is it positive thing?

**Bill Giles:** The first thing to say about the European Defence Agency is that it has some 26 Member States of enormous variety in terms of military capability and industrial competence. Trying to manage an agenda across that is very difficult. It does not have a budget of its own, so it is entirely dependent on the will of Member States and their interest in collaborating. That collaboration is variable between Member States. The United Kingdom has participated very little in some of the programmes that have been initiated through the agency. But I do not think that there is a fundamental issue about companies sharing research and development. I gave the example of Eurofighter, but there are many other collaborative programmes in Europe, such as the Meteor missile and the A400M.

**Lord Inge:** So it only works for collaborative projects.

**Bill Giles:** Essentially, yes. Companies are not going to share their intellectual property while they are potentially in competition. I think that companies understand very well, and have done for a long time, that sharing is a necessary part of collaborative effort. I do not think that this is an underlying difficulty. The bigger issue, if you like, in getting all this to gel in the context of the Defence Agency is the common will and interest to invest in collaborative

programmes, and to do that in a manageable way such that you get end results in a reasonable period of time, and of course giving good value for money.

**Lord Inge:** Is that view shared?

**Alvin Wilby:** Yes, I think it is. I think we are all very used to working collaboratively. It is easier to do that when you are a little removed from the end product—in other words at the R&D stage. We are very familiar with doing that both in the defence field and in the civil field, under things like the EU framework programmes.

**The Chairman:** Sorry, I am finding it a little difficult to hear. My apologies, but you might need to speak up.

**Alvin Wilby:** Thank you, I was saying that as organisations we are very used to and comfortable with collaborating. We do that on both the defence and the civil side of things. It is not just the EDA but also things like the EU framework programmes. I think that there are a number of good examples of successful collaborations. The Typhoon is one that we have mentioned. There are certainly others. There is an overhead associated with running these collaborative programmes. They are intrinsically complex. If you take something like Typhoon with a four-nation involvement, you have actually got a four-nation interest as well as a number of bilateral and trilateral interests flying in loose formation, so it is difficult to manage. But there is no doubt that they have been very successful and have delivered world-class capability.

**Lord Inge:** Who is in charge of it?

**Bill Giles:** The Defence Agency? It sits under the authority of the High Representative, Baroness Ashton. However, it is managed—in effect, controlled—by a steering board comprising the Defence Ministers of the Member States. That is its structure. It has a Chief Executive, currently Claude-France Arnould, and then directors of different nationalities and other members.

**Q322 The Chairman:** We met her in Brussels, although Lord Inge was not with us at the time, so we know. Is the EDA not a bit of a damp squib altogether? It is sort of there because it is a good idea but it has not really done anything much, has it?

**Bill Giles:** It has put a lot of effort into trying to bring this agenda together. But if you look in terms of substantial outputs, the answer is no. That is the truth. It has been in existence for six years. As yet, no substantial programme has come out of EDA effort. However, there are a number of projects running between groups of Member States in a number of areas that are technologically important. Defence procurement is a long game. Nothing happens quickly and the investment cycles are long. In a sense, it would be surprising if anything had come out of it. To be clear, the EDA—

**The Chairman:** I think that that is damning by faint praise.

**Bill Giles:** I should explain: it would be surprising if there had been a substantial programme in a period of six years.

**Q323 The Chairman:** That is fair enough. I am genuinely trying to get some balance here. What would you say was its greatest hit so far? Then I will let Lord Inge come back, because I interrupted his question.

**Bill Giles:** The greatest hits so far would be a set of programmes. There is software-defined radio. The UK was not involved in it so I do not have great visibility, but that is now being managed by the procurement agency OCCAR. It is worth saying that EDA is not a

procurement agency. That has to be understood. There is work that the EDA is doing with the European Commission at the moment on flying unmanned aerial systems in desegregated airspace. That is very important in a military and civil security context. That work is advancing and we hope will go further. There is collaborative work on chemical, biological and nuclear defence. I have to say that all these things are ongoing.

**Sir Brian Burridge:** Could I add to that? I never expected to find myself defending the EDA, but on the basis of yesterday's ministerial communiqué, the EDA is very much seen as the agent to take pooling and sharing in a capability sense forward. I was certainly interested to see three aspects that I would regard as high-end capability, which hitherto have not been particularly apparent. One was on smart munitions, another on air-to-air refuelling and another on intelligence, surveillance and reconnaissance, or ISR. These are high-end military capabilities that you need in high-intensity warfare, which shows at least a direction of travel where the EDA is focused on the right sort of operational capability. I would say that its successes so far, such that they are, have been focused on pragmatic capabilities that are required, say, in Afghanistan, like counter-IED and the organisation of field hospitals. I think that the direction of travel is positive, but there is much more to be done.

**Q324 Lord Inge:** When you say that there is much more to be done, are you talking about the capability of the people running it or what?

**Sir Brian Burridge:** I am talking about the outputs. Process is not an output. I will remain concerned until I see hard outputs which are operational and fieldable.

**Lord Inge:** So you have a question mark over it.

**Sir Brian Burridge:** Indeed.

**Q325 Lord Sewel:** Can we look at further issues affecting co-operation and collaboration, and more political ones? Where do issues of national security and sovereignty come into play? Are they real obstacles against collaboration and co-operation?

**Alvin Wilby:** I think that I would class them as constraints rather than obstacles. There is a serious point there. It is not for industry to make the determination as to what is of national sovereign importance. We have to work with those constraints and do the best that we can within them.

**Lord Sewel:** How do you get round them? Do you get round them or are you frustrated that there would be an opportunity for collaboration and co-operation here but the individual sovereign states just refuse to budge?

**Alvin Wilby:** That is certainly a feature of the landscape, if I could put it that way. The extent to which you can consolidate the European defence industrial base is limited by those considerations. That is something that we have to take account of. I think that the challenge is that, as the overall budgets are reducing and we are forced to look more and more at consolidation, which in turns equates to specialisation, you really have to think about the extent to which you are willing to accept military and political interdependence, as opposed to just common programmes. It is a feature.

**Q326 Lord Sewel:** What are the best opportunities?

**Alvin Wilby:** I am not sure that they are the best opportunities, but ones that are prominent in terms of Anglo-French discussions at the moment would include things like unmanned air systems, future sonar and mine-hunting capabilities and a number of areas like that where the extent of co-operation is constrained to some extent by national issues. That does not



mean that we cannot do a lot within those constraints. We are doing a lot but it is something that we have to work with.

**Sir Brian Burridge:** I will cite the case of the Tornado, a collaborative programme, and the Typhoon, and seek to apply those lessons to uninhabited air vehicles. In the case of the Tornado, there came a point where the UK sovereign requirements were incompatible with the development paths that the other nations wanted to take, so we took a national approach to a mid-life upgrade and essentially ultimately developed a different sort of aircraft with different electronics inside it. Typhoon is much more integrated, so there is less of an opportunity to do it in that way, but we are currently showing a pathway to the four nations where each nation can pick and mix because the architecture is open and plug and play, to some extent. They can then derive their own development paths. We have used that knowledge in the areas of uninhabited vehicles to show how we can create an industrial construct that allows the nations participating to retain what we call their own system design responsibilities. The nature of computing and architectures now is that, if you can get to a completely open system, nations can come together, collaborate over things like the air vehicle and the basic electronics and then tune the other parts to their specific requirements. In all the cases that I have mentioned, probably the area that is of most concern as a matter of operational sovereignty is defensive aids—that is, the way in which the aircraft systems will react when under threat from a surface-to-air missile. Nations will want to be absolutely clear that they understand the level of risk to which they are committing their crews and they can only do that if they understand the way in which the defensive aids work. So it is possible.

**Alvin Wilby:** To build on Brian's point, with Typhoon we had a common defensive aids system. All four nations effectively have the same sets of equipment but again it is possible to segregate some of, for example, the sensitive threat data at a national level within a common equipment set.

**Q327 The Chairman:** I like very much the idea of plug and play—that you can have a basic product and different nations can add different bits so that production costs are kept down. Does that not still land up with operational incompatibility at the end of the day? That is one of the things you need if you have an integrated European or even NATO defence force. You cannot swap bullets, missiles or fuel. Is there not still that risk?

**Sir Brian Burridge:** The important thing, and NATO has a very long history in this sense, is to make sure that those things that you mention are compatible. I am really talking about electronics and software. You almost have an open menu on that side, but nevertheless it is important to make sure. Classically, if we look at Libya, the Royal Air Force got 98% availability out of their Typhoons operating out of Italian airbases because the support system was absolutely compatible. In fact, Italy uses industry extensively, right up to first line, so the supply chain was extremely nimble. So it can be done.

**Q328 The Chairman:** That is a very interesting comment. Can I pursue that? Was it just lucky that Libya was opposite Italy? It is unlikely, but if we had to go out of Germany or France would it have worked as well?

**Sir Brian Burridge:** There is an obvious political point that the Italian Government saw it as appropriate to allow their airfields to be used.

**The Chairman:** We understand the political point.

**Sir Brian Burridge:** The support models that each nation uses are different, as is the degree to which they place significant focus on aircraft availability. For a nation like the UK, that is

absolutely paramount because we run small fleets and seek to do it for the minimum amount of money. The way in which the different nations will organise their supply chains will become apparent when you go and operate from another nation's airbase.

**Q329 Lord Jopling:** I want to ask about the two European directives that have recently come into force: the defence and security procurement directive and the intra-Community transfer directive. I hope that you will not say that it is too early to give an opinion about their effectiveness. As you know, they were set up to encourage more cross-border competition for defence orders and to drive down costs. Do you think that the directives will have the desired effect on Governments? Can you tell us how you think they will work out? What might be their impact on the whole industry of which you are representatives? Do you think that we will see more mergers if competition for orders from European Governments intensifies? Coming back to the Lord Chairman's point about incompatibility, you talked about the Royal Air Force and the Italians. That is all well and good, but in Europe we still have three battle tanks with incompatible shells. That is a lunatic situation. Do you think that there is any prospect of Governments streamlining their attitudes to the defence industry and becoming less protective, which very often means that troops of all sorts at the sharp end must have potentially inferior equipment supplied because of a greater priority to employment within the country concerned? Sorry. That is rather a long question, but I was given a rather long question.

**Lord Sewel:** And you extended it.

**Bill Giles:** Let me try to address at least some of those points. To take the two directives, the procurement directive introduces defence procurement for the first time into the European Union public procurement regime. That in my view is perhaps the most radical thing ever to happen in European procurement in the sense that, while Member States had some voluntary and non-legally binding MOU's—for example, you can go back to Anglo-French reciprocal arrangements in the late 1980s—this is a legally binding requirement to implement competition. It is a very radical change. It is coupled also with some pretty strict and clear Commission guidance about limits on the use of Article 346 of the treaty—the essential interests provision. Those can only be invoked when strictly necessary in the context of a procurement. I am afraid that it is too early to say what the effects are. It only came into force in August this year.

I suppose that there are two sides to this. One is the legal obligation to compete for a very wide range of defence equipment. That is an opportunity for industry to compete and for different Governments to get value for money and overcome some of the issues about efficiency that you mentioned. One of the great unknowns, I suppose, is to what extent and in what circumstances individual Member States will seek to invoke Article 346. Then there is how case law will develop in this area such that the boundaries for the protection of the treaty become in effect redefined. I suppose that one has to make the point also that this directive was conceived and initiated when the market was in a reasonably stable state—the Commission first indicated that it would follow this in 2004. We find ourselves today in a more difficult position as a consequence of austerity. Some of the benefits of the directive may in practice be limited by the fact that we are in a difficult budgetary environment.

You talk about incompatibilities, as I understood it, between Member States' desire to have their own supply and their own industrial base. There is a difficult truth in this. It is not just a European disease, if you like, but defence procurement has always been very closely associated with the maintenance and creation of jobs and technology. One of the industry's concerns is that, by opening competition more widely so that individual countries cannot be

sure that jobs will be created in their country, this may have an effect on the political propensity to invest in defence acquisition or defence R&D. This is problematic in the broader context of Europe, where plainly the capability outputs that Europe provides through the NATO alliance compared to those of the United States are very disappointing—the point made by the departing Defense Secretary Gates about six months ago in a speech in Brussels. The ratio of equipment expenditure per soldier in the United States is something like four and a half times that in Europe. The propensity to acquire and invest in defence equipment seems to me a critical element of improving that European capability output. It is important that the directive does not in some way disturb or worsen the position of improving defence equipment investment.

I will just say a brief word on the other directive, the intra-Community transfers directive. That is essentially about establishing standard processes for export controls in different Member States. It does not affect Member States' independence in matters of export control policy. It was very much based on the United Kingdom's Export Control Act 2002 processes for general licensing. It should facilitate supply chains in Europe and I think that is to be welcomed. It does not come into full force until next year.

**Sir Brian Burridge:** Perhaps I could add a point on research and development. Potentially, one unintended consequence of the procurement directive goes along these lines: a company or group of companies embarks on a programme for a Government. This begins with research and development, generating a new product or capability such as a new sort of radar or electro-optical sensor. That is then an investment decision both for the Government and for the company concerned. As a company, you make that decision on the basis of the potential applicability of that technology to export but more particularly on whether your customer will pull it through and use it. Those decisions are made upfront. The way that this has worked for a very long time is that you are engaged in a partnership with a Government as a customer, so you have reasonable certainty that the technology will be pulled through. You can go to your shareholders and say, "I can justify this amount of money on these programmes." Under the directive, it is entirely possible that when you embark on that programme and you get the technology to a certain level to field, that technology has to be re-competed for across the industry and Member States. That would act as a disincentive. Even if we were looking at the European world of, say, 2009, I would say that there is a risk that the Government would not pull that technology through because their priorities might change or they might no longer think it relevant to fight in this way, or to be in Afghanistan or something like that. Actually to know that you are going to be facing competition really heightens the odds. In my view, the European defence R&D base will subside because of that. We have yet to see how this works in practice.

**Q330 Lord Jopling:** Surely the original deal to embark on the research would carry revenue with it, on the understanding that you may not be the people who do the pull-through. Therefore, does not that balance the thing out? If I was a shareholder in the company and you had embarked on a series of research which you might not get the advantage of later, I would ask why you did not make a better deal in the first place.

**Sir Brian Burridge:** Or you would say to me, "Why did you not invest there when you had a better chance of pull-through than here where you know you will face this risk?"

**Lord Jopling:** But you take on the research knowing the risk.

**Sir Brian Burridge:** Well, you do but that absolutely articulates through to the amount of money that you will invest in it.

**Bill Giles:** One has to remember that R&D in defence is generally funded by Governments. That is why I come back to the political propensity question. On the same issue, the Government will fund R&D but, against the background of a competition, who knows where the final production would end up?

**Q331 Lord Radice:** We have been touching on the question that I have been asked to ask. We have heard a lot about pooling and sharing, and we heard a lot about it when we were in Brussels. Is it the case that such collaboration, particularly at an industrial level, has a tendency to be stymied by political concerns about things like job losses, the shape of the industry, the industrial policy and so on? Will that be a limitation on collaboration? What impact is it likely to have on the really promising experiment in collaboration which is the Anglo-French treaty?

**Sir Brian Burridge:** Perhaps I can make a start. Yet again, I find myself saying that it is too early to say, but I can certainly make some predictions.

**Lord Radice:** That is what I think Zhou Enlai said when he was asked to give a view on the French Revolution.

**Sir Brian Burridge:** He was quite right. That aside, yesterday's ministerial is an interesting outcome. There is real focus on capability. Pooling and sharing generally has two dimensions to it: capability and the sort of national collaboration. I will come back to the Anglo-French agreement under that heading. Under the capability side, it aligns reasonably well with NATO's proposition on smart defence. It is a commonplace now on the international scene to see the transformation of General Abrial, as the Supreme Allied Commander Transformation of NATO, speaking from the same platform as Mme Arnould from the EDA. There is more than just a European aspect to this. I think that, as I said, the key will be in operationalising the output. That is sensible when I look at what is regarded as a success so far: the collaborative European acquisition of air transport and the trading of air transport capacity between nations. A deeper example, which began life as a NATO initiative, is in airborne early warning with the AEW&C. If this same approach can be applied to air-to-air refuelling—where, if memory serves, Europe has a total of 47 air-to-air refuelling aircraft of 10 types, whereas the United States has 600 of four types—there is clearly significant efficiency to be made in reducing the sheer interoperability problem and in getting more value for money.

On the matter of national pooling and sharing, Members will be familiar with the notion of islands of co-operation—a phrase that is sometimes seen as slightly difficult for some nations. Islands of co-operation have to be the way in which pooling and sharing will develop because it will require an incremental journey. These sort of national co-operations generally only have the potential to work if a number of criteria are satisfied. The first is that it is extremely helpful if the nations concerned have a common culture, for example, the Nordic island of co-operation. Secondly, their militaries should have broadly the same doctrine in how they go about their business. Thirdly, the political will to use the forces should be broadly the same. If you get that neat convergence, as again you do in the Baltics, then that is a good start. As for the Anglo-French treaty, as I said earlier it perhaps serves as a beacon from the leaders of Europe as to how they should behave. Seen by other nations—this is where the phrase “islands of co-operation” is regarded as pejorative—it looks like a closed shop. That could be detrimental.

If I revert to the aerospace sector of defence, there are 30 years of co-operation between Germany, the UK and Italy—and to a lesser extent Spain—on Tornado and Typhoon. There are 20-odd years of collaboration between the UK and Italy on helicopters. Yet, suddenly

out of the hat, we have an Anglo-French treaty. That is still an aspect that has to be harmonised with the other, larger-spending European states.

**The Chairman:** That is interesting. Perhaps we could move on to Baroness Bonham-Carter.

**Q332 Baroness Bonham-Carter of Yarnbury:** I think that Sir Brian has largely answered my question. I will put it in a more directly practical way. In terms of joint purchasing of defence equipment, what is the highest number of collaborating countries possible for maximum efficiency before increased costs and severe delays are incurred? I have in mind something that the Rear Admiral said in response to Lord Jay, that the most successful examples are where various levels are aligned. I suspect that this is something that does not occur very often.

**Rear Admiral Rees Ward:** Thank you for the question. Yes, it really gets very specific in how a collaboration can go ahead. My previous answer to Lord Jay's question still pertains here. Those are the key factors. If you get those alignments at the various levels between the nations then you will do well in a collaboration. On the theoretical question of whether bilateral is better than trilateral is better than quadrilateral, that really depends in theory on the size of the programme and the ability of the participating nations to produce the research and development funding to be able to do those programmes properly. For example, I would judge that doing a Typhoon programme between two nations would probably take a disproportionate percentage of the resources available to those two nations. They would disadvantage the resources needed to go into other capabilities. It is a balance for each of the nations over what they are prepared to put forward. Then there is a judgment on how well it can be done and whether the resources are sufficient to do the job. My personal view, having been party to a number of collaborations, is that you have a wide range. Bilateral tends to be easier because you are only doing two nations. If you are prepared to take seriously strategic decisions, as were taken by the nations around the A400 programme where a large number of nations contributed development and production funds, then you have to accept that each of the nations will come at that programme with a different priority, whether it is jobs, the development of an industrial base, sovereignty, or needing the aircraft to deliver capability. You have to accept that the various nations will legitimately have different views. You have to accept that the progression of that programme may not be as nimble or straightforward as you would have expected. That is the general point that I would like to make.

**Sir Brian Burridge:** Let me see if I could answer that with a practical example. I am going to posit the development of a new, uninhabited air vehicle for service in the sort of military circumstances that we envisage in the 2020s, which would be a development of the American Predator. Doing that in Europe, I will posit, would have a non-recurring expenditure tag of about €1 billion. That is to do the research and development, and system design, certify it and set up the production lines. Before you cut the metal for each air vehicle, you have spent €1 billion. The likely requirement among European nations for that is: UK probably 30; Germany 25; Italy 25; and some others, so maybe about 110 in total. It is certainly very different from the 650 Eurofighters that we started with. If you have around 100 and you have paid €1 billion to set it up, then that is €10 million per air vehicle before you put a sticker price on it. That is one side of the scale—the degree to which you need to spread that non-recurring expenditure as widely as possible.

On the other side of the scale from which you make your judgements is the extent to which your partners have three things which could be out of synch with you. One is their

economic cycle and their ability to actually pay at the time that you want them to. Secondly, there is the stability of their intent over the military capability that they want to achieve. Lastly, there is their electoral cycle. If they feel either that they do not have a mandate or that protectionism is more important as they approach an election, that will distort the playing field. These are the classic things that come in to play in a collaborative programme, so you balance your scales: €10 million a copy, spread as widely as possible, versus the inevitable friction.

**Baroness Bonham-Carter of Yarnbury:** Is there any way round that? That is the reality, is it not?

**Sir Brian Burridge:** That is the reality. These are democracies.

**Baroness Bonham-Carter of Yarnbury:** You just have to work within those constraints.

**Sir Brian Burridge:** It is no different from the alignment of European economies as far as the eurozone crisis is concerned.

**Q333 Lord Trimble:** On the example that you used of developing something similar to the Predator—you mentioned the numbers and all the rest of it—how would that compare if you just decided instead to buy the Predator off the production line, off the shelf?

**Sir Brian Burridge:** Comparing like with like, the development of Predator—

**Lord Trimble:** Presumably if you bought it off the shelf you would make a contribution to the overheads costs.

**Sir Brian Burridge:** Of course. I doubt that the through-life cost would be much different. It is true that you might pay a lower price at the outset, but if you latch yourself into that sort of off-the-shelf purchase, you will need to upgrade as time goes on. Remember that these things have a life of 30 or 40 years. If you latch yourself to an off-the-shelf purchase, particularly with a large industrial concern such as there would be in America, you are stuck with what are known as the block upgrades, when the Pentagon says that it needs them in a certain period. That is fine if your defence budget has the right amount of money at the right time, but that is rarely the case. In terms of preserving operational capability in equipment, there is generally advantage in having freedom of action because you own the intellectual property and you can decide how you upgrade.

**Lord Trimble:** But to get that freedom of action, you have to put up a much larger initial cost than you would put up if you took it off the shelf.

**Sir Brian Burridge:** I could not say. Let us take the Joint Strike Fighter, for example. The advantage of the Joint Strike Fighter, apart from the fact that it is known as a fifth-generation aircraft, is that it is the only one on the export market. The original assumptions over purchase price are very different from the potential reality that export customers now face. Until the thing is actually developed, particularly when you are working on leading-edge technology and until you know what sort of support solution you can have, it is very difficult to make level-playing-field comparisons.

**Q334 Lord Selkirk of Douglas:** Lord Chairman, may I ask about tender specification? Presumably, the great justification for collaboration between European countries is that it makes tender specifications unnecessary. I cannot help recalling being told when I was a Minister that if there was to be another Forth Bridge built, for several people to work up a tender specification, one tender specification would cost not less than £1 million. Presumably, the cost of tender specifications for very big projects would be enormously

high. In relation to collaboration, how do you work out impartially how much each country should pay—or what percentage, if it is done on a percentage basis? Is it done by agreement or do you have some impartial expertise that is brought to bear so as to enable agreements to be made?

**Alvin Wilby:** In general, in programmes like Typhoon which I am most familiar with, it was clearly government negotiation and agreement that set the percentages. Then, from the industrial perspective, we had to try to get appropriate industrial activity in the participating nations. The challenge was to align that with the best skills from each contributing nation while accounting for the fact, as has already been said, that some of the nations had slightly different interests. Spain, for example, was very interested in technology transfer and developing its indigenous industry in certain areas—with, I would say, great success on that programme. That led to the particular distribution of activity. But it starts fundamentally with government agreement.

**Sir Brian Burridge:** The iron fist of work share, which has been a characteristic of European collaboration in the past, is beginning to change, in that there has been recognition of the notion that, in a smaller market with a smaller industrial base, the best athlete is probably more appropriate. I would not predict that we will forget the term “work share”, but there is beginning to be an acceptance that there has to be variability about the hard proportionality of work share that we have grown used to.

**Q335 Lord Sewel:** Let me go back to Lord Trimble’s question and your answer to it. Am I right—I may well not be—in coming to the conclusion that you said that a Government really cannot do a straight costs comparison between buying a resource off the shelf at the beginning of a development stage and doing the development and production themselves?

**Sir Brian Burridge:** With mature technology they can, provided that they know the support solution that they are going to have throughout the life of that platform and their likely upgrade requirements. Hitherto, most nations have not taken their acquisition decisions on that basis. Through-life costs are something on which the UK leads, whereas other European nations look more at the acquisition price. There are many reasons for that, but it is possible with a mature product. It is not possible with a product that is not yet in the production stage. This is one of the problems that the US is having with JSF because they have tried to make predictions and, more particularly, budgetary allocations against what is essentially a moving target. JSF is a moving target because production and development are proceeding in parallel. That is an unusual way to approach advanced technology, but the notion at the time was that our understanding of production techniques and our ability to simulate and to use computer-aided design makes this plausible. The same is true of the Boeing 787 on the civil side. That is a big jump to take. I am sure that in 50 years everybody will say that, yes, it is axiomatic. Right now, it is challenging.

**Lord Sewel:** If you cannot do that sort of cost comparison when it comes to making the decision, it really opens the field to non-cost factors influencing the decision.

**Sir Brian Burridge:** Normally as a nation you would not make that decision to invest in what you are terming an off-the-shelf product because, by definition, it should be on the shelf at the time you make the investment decision. The way in which the JSF partnership was constructed, for example, with the UK as what is known as the level 1 partner investing \$2 billion in its development, was a sort of halfway house.

**Q336 The Chairman:** At the risk of prolonging this, there is one thing that I want to be clear about. When you talked about the risks of joint collaboration, you went through

Governments changing their minds or whatever. One of the things that is usually on our minds about this is the fact that, once a programme has been agreed between three or four nations, suddenly, as it goes through, different people want to change the specifications or technology moves on another stage during the development process so you want it to be smarter than it was when it started. That leads to this escalation in cost and timescale. Are you saying that that is not an issue in this area and that the plug-and-play approach sorts that out?

**Sir Brian Burridge:** The aspiration is that it should not be an issue because open systems architectures will allow that level of variability. We are not there yet, but it is in the art of the possible.

**Alvin Wilby:** Just to build on that, we have focused very much on common equipment procurement. It is equally important to put attention on common standards so that it is then easier, as Brian said, to take an open systems approach to begin to add new capabilities downstream. Some very good work has been done recently on things like generic vehicle architectures, which should make it much easier to plug and play and to upgrade equipment further downstream. That will become more and more important going forward.

**The Chairman:** It is sounding more and more like arcade computer games.

**Q337 Lord Trimble:** A moment ago, Lord Jopling raised the issue of the recent European Union directives. Of course, the European Union is only one of the bodies that you have to work with; the other is NATO. Are the industrial policies of NATO and the EU compatible?

**Bill Giles:** Let me pick that up. I do not think that NATO has an industrial policy in itself. NATO plainly seeks to maximise interoperability between national equipments and to support a limited number of usually transatlantic collaborative programmes in which some or occasionally all nations may participate. NATO then procures certain systems for itself—if you like, the electronic glue of the alliance today—through its infrastructure investment budget, or for specific deployments, for example in the context of the ISAF. But it does not in itself have an industrial policy. Nor, really, does the European Union have a defence industrial policy. In a market where Governments are the only customers and the funding comes from Member States, industrial policy is at root made through investment decisions. I do not see that there is really a conflict there. There is plainly a great checkerboard of different approaches that Member States take to their industries but there is not a concerted EU defence industrial policy. What I think the EU is trying to develop, not least through the European Defence Agency but also in some of the work that the Commission is initiating, is a sense of industrial purpose to try to secure the retention and development of technologies within Europe. It does not have the means, in the sense of being able to fund these from EU budgets and then run a policy, but it has a purpose in trying to ensure that certain key technologies are made here and that dependencies that exist on technologies from elsewhere are kept at a reasonable level or minimised. This is also in the context of trying to maintain security of supply and keeping a level of sovereignty within Europe over key technologies. I do not see conflict but I think that the difference at the EU level is the sense of purpose in relation to the defence industrial base and the technology base in Europe. One can look at that also as potentially strengthening the contribution of the eastern side of the Atlantic to the NATO alliance.

**Q338 Lord Selkirk of Douglas:** Is the EU playing a positive role in civil aspects of security, for example in maritime surveillance? You have touched on this already but I would



like to ask you about it in a more general way. Also, has the EU been effective in cyber security in particular? Do you see the need for a greater or lesser role for the EU in this kind of domain? One particular area that we have been interested in is the prevention of piracy, on which we have completed a report with recommendations. The Prime Minister has recently expressed considerable interest in the subject. Those are my questions.

**Alvin Wilby:** I think that there are three questions in there. The answers are probably yes, no and yes. Let me elaborate slightly. The EU is certainly very active in the domain of civil security. I would say that there is a lot of engagement between, for example, DG Enterprise and, in the UK, the RISC<sup>1</sup> association of security and resilience companies. There is substantial investment in research and technology associated with security. In the framework 7 programme, which from memory was about €53 billion in total, there is about €1.5 billion in the security field. Some very good work has been done on things like border security and port security within that.

Looking forward to the new framework programme, framework 8—or what has been called Horizon 2020—again, we would expect to see substantial investment in R&D in that area, going to the 2020 timeframe. The EU is spending quite a bit of time looking at the issues for the industrial footprint, as it were, in the security space. There is a lot going on that is positive. It has not yet, I think, impacted the cyber security space, which is very much run on Member State lines at the moment. I think that it is true to say that all the Member States' cyber strategies are relatively immature. The UK obviously recently issued a cyber strategy. All countries are thinking about it but there is not yet a co-ordinated effort on that front. I expect that to be something we will see. The UK is in many ways leading the charge. There is some very good engagement between the government agencies and industry to look at how we work collaboratively to protect the UK against a cyber threat. I very much hope that the collaborative approach will continue in the European field. On counter-piracy specifically, I am not sure that I am sighted, if I am honest, on what is happening at the EU level on that. I do not know whether Bill can add anything from what he has seen in Europe.

**Bill Giles:** Not particularly, from an industrial perspective. I have nothing to add.

**The Chairman:** If you do not have anything to contribute, do not worry too much. We do not need you to make it up.

**Q339 Lord Jopling:** At parliamentary level, I have been involved in a number of studies recently with regard to cyber security. I wonder if you could tell us from an industrial point of view how alarmed you are that your systems will be invaded or disrupted. To what extent might that already have happened?

**Sir Brian Burridge:** I need to declare an interest. I am the chairman of a company within our group that has a cyber-operations centre providing a service to the defence industry. The intellectual property that exists in the defence industry is extremely attractive to competitors. It is extremely attractive to them to penetrate the systems but the defence industry has long had an awareness both of the nation's security—whether that is the UK, Italy or wherever—in the sense that we have to follow a very rigid code of practice and of the prospect of cyber attack. That does not make us complacent at all, because it is a very real threat. As fast as we understand how one penetration is being run, the next one is ready to come and get us. It is worth saying that for this reason the defence industry, as part of the UK's cyber strategy, is seen as an obvious partner with government agencies in order to develop that understanding. It is also true to say that there are areas of the British

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<sup>1</sup> UK Security and Resilience Industry Suppliers' Community (RISC)

economy that are almost oblivious—one might say the retail sector—and where the accent is entirely different. The security strategy as posited for the UK stands a good chance of generally improving the cyber-robustness of the economy as a whole.

**Rear Admiral Rees Ward:** My declared interest is that, as a trade organisation, we are absolutely aligned with what Lord Jopling said. As Sir Brian has said, we are sensitive to this particular issue. It needs to be dealt with in a comprehensive and broadly based way. Individual companies can certainly do whatever they can in those circumstances but it is the joined-up piece of cyber security that will give us the hardened skin round the outside of our companies, rather than just individual companies doing their business. It comes at a number of levels. There is some basic hygiene that can be done in terms of passwords and that sort of thing. You need to build that piece of it first and then share information. To that extent, the trade organisation ADS and Intellect have joined together to produce what is known as a virtual taskforce, which brings industry together and starts to get sensitive information shared so that we understand what is attacking us and how we might deal with it. It is that shared nature that is the new piece of this. The Government are leading the way in terms of their cyber hub, which you have seen in the cyber strategy. As Sir Brian said, this is not a static situation. You put that defence in place and the opposition will come back. You have got to up your ante as you go along. I sense that it is going to be a never-ending story.

**Q340 The Chairman:** Who are the antis? Are they other corporations or nation states, or hackers?

**Rear Admiral Rees Ward:** There is a very wide spectrum here from the happy hacker who is professionally intrigued about hacking into the Pentagon systems—I hope he has learnt his lesson—and, at the other end of the spectrum, there is the state actor. Quite frankly, it does not matter where it comes from. The important, critical areas of this country's infrastructure, be it the defence or finance industries or whatever, are becoming more and more aware. They take this particular issue very seriously indeed.

**Q341 Lord Jopling:** In the studies that we have been doing it is becoming apparent that, although the UK is rather good at defending itself, other nations states in the EU or even NATO are less good, less prepared, have fewer barriers and are not so quick at responding. Because of the alliance, that means that you, as UK industry, are vulnerable because of shortcomings of other nations in the alliance. Is that something that also bothers you?

**Rear Admiral Rees Ward:** Clearly, vulnerabilities will bother the industry. If I may get technical for a moment, the industry's vulnerability assessments and penetration testing are pretty much standard now. If you are linked up in some way with an entity who you might be worried about in terms of vulnerability, you pay attention to that. I would not say that all the nations in Europe are at the same level of professionalism—absolutely not. But I suspect that Estonia, for example, is really rather good right now. I do not mean to make a joke out of this. I merely make the point that it depends what your drivers are and whether you have been attacked and found out what was going on. That causes the Government of the day to be quite focused in their investments.

**The Chairman:** I am sure that you are right and that Estonia is very focused.

**Q342 Lord Jay of Ewelme:** Are you confident that the technology of defence against this is keeping pace with the technology of attack?

**Rear Admiral Rees Ward:** That is a very broad question. In broad terms, and I answer from an industry point of view, we are keeping pace but we are not the people to ask. It is the intelligence services and GCHQ who understand what is going on here.

**Q343 The Chairman:** Perhaps we could come on to the last question. Lord Sewel has brought to my attention a point made by Dr Christian Mölling, who we had as a witness last week. He says, “If Europe does not halt the rapid depletion of its defence resources, both the structure of its armed forces and its defence industry base will be turned upside down. At the end of this process, we will be left with a Europe that is incapable of defending its strategic interests outside its borders”. On that sort of line, if you were on the other side of the counter and were Europe’s Defence Ministers—whether in a NATO or a EU context—what would you do to arrest and stop that drift towards Europe being incapable of delivering sufficient R&D in terms of new weapons systems and capabilities, ability to deploy a sensible proportion of your armed forces and to look after Europe when America reduces its defence expenditure but does not reduce its focus on Asia? What would you tell not just the defence industry but us to do in that position?

**Rear Admiral Rees Ward:** The answer at a very simple level is, “Be very careful what you do when you reduce your defence budgets.” Defence is a long-term activity. It is fundamentally based on the research and development that delivers the battle-winning capabilities, but those battle-winning capabilities are delivered something like five or 10 years down the road, because it is the nature of the way defence capabilities are produced. You cannot turn off and on the research and development tap willy-nilly. If you turn it off, then the scientists and engineers who are occupied in that enterprise will, quite naturally, find employment elsewhere. All the investment that you have made in those individuals—and a lot of IPR is contained in people’s heads; it is not just the drawings and knowledge in books and publications—will be lost. One of the messages, although it is far more complex than this, is that defence R&D needs to be sustained at a reasonable level to retain that knowledge, investment and intellectual property so that you can deliver.

**The Chairman:** Perhaps I could go through the panel on this last question, just so you can tie up anything on this broader issue.

**Sir Brian Burridge:** Very briefly, if I were in that position I would insist that my nation led by example. I would insist that I relentlessly pointed out to other Member States the pitfalls that their direction of travel was taking them.

**Alvin Wilby:** I echo that. Building on Rees’s point, the message is to be strategic in the way that you go about this. If we are going to lose capabilities, do it from a strategic perspective not by accident. It needs all Member States to really think about the industrial strategy going forward.

**Bill Giles:** I agree with all that has been said. It seems to me that there needs to be a much fuller recognition by Defence Ministers of the real limits of capability of their particular Member State. With budget prospects going forward, understand what is feasible. Look very pragmatically but with a strategic and reasonably joined-up view at how you can achieve pooling and sharing, collaborative development and other forms of achieving economies that will maintain capability within the budgets that you expect to be able to have. Generally, behind that, Europe has to think very hard about its contribution going forward within the NATO alliance. I was quite struck a few weeks ago when President Barroso mentioned the subject of defence in his State of the Union message to the European Parliament, posing the question, within Europe, of whether we want to be an actor and have these capabilities. That is a responsibility of Member States but they and their individual Defence Ministers and

Heads of Government have to address that in a far more determined manner than has been the case to date.

**Q344 Lord Inge:** Obviously, I would not disagree with a word that you said but, to do what you want to achieve, how do you get the nation to understand the threats?

**Lord Sewel:** That is our job.

**Rear Admiral Rees Ward:** Communication. It is a non-trivial point: get that message across. We are engaged in that. On my own organisation's behalf, the defence campaign is all about getting that message out beyond Whitehall.

**Lord Inge:** But it has to come from Government, does it not?

**Rear Admiral Rees Ward:** Yes it does, but we can help.

**The Chairman:** Thank you. Mr Wilby, Sir Brian, Rear Admiral and Mr Giles, I thank you very much for being witnesses today and taking us through this sometimes quite technical area. We have certainly learnt a lot and it will be an important part of our report, which I am sure we will send you in due course. Thank you very much.

**Memorandum by Mr Edgar Buckley, E. V. Buckley Consulting Ltd**

Q1. Does the European Union (EU) have access to adequate military capabilities to fulfil the tasks it has set itself under the Lisbon Treaty? Have the EU's capability targets, such as the Helsinki Headline Goal, made the EU Member States been effective in increasing the investment of Member States in their armed forces? How is the economic crisis affecting current EU operations, and the availability of forces for future ones?

A1. Under the Lisbon Treaty, the tasks envisaged for the CSDP remained broadly unchanged from what they had been under Maastricht (essentially they are to be ready to respond to humanitarian and peacekeeping-type crises as originally defined in the 1992 Petersberg list). The Lisbon treaty signatories may have hoped that there would be better progress in constructing mechanisms and capabilities to implement those tasks but this has not happened, for a mixture of reasons:

- lack of any immediate threat perception has allowed Member States to prioritise social spending over defence; and more recently, the economic and financial crisis has led to general spending reductions
- there have been different views about the importance of developing EU defence institutions: Britain for example has opposed the establishment of an EU operations headquarters and restricted the role of the European Defence Agency
- necessary cooperation between the EU and NATO has been hampered by Turkish objections and French reluctance to allow EU civil capabilities to be harnessed with NATO military planning
- most recently, the Libya experience has further undermined confidence in EU institutions and European political solidarity, so that the leading EU military powers now believe that major crises will need to be tackled bilaterally and multilaterally in ad hoc coalitions, or through NATO, rather than through EU mechanisms.

Q2. What is your assessment of the UK Government's policy on CSDP? To what extent are the UK Government's views on CSDP shared by other Member States? What are the areas of tension, on the one hand, and agreement, on the other?

A2. Britain has missed an opportunity over the last ten years to shape EU CSDP to fit its own and Europe's needs, which are to have reliable and capable military means available to deal with security crises in and around Europe when the United States does not wish to participate or lead. It has been obvious since the early 1990s that the US would shift its strategic focus away from Europe and that relying on NATO alone to deal with Europe's security problems would be a mistake. Yet Britain has opposed efforts to construct capable ESDP/CSDP institutions and to prepare seriously for such tasks. Today, with instability on Europe's southern perimeter, the US has made it clear that it wishes Europeans to take the lead in any necessary military interventions. We have no capable EU institutions ready to meet this challenge; nor do we have reliable mechanisms for EU countries acting bilaterally or in coalitions of the willing to use NATO mechanisms to tackle such tasks. France has traditionally been more in favour of using EU institutions and in particular building a permanent EU military headquarters to plan and train for EU-led crisis operations; but after many years' unsuccessful promotion of the idea, and recognising that Britain's opposition was not going to change, France has given up pushing for it. France has decided to prioritise Franco-British cooperation / mutual dependence over the EU HQ issue.

Q3. What contribution is the European Defence Agency making to assist Member States in addressing shortfalls in EU military capabilities, for example in encouraging more common research and procurement? Has it been effective in opening European defence markets to greater cross-border competition? If not, how could this be remedied? Is the Agency being given the human and financial resources it needs to succeed? How do you view the UK Government's attitude to the EDA?

A3. The EDA has had some moderate success in coordinating R&D efforts, although this function was largely already in place (in the old WEAG) before the EDA was created. Its common defence market initiative (for procurements under Art 296) was also helpful and a good forerunner and accompaniment to the EU's defence market directive (addressing procurement not covered by Article 296) which recently entered into force. The EDA's two main failings have been not achieving greater cooperation to support military capabilities and not adequately addressing European industrial and technological critical shortfalls. So far as the latter is concerned, what was needed was to engage Industry in a European survey of critical defence technology shortfalls and establish a remedial programme of R&T/R&D investment harnessing also EU research funds. The EDA was slow to appreciate the importance of its role in this domain and slower still to engage Industry and link its R&T efforts to the much larger EU R&T framework funding programmes.

Q4 Is greater pooling and sharing of assets a viable solution to the EU's capability shortfalls in a context of budget austerity across Europe? What are the obstacles to greater pooling and sharing and how can they be overcome? In what other ways can cooperation among European nations contribute to addressing key capability shortfalls in a cost-effective manner?

A4. To make a real difference, pooling and sharing needs to be adapted on a significant scale, include military forces as well as equipments, and be linked to cast-iron political commitments (treaties) guaranteeing the use of the shared assets to the participating parties. This in turn implies a shared commitment to operate military forces together in support of a shared military-strategic strategy. Only countries with similar outlooks, stakes and capabilities – such as Britain and France – are likely to be able to match this model, which describes inter-dependence rather than just cooperation and interoperability. Anything short of this model is likely to be only marginally useful. The main obstacle to other countries pursuing broad-scale pooling and sharing is lack of a clear appreciation of today's strategic risks and poor strategic planning overall. Member States are willing to pay lip-service to the idea, as in the 2010 Ghent declaration, but with few exceptions do not take seriously the prospect of having to undertake military operations without the Americans. Some constructive steps to enhance pooling and sharing could include:

- Britain and France opening some of their cooperation/interdependence domains to third countries, starting with Italy.
- The United States engaging itself in some European pooling and sharing initiatives, eg by offering training support.
- Taking forward the idea being canvassed in the US of establishing “mission focus groups” to lead on different aspects of NATO (and by implication European) military planning and operations.
- Britain and France accelerating the implementation of their 2010 Treaty.

Q5. Are the UK and European defence industries making a positive contribution to addressing the shortfalls in military capabilities available to the EU? What more could or should they do? What view have they taken on pooling and sharing: have they supported or opposed the EU's efforts?

A5. Industrial companies exist to maximise benefits for their shareholders. Also, major British and European companies, and many SMEs also, address world rather than simply European concerns. Having said that, all companies specialise in meeting the needs of their home market customers and this is true in defence as well other spheres. British and European defence companies try to provide best capability at lowest cost but are often constrained by market or technology disadvantages, so that they may not always the cheapest and best solution or even offer best value for money in the short term. Government customers therefore need to balance short term value for money against wider economic and security considerations before reaching procurement decisions. Against this background, British and European defence companies have largely supported pooling and sharing arrangements, hoping and believing that these will eventually lead to more economic orders for their products and a better organised home market. The most useful additional contribution which industrial companies could make would be to consolidate and reduce over-capacity in their industry. This also needs positive government engagement. That is why the FR/UK treaty recognises this as a responsibility of government and industry working together in the High Level Working Group.

Q6. Will UK-French cooperation succeed in boosting the military capabilities available to the CSDP? How is this bilateral relationship viewed by other Member States, including Germany and Italy? Is regional co-operation, such as the British-French one, an example for other EU countries to follow?

A6. UK-French cooperation is aimed at maximising the two countries' capacities to perform the full spectrum of military missions, including but not limited to support of CSDP. For both countries, it is viewed as a *sine qua non* for maintaining adequate military strength to support their security policies. It is unlikely, given the severe resource squeeze in both countries, that it will lead to boosted military capabilities but it will assist in mitigating the worst effects of military decline which would otherwise take place. The UK-French treaty is naturally regarded with some suspicion by other leading EU Member States, notably Italy and Germany, who recently signed their own Letter of Intent. Both these countries fear that Franco-UK cooperation could shut out their own companies from important programmes lead to reshaping of the defence industrial base to their disadvantage. Britain and France need to respond to these fears by offering discussions and participation in relevant cooperation domains. The British-French model is certainly a valid model for others to adopt, although it may not be suitable for all.

Q7. What initiatives are the UK and other Member States taking to improve EU/NATO cooperation on capabilities development? How could EU/NATO cooperation on capabilities be further strengthened?

A7. Besides the European pooling and sharing work discussed above, NATO has launched the Smart Defence initiative, covering much the same ground but also including the US and other non-EU allies and partners. As mentioned in A4, the most interesting and potentially valuable idea so far emerging is the concept of mission-focus groups. In the crisis

management domain, for example, such a group would be led by the US, France and UK – thus recognising the post-Libya reality that these are the countries around which others must accrete capability in order to mount an effective intervention force. The two key aspects for better EU-NATO cooperation are better planning for NATO-supported EU operations and improved civil-military planning in support of the comprehensive approach in NATO operations. Turkish objections to improved EU-NATO cooperation need to be addressed more energetically by the leading EU and NATO countries.

Q8. Has the establishment of EU Battlegroups helped to increase the EU's deployable military capability? How capable are Battlegroups? Why have they not been used? What can be done to motivate EU countries to contribute more capable force to the Battlegroups, and to increase the probability that they will be used? How could you envisage them being used, for what sort of operations?

A8. I understand that the capability of an EU Battlegroup is quite small.

Q9. Are financial constraints a possible barrier to the deployment of EU Battlegroups? Should the costs of EU military operations be shared more widely among the Member States, including through fast-start funding of the initial phase of an operation?

A9. Financial considerations always need to be taken into account when considering military deployments. Britain has traditionally taken the view that “costs should lie where they fall” in NATO and EU operations with some limited exceptions mainly relating to shared services such as Command and Control and Communications infrastructure. It may be time to review this although we should be very careful not to constrain our freedom of manoeuvre through accepting common funding.

Q10. How successful have past EU military missions and operations been? How effective are the current ones? What lessons can we learn from them for the future?

A10. The main lesson for past EU deployments is that they can be effective in managing smaller-scale peacekeeping and humanitarian missions but they do not have the capacity to address larger scale higher-intensity operations.

Q11. What arrangements are in place for the EU to i) plan and ii) command and control military operations? Are these arrangements satisfactory and how should they be improved?

A11. There is no permanent EU planning and command and control headquarters. Arrangements exist for national headquarters, such as Northwood (UK) or Creil (FR), to be made available to plan and command specific operations; but this is clearly unsatisfactory if the intention is to have a serious EU-led crisis management capability. However, following Libya, Britain and France appear now to favour ad hoc coalitions of the willing, linked to NATO where necessary.



## Ambassador Nicholas Burns – Oral Evidence (QQ 266-290)

*Evidence Session No. 13.*

*Heard in Public.*

*Questions 266 - 290*

THURSDAY 17 NOVEMBER 2011

10 am

Witness: Ambassador Nicholas Burns

### Members present

Lord Teverson (Chairman)  
Lord Inge  
Lord Jones  
Lord Jopling  
Lord Lamont of Lerwick  
Lord Radice  
Lord Selkirk of Douglas  
Lord Sewel  
Lord Trimble  
Lord Williams of Elvel

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### Examination of Witness

**Ambassador Nicholas Burns**, Former United States Representative to NATO

**Q266 The Chairman:** Ambassador, can I formally welcome you and just go through some of the points about this session? It is a public session. We will be taking a transcript. It is being webcast. We will send you a copy of the transcript. If there are any factual errors in it, then, please, do come back to us and we can correct those. I think you have had an indication of the sorts of questions that we are asking. Perhaps for the public record in the transcript, it would be very useful if you introduced yourself briefly and if you wanted to make a short opening statement, you would be very welcome to but after that we will move into dialogue and questions.

**Ambassador Burns:** My Lord Chairman, thank you very much for your invitation to appear before you today. My name is Nicholas Burns; I am a Professor at Harvard University in Cambridge, Massachusetts. I served in the United States Foreign Service for 27 years. I was Under-Secretary of State in the administration of George W Bush. I was the United States Ambassador to NATO in that same administration and the United States Ambassador to Greece for President Clinton among other positions in which I have served. One of the

great benefits of my career was the opportunity to work with the British Government. I count, among my closest friends, several of your diplomats and I am a great believer in, I will use these words, the special relationship between the United States and the United Kingdom. I think it is our most important relationship with any country in the world. I think it is critical to America's future, to our defence security and certainly to our alliance in NATO, so I start from that presumption. I am honoured to be here today and I think I will dispense with a statement. I will not tire your patience and look forward to your questions and comments.

**Q267 The Chairman:** Thank you, Ambassador. Perhaps we can start off with some of the more fundamental questions. One of the things that we have been looking at particularly during this inquiry is the relationship between NATO and the European Foreign and Security Policy and where the United States' own concentration will be in the future. Perhaps I could ask whether NATO is still of importance to the United States and a high priority in its defence planning and if so, how long this will last and what might cause it to change. How committed does the US remain to Article 5 of the NATO Treaty, which is clearly fundamental to European security? Will the US increasingly focus its military efforts on its own interest in the Pacific region in particular and might that have a detrimental effect on the European side? We would like to understand also whether to take changes or the way that the United States' Defence Policy might change in the future: is that likely to be politically or financially driven as we have seen in many ways? Defence expenditure in Europe has very much been financially driven over the last few years. A very broad question.

**Ambassador Burns:** Thank you very much and I will try to keep my answers relatively brief so that I can hear as many questions and points of view as you would care to offer me. You have asked that question on a very interesting day because President Obama was in Canberra this morning speaking to the Australian Parliament where he announced, as I heard on the BBC, that the United States would expand our military presence in Asia, reaffirm our defence commitments there and I think there is no question that there is a consensus in our country among both of our political parties—certainly in the Obama administration—that we face considerable security challenges in the Asia Pacific region going forward. I would suggest that the most important strategic challenge we face as a country, my country, the United States of America, will be how we cope with the rise of China. How can we engage China, work with China, keep the peace with China but maintain American military pre-eminence through our alliance system in Asia? So you have heard quite a lot of talk from the United States recently about Asia. The President announced this morning something quite extraordinary, that we will now base 2,500 United States Marines in Darwin in the Northern Territories of Australia. We are reinforcing our defence alliances with Japan and South Korea, with Thailand and the Philippines. There is quite a lot of concern about Chinese activities in the South China Sea and in the rapid build-up of the Chinese military. This, I think, is the focus of American security concerns at the present time. I wanted to say that as a way of answering your question about NATO; that does not mean, in my judgement, that the United States will diminish its commitment to NATO or certainly not forsake the NATO alliance. In conversations with a number of my British friends just over the last few days, we have talked about the fact that if NATO had not existed, we would want to invent something like it for the 21st century. Our major core of allies remains in Canada and Europe; 28 of us all together in the NATO alliance and despite the imperfections of that alliance, despite some of the disappointments of recent years, I think Libya has shown—as has Afghanistan—and certainly as Kosovo and Bosnia did, that we are much stronger if we act together and if we are committed in an Article 5 defence alliance to each other's security. I see no prospect that either President Obama or a possible successor, depending

on the results of our 2012 elections, would want to diminish American support for NATO. I was at the alliance as a new American Ambassador on 11 and 12 September 2001 serving with Lord Robertson when he was Secretary General, serving with Emyr Jones Parry from Wales when he was the British Ambassador to NATO. We were able to agree in the span of about 12 hours that we should invoke Article for the first time in our history. That was the right decision on September 12 2001 and I know that the United States would want to maintain that very serious Article military commitment that we have undertaken with Europe. I will speak for myself here when I say “our”; I think most Americans who have worked in this theatre would say, “Our concerns would be that we want to reinforce NATO and strengthen it,” and so there is a great concern about the diminishing military budgets of most of our continental allies, and—I say this with the greatest respect—particularly with Germany. To see the largest country in Europe, the keystone country of NATO, spend so little on its national defence and do so little to create an expeditionary military capacity that is so necessary in modern times, is a great concern of ours, as is seeing the diminished budgets in Italy and Spain. In essence, over the last 10 years we have relied on the strength of the United Kingdom. We have US and UK deployments in Afghanistan and in Iraq, because our capabilities are so far superior to the capacity of the continental allies in Europe in NATO to undertake the most difficult missions. From an American perspective, I remember when we contemplated the invasion of Afghanistan in October 2001, the only ally that had the capacity to lift its soldiers into that theatre to deploy and sustain them there was the United Kingdom. So I would say in this House, again with the greatest of respect, we would hope that the defence cuts that are being undertaken here in the United Kingdom would still allow your Government to have this capacity for expeditionary warfare and for peacekeeping because I think Britain is second to none in the NATO alliance among the European allies in its capacity, in the training that you have given your Armed Forces and the way those Armed Forces have conducted themselves. So I think as Americans look at the alliance, we wish to see a stronger alliance. I think we all have benefited from the end of the Cold War, that we no longer have a mortal threat before us as we did during the Cold War, but we still have security concerns and we have seen in Libya, we now see looking at the rise and the power of Iran, the potential nuclear challenge of Iran; we have to be prepared to defend ourselves and that requires a strong NATO. So that is a general answer to a very good question.

**Q268 The Chairman:** One of our previous American witnesses said something I certainly had not thought about before, that NATO would be almost impossible to replicate in terms of another alliance in Asia. It was unique in the integrated command being able to do things, and that was probably a major factor. Being able to do something like that in Asia was almost impossible. Is that true? Is there some similar future potential Asian alliance without China feeling encircled or whatever?

**Ambassador Burns:** That raises a profound question about the future of NATO. If we have remaining defence responsibilities in Europe, and we certainly do in continuing, for instance, to stabilise the Balkans because we are still in Kosovo and that is still a rather difficult situation with the Serbs and the Kosovar authorities, if we certainly have security interests, as we have just seen, in the Mediterranean, where Britain and France led the NATO effort, and if we are looking at a big problem with Iran—and, of course, the unknown challenges that might come from the Arab revolution, with Syria as an example of that—we have work to do here and it is interesting to think about the future of a NATO that would have security partnerships both in the Middle East and East Asia. One of the benefits from the Libya operation, as I understand it just talking to British colleagues here, was the close military working relationship with the United Arab Emirates and Qatar, which the British

military enjoyed during the Libya campaign. As we look ahead, it would seem to us that NATO ought to be establishing defence partnerships with some of those Middle Eastern countries; I would include Saudi Arabia there as well. That might be quite beneficial to us for the future and there is no reason why NATO should not have a defence partnership with Australia and New Zealand because they deploy with us and they have been in Afghanistan with us, and I would think that NATO would want to work as well with Japan and South Korea. Those three countries, Australia, South Korea and Japan, are defence allies of the United States by treaty, but they can be partners—not Treaty allies, but partners—with NATO. So rather than speak of a global NATO—I think no one would be that ambitious—can NATO extend its partnerships to be globally oriented at a time when some of these Asian and Pacific countries can be very helpful to us and we to them? That is, I think, part of how NATO needs to think of its future on a global basis.

**Q269 Lord Trimble:** Just over 10 years ago, the European Union formulated its Common Security and Defence Policy and then recently it has reinforced that by creating an external Action Service. I wonder how the CSDP is assessed and evaluated by US the Administration and by Congress. Do you think that they have been effective? They have undertaken a number of military operations, formed battlegroups and tried to co-operate in procurement but I wonder what assessment you think the Administration and Congress would have of the European Union's Common Security Policies.

**Ambassador Burns:** This is a very difficult question and quite controversial. I am certainly happy to represent my own view. I am a private citizen, so I am not in a position to speak for the Administration or Congress. I did look at this issue quite carefully when I was in Brussels as the US Ambassador to NATO and I worked with your Government very closely on this. I should say I am quite sceptical about the European Security and Defence Policy and identity. Like most Americans, I strongly support the European Union and consider the European Union to be vital for the future of Europe. We see now the Eurozone crisis and how important it is to stabilise Europe. When it comes to defence, I guess I should say on the External Action Service that if some European countries want to devolve sovereignty or give up some of their capacity to act in foreign policy to Brussels, that is their decision; one could not question that. When it comes to defence, we already have a pan-European security establishment. It is called NATO; it links Europe to North America. I would not personally want to see ESDPs develop in such a way that would diminish NATO, that would threaten NATO's lead role and that would take away from Europe's ability to contribute militarily to NATO. If one of the problems in Europe is declining defence spending and declining defence capacity, and if it is important to pool resources among countries in order to be effective in this century, one would think that a rapid build-up of the ESDP would, by definition, weaken NATO's capacity to act.

**Q270 Lord Trimble:** The European Union would say that they recognise in terms of war fighting that NATO is there and it is more effective than the EU ventures would be, and they would say that what the EU can do is to bring together a range of other tools with regard to the civil side and to be more effective possibly in areas where the emphasis would be on civil nation-building or peacekeeping, and the military side would not be so significant and that they can perhaps operate in some parts of the globe where NATO would have difficulty operating. So is it possible, in that way, to see a way in which they can be complementary rather than competitive?

**Ambassador Burns:** I would hope so and I would not discount the possibility of complementarity on certain missions where the EU might have an interest that is unique or

separate from that of the North American countries. For instance, some of the EU activities in Central Africa have been very well regarded, so I am not in principle opposed to a European security identity or policy; I just worry if that establishment were to grow, especially in terms of headquarters and command and control, in a way that duplicated NATO, by definition, it would be wasteful in terms of budgetary priorities and perhaps injurious to the future of NATO itself. I know that some Europeans worry about American inattention to NATO, and it is certainly our responsibility to remain committed and to lead, but one would not want to see some European countries think of the EU as a primary security identity as opposed to NATO. So that is what I worry about.

**Q271 The Chairman:** We can come on to the Anglo-French Treaty later, but has the fact that now France is completely committed to NATO—it operated within NATO very regularly anyway and is a European nation that is willing to use its Armed Forces—and the fact that it is now fully integrated into the military command eased this dilemma between Europe and NATO or has it just fudged it further?

**Ambassador Burns:** I certainly think that France's return to the integrated military command has been a very significant and positive development. I also think that their change in attitude, especially under the current French Government, about French power and France's willingness to work with both Britain and the United States, has been very refreshing. It was certainly positive to see the lead role that President Sarkozy sought for France, and for NATO, in the Libya campaign. This is quite different from the NATO that I knew quite recently when I served there with Lord Robertson. Of course, we had a very famous—some would say infamous—battle between France and Germany on one side, the US and the UK on the other, in the run-up to the Iraq war in 2003. It was a very unfortunate division in the ranks—it is nice to see NATO more unified—but I would hope that France would see its future defence identity to be in NATO, certainly as a combat force more so than in the European Union on the military security side.

**Q272 Lord Jones:** Ambassador, how important to European and international security are European military capabilities compared with general economic stability or the EU's continuing capability to stabilise formerly non-democratic states through EU membership or partnership?

**Ambassador Burns:** Lord Jones, thank you for the question. There is a lot of talk about a change in the balance of power and a shift to Asia, and some of that is obviously quite accurate that some of the Asian countries are rising to global power, but in a military sense, Britain and France are still among the strongest militaries in the world. They are two of the few countries in the world that have the capacity to deploy globally, to act globally, to sustain their forces globally. Most of the Asian countries do not have that capacity. So, from an American perspective, European military capacity—particularly that of Britain and France—is vital to global security. That is why, and I say this with respect, I do not want to interfere in your politics in any way, but from an American perspective, I think we have been concerned, and we hope that the domestic actions here will not translate into a lack of capacity by Britain to be a global power in the military sense, because you still are, and I think it is uniquely important to global security. I think of it in three rounds. First, in terms of peacekeeping, whether it is United Nations peacekeeping or coalition peacekeeping, Britain and France are critical and have unique capacity. Second, in terms of war fighting that we have seen in Libya, as we have also seen in Afghanistan and Iraq, Britain is one of the few countries with the capacity to fight far from its own territory; and third, from a question of deterrence. Whether it is deterrence against Iran or any other potential foe, the United

States should not want to provide that capacity on its own. We should want to do that within the alliance, our alliance, and—first, Britain; second, France—are critical to that. So I think European military capabilities are very important in the NATO context for regional as well as global security.

**Q273 Lord Jones:** France and Britain are greatly valued for our nuclear capability, but I dare say Washington now is looking very carefully at the consequences of the great global crash and the seeming chaos and difficulties in the European Union in terms of currency and those things that made it up. Do you feel we still have a reputation for reliability and strength for the future?

**Ambassador Burns:** I think Britain and France have a well-deserved reputation for strength and reliability; no question about it. I saw that when I served with NATO and throughout my career, and these are unique capabilities. One of the challenges that we will all face, including my own country because we are engaged in budget reductions as well, as you know, in our defence establishment, is if we all reduce our defence expenditures—nearly every country in NATO—how can we retain a core of strength to keep NATO viable and effective? So I do not mean to preach here because we have the same challenges to our defence establishment and again, there are 28 of us in NATO, but I think it is well known that the alliance has varying degrees of military capacity and the three of us, the UK, the United States and France, are uniquely capable compared to all the others. The problem is the lack of strength in Italy, Spain and Germany from a military perspective, but there are others here who would have much greater experience in assessing that than I would. So my concern would be to keep the three of us quite strong and, in that sense, I know that there is an Anglo-French defence project. An interesting way to look at this would be to say, “Should there be an Anglo-French-American project to make sure that the three of us can work together and be inter-operable and be capable of deploying together?” The United States and the United Kingdom have always been very closely integrated. Should we now seek to integrate more closely, especially the Americans and the French, because you have a much greater experience of working with the French than we do? That is a challenge that we should be working on for the future.

**Q274 Lord Inge:** You have made it very clear that you think that NATO rather than the European Union is the place or the organisation in which to develop a greater military capability. At the same time, the United States—in my view quite rightly—has urged its European allies to improve their military capability and you have touched on France and the United Kingdom in particular. Could you give us a feel for what those capabilities are that we need to be looking at to improve and do you think that the relationship within NATO and America is as good as it used to be?

**Ambassador Burns:** Lord Inge, thank you, and it is a pleasure to be with you and I certainly respect your many decades of service to the alliance and to Britain and your expertise in these matters. I would say that when Lord Robertson was Secretary General of NATO, we carried out a very comprehensive assessment of NATO weaknesses and challenges from a military perspective, and we identified weaknesses that all of us share and that we needed to correct in order to maintain the effectiveness of the alliance. As I remember them, they included air-to-air refuelling, strategic air transport, combat service support and of course, the ability to sustain troops at distant theatres or for a considerable period of time. I think we were able to learn a lot from the deployments of the last 15 years if you think of Bosnia, Kosovo, Afghanistan and Iraq and now Libya; five significant deployments. It is really only Britain and the United States that have strategic airlift of their own. I remember when

NATO deployed to Afghanistan in August 2003, it was quite remarkable that while Britain and the United States could deploy themselves through C17, for instance, many of the European allies had to contract with Russian and Ukrainian Antonov private companies to deploy their troops to the Hindu Kush; Britain had four C17s that you were leasing at that time.

**Lord Inge:** We still needed a bit more than that.

**Ambassador Burns:** So I think Lord Robertson was able to identify, when he was Secretary General, quite substantial systemic weaknesses. We set about to ask, “Can we then pool our resources to fund additional military capacity to correct those weaknesses?”, I haven’t done a great study of this in recent years but my impression is that the alliance has not met that test and that we still have substantial systemic weaknesses that are of great concern for a modern military establishment.

**Q275 Lord Inge:** There are quite clearly key countries within the NATO alliance of which the most important is, of course, the United States. But a key other one is Germany and there is a growing feeling in, I would say, certain European countries and certainly in certain European military circles that the Germans are perhaps not playing as big a role as they should.

**Ambassador Burns:** Lord Inge, I agree with that concern and my concern is twofold. One is that Germany is spending barely above 1% of its gross domestic product on its defence. It is the wealthiest country in Europe. Now, one understands that, in a global recession, there are challenges to all of us, but Germany must undertake a greater commitment to the collective defence and to the modernisation of its own military, in my judgement. Second is a more difficult problem; the willingness to deploy in difficult areas. One of the great disappointments that I had as the American Ambassador, who was there when we went into Afghanistan collectively, was that while Britain and France, the Netherlands, the United States and Canada, and many of the East European countries deployed to Kandahar, Helmand and Oruzgan Provinces, to the Afghan and Pakistan border, Germany refused to deploy its troops to those combat areas and to use them for combat purposes in a very violent war. In an alliance that has prided itself, as you well know, on “all for one and one for all”, that was a bitter disappointment for our commanders and civilians, like myself, who wanted NATO to be successful in that campaign. So it is not just a question, although it is important, of military capacity and of lack of defence spending; it is also a question of whether we are willing to undertake the most difficult missions and to share the sacrifice that is entailed in that operation.

**Q276 Lord Sewel:** Lord Jopling and I are both members of the NATO Parliamentary Assembly, so we are, sort of, almost constantly talking to other parliamentarians from NATO Member States and I think partly as the result of that, my concern is that NATO is dangerously lacking coherence and is dangerously unbalanced. Purely in terms of burden sharing, it is dependent upon the United States. Over 60% is provided for by the United States, and that will most likely increase as the European countries reduce their defence spending at a faster rate than the United States will. Secondly, it is incoherent in terms of perception of threat. Some of the Baltics and Central European countries really do think that, given the chance, Russia would move the tanks tomorrow. Other countries, say particularly Germany, see Russia as their new best friend, and the rest are sort of somewhat mildly sceptical. The key one surely is that it lacks coherence and lacks will in terms of deployment with many of the countries either incapable or unwilling to deploy, so we start off with a very strong statement that NATO is absolutely necessary as a collective defence

organisation, but once we start burrowing away at it, we see there are major fault lines and major internal threats to NATO. Do you agree?

**Ambassador Burns:** Lord Sewel, thank you. I think on your first point concerning burden sharing, I guess I have two, hopefully not contradictory, thoughts. The first of those thoughts is that the alliance, since its beginning in 1949, has always been unbalanced. The United States has always provided the majority of firepower, if you will, of capacity and that is likely not to change at a time when we are still spending \$700 billion per year on our national defence, although that is going to be under question in our own Congress. I think you have seen, certainly with President Obama, a frustration that the European allies need to do much more and it was interesting to watch his attitude towards the Libya mission because he clearly was saying to Europe, “If this is not a vital operation for the United States but vital for some of the European members of NATO, then should not Europe take the lead?” and he pushed Europe to take the lead. I do not think Libya is a template for all future operations because there were unique features of that crisis that might not be replicated any place else, but I do think, at a time of budget pressure in the United States, you may begin to hear more American political voices urge Europe to lead in a more active way on some of these missions. That would be my first thought about burden sharing.

On the mission, I think there is clarity of why NATO must exist as a 21st-century alliance as opposed to the old Cold War NATO and I would cite three clear missions from my point of view. First is securing the peace in Europe; we have a peace, gratefully, after the five decades of the Cold War, but it is an incomplete peace when we still have a vacuum of power in the Balkans and when there is still security trouble in the Balkans especially in Kosovo and frankly, an unease about the survivability of the Dayton Accords for 15 years, 16 years now after the peace in Bosnia and Herzegovina. There is also, of course, the uncertainty about our relationship with Russia. We want it to be peaceful but it is a troubled relationship in the NATO-Russia Council and it has not met the ambitions we had for it when we created it in 2002. Second, I would say that certainly stability in the Middle East and South Asia is of interest to all of us and we have now fought in Libya; we have had a NATO mission in Iraq, the training mission. Some people believe that if there ever is an Israeli/Palestinian peace—and there must be one—then NATO might be the most likely military force to stand between Israel and a Palestinian state once it is created. Of course, there is peacekeeping in the future. Third, can we begin to establish global relationships that would give us the capacity to train and act globally, should that be necessary? Earlier in this conversation, we identified some of the countries that I think do want to work with NATO—Arab countries such as, Jordan, the UAE and Qatar and the Asian and Pacific allies of ours that want to work with NATO, Australia, New Zealand, South Korea and Japan. I would say that is a fairly clear mission for the alliance and I would never want to see us weaken the alliance just because we happen to be in peacetime—gratefully in peacetime. I think that we still have a lot of work to do.

**Q277 Lord Lamont of Lerwick:** My question was about the Anglo-French Treaty in 2010 and whether you had any views on that. You have already said interestingly that you thought maybe it should be an Anglo-French-American co-operation. I do not know whether you would like to expand on that; whether you have any other views and whether the application of the Treaty to the nuclear deterrents of the two countries is also something you have views on and do you extend your argument to that as well?

**Ambassador Burns:** Thank you very much, Lord Lamont. I am not an expert on the Anglo-French Treaty, so I am quite reluctant to bore you with views that might not be as informed as they should be. But, in a general sense, if you look at the 28 members of the alliance,



unfortunately we do have a two-tiered alliance and it is really the UK, the US and France that are in the first tier in terms of military capacity and all the rest of the alliance in another. With the change in attitude in Paris about France's role in the integrated military command and with a newfound willingness of the French to act, particularly with Britain, it seems to me that in addition to the Anglo-French Treaty, more practical training exercises and a commitment among the three of us—France, UK, US—would be in order because we are the three likely to deploy together in the most serious international expeditions. There has not been a lot of thought given to that in the United States. We are very pleased about the change in France but I think from a military point of view, it might be well advised to step up our training with them because they are very important to our future.

**Q278 The Chairman:** One of the, I think, surprising things to some of us on the UK-French Treaty is the nuclear dimension. Those of us parliamentarians who were not involved in the build-up, were quite surprised at the strength of that side of the Treaty. Given the very close relationship to the United Kingdom and the United States on the nuclear side, did you have a view on that or did you see that as a potential problem area in the UK-US relationship in future? Perhaps some comment on that would be useful within this context.

**Ambassador Burns:** Thank you. My personal view is that the continuation of a British and French nuclear capacity is quite important to the future of the alliance. It underpins the global role that France and Britain continue to play and I think must play for the future. By definition, it underpins, in a way, the history of British/French membership as permanent members of the Security Council in New York. From an American perspective, to have two uniquely capable allies within our alliance is very advantageous to us. I would also say—and I would just expand this a little bit—that I know there is a great debate about the future of naval capacity, and in my personal judgement it is going to be very important for Britain to retain the capacity to act on the seas. I have had a lot of conversations with British friends about the importance of maintaining US-British naval co-operation. We have the same challenges; by the way, we are reducing the size of our fleet. There is a great debate in the United States about this because of major possible threats to us. Our capacity to contain Iran will depend in part on a well-functioning and powerful fleet in the Gulf. To work and live peacefully with China we will need a very strong naval presence in the Pacific and President Obama spoke to that this morning. So one of the more interesting proposals that I have heard was an article that was written in the *Financial Times* some months ago that suggested that perhaps as Britain constructs the two additional aircraft carriers, Britain ought to think about arranging that one of those carriers, the second carrier, might become a joint venture of sorts between Britain and the United States or Britain, the United States and France. It would be quite a powerful symbol of our naval co-operation and practically, given Britain's tradition and capacity on the seas, very useful to all of us. In a time of budget cuts, if we need to pool resources and think out of the box in creative ways, I was intrigued by this suggestion that was made in the *Financial Times* some months ago by a very senior former British diplomat.

**Q279 Lord Williams of Elvel:** Ambassador, in the past, there has been considerable reluctance on the part of the US to allow intelligence material outside the US-UK relationship, for instance, particularly in respect of France and for all sorts of understandable reasons. Given now the UK-France Treaties, which will require a certain amount of sharing of intelligence material between the UK and France, do you think that reluctance still subsists in the US or are things changing?

**Ambassador Burns:** That is a very good question, Lord Williams, and I am very happy to answer all the questions being posed but I did not serve in our intelligence establishment; I was a diplomat, and I haven't thought about this issue. I do not have any prior experience that would even allow me to formulate a decent answer to your question. It is a good question. I am probably not the best person to answer it.

**The Chairman:** I think that is a very good answer.

**Q280 Lord Inge:** Were you suggesting that the carrier might be manned by the three nations? I wasn't quite clear when you answered about the carrier and whether you were suggesting it should be Americans, Brits and French or what.

**Ambassador Burns:** Lord Inge, as I understood this, Britain is constructing two carriers. There is a potential problem with the lack of funding for the second carrier, but the carrier will be constructed over the next decade. This is purely my own private view, having thought about it and discussed it with some friends here and in the States. There has been a suggestion that perhaps one way to deploy the second carrier would be to make it an international venture where you might have a unique arrangement among the United Kingdom, the United States, perhaps even a country like France, which, of course, has its own traditions with aircraft carriers, to deploy and man that carrier together perhaps even as a NATO venture, a NATO asset. We do have a collective NATO asset as you well know in AWACS, with a NATO fleet of aircraft. We have often thought that there might be other military capabilities we might want to share together at a time of budget reductions. I am not aware that the United States Government has even spoken to this issue but I think, as a private citizen, this ought to be looked at quite carefully as a way to pool resources and, at the same time, expand our military capacity particularly on the seas where we need it. Libya showed that, and future possible contingencies in the Mediterranean and the Middle East and the Gulf would also speak to the importance of naval capacity.

**Lord Inge:** I can totally understand the military and political justification for the second carrier for all the reasons that you have said. The thought of manning it with three different countries—I would not want to captain that ship.

**Ambassador Burns:** You have far greater experience to speak to that question than I would.

**The Chairman:** I think also there is one test on these things as well, Ambassador, which is the tabloid newspaper test as to whether aircraft could go to the Falklands or not. That is always the populist test that we have but thank you for that.

**Q281 Lord Sewel:** I want to have your thoughts on European military capabilities. Where do you think they need improving? Building on the carrier example, do you see natural groupings of states coming together to provide enhanced capability?

**Ambassador Burns:** Thank you very much and that is a very challenging question. I think that we have to face the realities, and many of these countries are facing them on the continent, that given the fact that budget reductions are inescapable in most of these countries, they have to begin to think about specialisation. Britain, France and the United States need to be all-encompassing in our military capacity, but some of those smaller European allies simply cannot afford to deploy Army, Navy, Air Force comprehensively. So for quite a long time in NATO, we have been talking about pooling of resources, specialisation and, as you suggest, combining resources across national boundaries. So, for instance, one example is the three Baltic members of NATO. They formed the Baltic Battalion; quite small countries but they formed it before they became members in the last decade. They have deployed together. They have pooled their resources and I think some of

the Central European countries and newer members, maybe by necessity, are more open to this and have greater capacity than some of the West European countries. It is now incumbent on some of the West European continental allies to think about pooling resources and perhaps joint initiatives across national boundaries where they can be capable and contribute to the alliance and yet do it in a way that is economical for them. So apart from the big three countries, this has to be a trend for another big country that we have talked about a little, Germany. Germany ought to have the capacity to field an Army, an Air Force certainly, even a Navy that can stand separately and contribute to the alliance but because of the very weak defence budgets—and I would say the lack of commitment from German political leaders to a modern defence establishment—it has become a great drag on NATO to have our second largest country by population and by GDP be so weak and so disinclined even to use that military for common operations as we have seen so unfortunately in Afghanistan. So when I look at the continent, I think we have to look first and foremost at Germany, and encourage the Germans to rethink their commitment to the alliance and to their future defence capacity.

**Lord Sewel:** I have down here, what is the US Administration's view of German contribution to collective defence? I do not think we need to ask that question; I think we have got the answer.

**Q282 The Chairman:** Ambassador, in Brussels over the last two days there was an acknowledgement from the European Union side as well that the commitment and contributions of Member States, whether members of NATO or members of the European Union, are not sufficient and leave either or both organisations unbalanced. Beyond exhortation, it seems to me that this has been an issue. It is always accepted in NATO that, as you say, the United States will always have the greatest firepower and always be the leader in terms of budgets, but is there a practical and political way of putting pressure to make sure this happens apart from, I suppose, the threat level arising, or is it just while we do not have simple threats, we will not have that level of commitment?

**Ambassador Burns:** Yes, it is a very difficult question. I think you are right to suggest that it really is our ability to appreciate future threats that ought to be the incentive that drives our defence budgets and defence planning, and it may be difficult at a time when many Europeans may feel so much safer on an existential basis than they did during the Cold War. It is obvious that they would reflect on 9/11 or July 7 2005. I was in Britain that day at the G8 summit in Scotland and I remember that sense of vulnerability after the attacks here in London. We have had attacks in Spain, quite severe attacks in Madrid. We do have to appreciate that in a global age, terrorist groups have much stronger fighting power than they ever did in the past. And if you combine that with a threat of chemical, biological or nuclear attack and the nightmare scenario that a terrorist group might acquire that capacity and use it, that should drive all of us to build our defence capacities across the alliance. Giving incentives to some of our allies who are not doing their share would help them appreciate the threat that exists in this century to all of us because of the changes of technology, unfortunately, and because of the appearance of these terrorist groups in all of our countries, and the threat that remains from many virulent groups even after the death of Osama bin Laden. There is also the example of a country like Australia, an ally of ours, that is uniquely capable and has fielded a first-class military, and is upholding all of its responsibilities in a very different part of the world, and so perhaps those are two ways that we can convince our friends and allies in Europe that they need to do more.

**Q283 Lord Lamont of Lerwick:** Earlier on when you were talking about China—I only raise this because of the competition for resources; NATO versus the question of other commitments elsewhere—and I do not want to be unfair, you used the phrase, “work with China as well as containing China,” and you were saying, “We have to do this in co-operation with Australia in order that we remain the pre-eminent force in the Pacific region,” perhaps you did not use the word “force”, but you used “pre-eminent”. Is it really reasonable to expect to be the pre-eminent influence in a region when you have a country like China becoming so much more economically powerful? Are your ambitions actually reasonable?

**Ambassador Burns:** I think they are and I would say that a rational American approach to China would be twofold. One is that we do not seek to contain China from a strategic perspective. It is not possible to contain China given the symbiotic economic relationship that we have with China and will have for the future. This is not a situation that is at all analogous, I think, to the Soviet threat of the 1950s or 1960s, or the Chinese threat under Mao of the 1950s and 1960s.

If we seek to isolate China, wall it off and contain it, it will be self-defeating for us from an economic point of view and that is very critical for us. At the same time, we are a competitor with China. I am speaking of my own country here. We work with China. We engage with China. We must get along with China. A war would be unthinkable but we are competitors, certainly in a strategic sense, and the United States considers itself, as President Obama said this morning, to be a Pacific power.

A lot of our people are focused on Asia. Particularly in the west coast, which is a very important part of our country, our trade and investment links are increasingly—not solely, but increasingly—with the East, and the American military, along with our allies, has been the guarantor of power in Asia since September 1945, since we signed the surrender with Japan on September 2 1945. We have the capacity to remain pre-eminent in a military sense, and we consider ourselves to be a force for peace and stability that allows commerce and allows the Asian countries to enjoy a measure of real independence.

Personally, I worry that a rapid build-up of Chinese military forces—and we have seen that—combined with the uncertainty of how China will see its own national interests in the generation ahead, represents a possible threat to that peace and stability, so we should want to be pre-eminent. We have the capacity to do so economically and militarily through our military alliance system, and at least from a great distance as I look at President Obama’s trip this week - - Honolulu for the APEC summit, Australia for the defence relationship and then Indonesia for the East Asia summit - - President Obama is very clearly signalling the desire and intention of the United States to remain the primary military power in the Asia Pacific region. That is an achievable goal and it is the right goal in my judgement, and I support him in this.

**The Chairman:** Can I just remind Members that at the end of the day, this input is important but we are trying to concentrate on the European side.

**Q284 Lord Inge:** I am just going to make a comment very briefly about China and I understand it is going to feature more and more in all of our lives. China is by nature wanting to play a role on the world stage, but it is also by nature cautious, and handling China is going to be very different to the sort of threat that I would have said that we faced when we faced the Soviet Union. I have a daughter who is married to an officer in the Royal Navy living in San Diego, and she said they do not know where Europe is. That is a comment, sorry.

**Ambassador Burns:** Can I reply to your comment? Just to say that we have two major continental naval bases, one in San Diego, one in Norfolk. The officers in Norfolk know exactly where Europe is.

**The Chairman:** Okay, we will come back a little bit more on the closer at home issues.

**Q285 Lord Jopling:** Listening to your earlier answers about the relationship and the sharing of tasks between NATO and CSDP, I think we take it from what you have said that you are reasonably content with the present basis for sharing tasks where the heavy combat role goes to NATO and the less combative role, without eliminating it, goes to CSDP. Of course, you will recall very well that when CSDP was set up there was a clear understanding that it would only operate, on occasions, where NATO did not want to get involved and therefore it was a rather sort of reserve source of action and capability. Would the United States be fairly happy with that balance, which seems to be achieved—CSDP has embarked on 20 operations, mostly of a civilian nature?

We get conflicting evidence in this Committee. Some people say the old philosophy of Europe only gets involved when NATO does not want to still holds good, yet we did get some evidence in Brussels the day before yesterday that ESDP may wish to enlarge its roles more, we gathered, into the combat area. I do not want to intrude on a following question about military headquarters—you have talked about that already—but do you think it will be acceptable to the United States if ESDP did expand its role into the more dangerous combative area?

**Ambassador Burns:** Lord Jopling, I do not believe it will be acceptable to the United States if the European Union asserts for itself a combat capacity outside of the Berlin-Plus arrangements that were carefully worked out among all of our countries back in 2003, as I remember. While I think both the Bush and the Obama Administrations, from my perspective, have been very strong supporters of the European Union and friends, I think both Administrations are sceptical about a European defence future that would duplicate resources, that would duplicate command headquarters—or the capacity to establish command—and that would by definition encourage competition between NATO and the EU in the defence sphere.

I think the United States has always been much more comfortable with the proposition that Europe will not act unless NATO agrees and NATO chooses not to act—the Berlin-Plus arrangements. In that sense I am a traditionalist, and believe that is the right allocation of responsibility between the EU and NATO. Once we get into the competitive sphere I am very sceptical of those EU advocates who believe that the EU should, in essence, compete with NATO or set itself up apart from NATO, and spend money, precious defence funds, on technologies and headquarters that would duplicate what we have already built over 60 years, and I start as a sceptic when I think about that kind of European security identity.

**The Chairman:** I should say that when we met in Brussels, one of our representative on the military council there said he also sat on the NATO equivalent and we asked him if most of his colleagues sat on both bodies, and the answer was they nearly all did, so hopefully some there are parallel structures there. Hopefully there is less duplication because this is one of the key areas which Lord Jopling has brought out that concerns us, and we will come on to the EU/NATO thing later on.

**Q286 Lord Selkirk of Douglas:** Is the United States Administration aware of the difficulties caused to the European Union planners by the Turkish position on the sharing of NATO facilities, largely caused by differing views between them and Greece over Cyprus?

What could the United States do to assist effectively in this area and should we put some pressure on Turkey to be more flexible? And as an extension of those two questions, can I ask if you formed any view as to how great the potential friction on the border between Turkey and Syria is at present and how seriously the US takes it?

**The Chairman:** Can we come back to the Syrian question, Lord Selkirk, perhaps after we have done this session? But I think, perhaps, if I could add to that, Ambassador, you mentioned Berlin-Plus, and one of the problems about Berlin-Plus is that it has been used once but because of this issue that Lord Selkirk is bringing up, the feeling is that it is impossible to use again—if you do not mind.

**Ambassador Burns:** That is a very good question, Lord Selkirk, and I remember when I was ambassador to NATO that, under Javier Solana and George Robertson's leadership, we decided to have routine meetings of the NATO ambassadors and the EU Council, the equivalent Council of European Ambassadors, in order to promote NATO/EU co-operation under Berlin-Plus, and very quickly after 2002-03, we could not meet any more because of this Turkish/Cyprus problem.

I guess I would say that obviously this Cyprus problem has been with us for nearly 50 years and lots. British and American diplomats have been assigned to resolve it and have not. If that problem cannot be resolved entirely, could there be a practical solution where Turkey and the Government of Cyprus would put aside, at least in the NATO/EU environment, their differences and allow those two institutions to work together?

I think it is appropriate for us to ask the Turks to be flexible. I would also suggest that we should ask the Cypriot Government to be flexible. I am not really speaking to the problem of the Turkish military occupation, of the establishment of this entity in northern Cyprus which none of us recognise as a political entity, but I am saying it just from a purely NATO/EU viewpoint. If it is preventing our two institutions from working in a really critical area, then it is injurious, and so I think flexibility should come from both sides—Turkey and Cyprus—not just Turkey.

**Q287 Lord Radice:** You mentioned that your scepticism or opposition to the idea of the EU building its own military operational headquarters. On our visit to Brussels, we heard that the so-called—perhaps unfortunately named—Weimar group of Germany, France and Poland was suggesting the West giving some support to this idea although it was receiving strong opposition from the UK, and indeed from the military, as I understand it, more because this was an idea which has come out of the Foreign Offices of the countries concerned. I understand there is even some division in France, the Elysée thinks it is not a terribly good idea and the Foreign Office, Quai d'Orsay, thinks it is a good idea, but I gather from your view you think it is a pretty stupid idea.

**Ambassador Burns:** Yes, I am not only sceptical; I am outright opposed to the establishment of a European Union headquarters that would duplicate what we already have in our alliance. It is an unnecessary expenditure of public funds. It is duplicative of what we have and I think insidious because as all of us know, once you establish an institution, there is an impetus to fund that institution and to make it useful and to use it, and that will weaken NATO. The transatlantic bond is often difficult to maintain but it is vital and nothing would impair that bond more effectively than the EU going in a very different direction. So I am unalterably opposed to this. I think it is quite dangerous for NATO's future.

**Lord Radice:** Thank you very much.

**The Chairman:** I think that is very categorical. Lord Inge, I think you were going to pursue Libya.

**Q288 Lord Inge:** Yes, sorry. I was so taken with that last answer because I so agree with what you said, sir. In Libya, the United States left the political and military lead to the European allies really preferring to carry out a supporting role although it was a very important supporting role. What do you think of the lessons we should draw from that operation, and do you think that there are lessons to be learnt about the structure of armed forces in headquarters from that operation?

**Ambassador Burns:** Lord Inge, thank you. You might be better placed to answer this question than me given your experience but I will give you my views. I was, along with many Americans, quite sceptical that NATO should fight in Libya until we saw the Arab League invite NATO in and the UN Security Council bless that operation, and until it was apparent that the siege of Benghazi was going to be quite bloody. I think those three factors certainly changed my mind, and so I was supportive of President Obama's effort to bring the United States in.

I do not believe that the Libyan operation is a template or should be a template for future operations. I think it was positive that Britain and France led but frankly, from my own perspective, the United States is a leading member of NATO and should meet its responsibilities. If we in NATO believe collectively that an operation should be undertaken, I would not want to see the United States playing a supportive role in the future. I think we should be right up there with you and France and other countries in the lead. I understand President Obama's concern at a time where we have over 100,000 American troops in Afghanistan and we have, of course, the remaining problem of withdrawing our troops from Iraq and enormous pressure on our military. I hope this is only a one-time operation. I would not want to see the United States assume a support role in NATO in the future. I think we must always be in a leadership role with you.

**Q289 Lord Inge:** Libya is not over yet, if you look at it. I know it is probably a very unfair question, but how do you see the situation in Libya stabilising?

**Ambassador Burns:** Yes, I think it is a quite challenging and difficult situation because it is not easy to predict whether or not this rebel alliance can now transform itself into an effective Government and whether or not the tribal differences that were so apparent in that rebel alliance can be subsumed into a larger national effort to create a national army for Libya. A lot of this, of course, has to do with the way that Gaddafi governed, the divide and rule policies of Gaddafi and keeping people off balance and dividing the tribes. The legacy is very unfortunate for the new Government that has to come in and pick up the pieces but I do not think we can assume a rosy road ahead, if you think about the problem of weaponry that might go into the wrong hands in Libya, which is a real concern of our Government, and the problems with just establishing effective governance as well as institutions. They are going to require a lot of support and assistance from all of us, I think, to get on a more democratic path in the future.

**Q290 The Chairman:** That is a very interesting response in terms of the United States should not be second division in any NATO operation. Does that not in a way give an out to Europe to sort of say, "Well, at the end of the day, yes, America should always lead on this and frankly we should not be able to look after ourselves", which in many ways was—after the Balkans fiasco from Europe's point of view of not being able to sort anything out in its own backyard—the reason that common security policy in many ways started and we have

the St Malo agreement. But I am surprised in a way that the feeling that Europe should be able to cope in itself more maybe is not quite fully reflected in that statement and so that comment is interesting to me.

**Ambassador Burns:** I think there is a difference of opinion in the United States on this issue. I may not be representing the majority opinion but many people believe that President Obama was right to, in effect, challenge Europe to lead and to put the United States, after the initial establishment of the air cover, into a support position. I can understand the President's rationale. If the United States believes this is a template for future operations, then that would worry me because we do have, by definition as we have discussed, an unbalanced alliance in terms of military capacity.

The United States is critical to the alliance. I think it is critical for our future and so therefore I believe Libya is a success and I admire President Obama's diplomacy around it, but I hope that the United States will always consider itself to be part and parcel of NATO, not apart from NATO. Even some of our rhetoric in our press begins to talk about the NATO effort in Libya on the one hand and the American effort on the other. It really struck me that we are part of NATO too; we should not make that distinction in our newspapers. That is what worries me. There is a larger issue here—I do not want to tire the patience of this body. We know that the American people have unfortunately over 235 years flirted with isolation from the world from time to time, and we see isolationist voices, particularly in the emergence of the Tea Party movement in the United States. One can understand at a time of economic uncertainty and 9% unemployment, people might want to withdraw inward, but not in the globalised 21st century.

So I think we Americans have a responsibility to keep 305 million of us focused on our international engagements and our most serious international commitment. The most serious one we have is NATO. It is our largest defence commitment. It is treaty-based. We have a commitment to you and I would not want to see us pull back and decide that we are sometimes a member and sometimes not. So I may be contradicted by a lot of other Americans in saying this, but that is my personal view.

**The Chairman:** Ambassador, I think that is a very good point on which to end the formal session and I thank you very much indeed for your evidence, which has given us an excellent context and detail for our report.

**Ambassador Burns:** Thank you very much.



**Professor Malcolm Chalmers, Royal United Services Institute – Oral evidence (QQ 91-115)**

*Evidence Session No. 4.*

*Heard in Public.*

*Questions 91 - 115*

THURSDAY 10 NOVEMBER 2011

Members present

Lord Teverson (Chairman)  
Baroness Bonham-Carter of Yarnbury  
Lord Inge  
Lord Jones  
Lord Jopling  
Lord Radice  
Lord Selkirk of Douglas  
Lord Sewel  
Lord Trimble  
Lord Williams of Elvel

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**Examination of Witnesses**

**Professor Malcolm Chalmers**, Royal United Services Institute and King's College London, and **Professor Anand Menon**, Birmingham University.

**Q91 The Chairman:** Well, Professors, can I welcome you both here? This is part of our continuing inquiry into military capabilities available to the European Union. Let me just go through some very straightforward issues. First of all, this is clearly and obviously a public session and we will be taking a transcript. It is also being webcast. What we will do is send you a copy of the transcript within the next week so that you can look at it. If there are any factual errors in terms of the transcription, then you are able to change those.

We are very much looking forward to this session because so far we have not really had a strong think-tank element—if I could put it in that structure—so we are very much looking forward to it. You have some idea of what the questions are. The procedure that we have is that either of you can answer the questions; it is up to you which order you do it in and whether both of you make a contribution or not. That is entirely up to you. I think it would be very useful if both of you could briefly introduce yourselves and say who you are. Professor Chalmers, I think you would like to make a few short comments at the beginning and then we will move straight into questions. Professor Menon, I believe you know the Committee previously and you were an adviser under the chairmanship of Lord Jopling for this Committee, so welcome back. Perhaps you could introduce yourself and then we will let Professor Chalmers introduce himself and make his short opening statement.

**Professor Anand Menon:** Thank you very much. I am Anand Menon. I am a Professor of West European Politics at the University of Birmingham and I am currently on 18 months' leave doing a project on CSDP.

**Professor Malcolm Chalmers:** I am Professor Malcolm Chalmers and I am Research Director at the Royal United Services Institute. I suppose the area of my work that is most relevant to the Committee is my focus on UK defence policy. I was involved quite substantially in the Green Paper that preceded the SDSR and then in the SDSR and NSS processes themselves. I have written a few things on those subsequently, so I am very much coming to this subject from a UK defence policy perspective. Perhaps I could just—

**The Chairman:** That will make a good balance, I think, yes.

**Professor Malcolm Chalmers:** I hope so. Perhaps I could make a couple of remarks of introduction. I suppose that the first point I would make is that, in looking at this issue, we need to make sure we are not penny wise but pound foolish. It is very important to look at the detail of how European defence policy works, its operations, its institutional development, but we also need to look at the bigger strategic picture of our relations with our European allies. That is true even more so in the period we are going through at the moment of increased uncertainty about the future of European institutions, reflected most clearly in what is happening in the eurozone, and who knows where we are going to be in the eurozone in a week's time, never mind five or 10 years' time? Also, we need to be aware that if we were drawing up a risk assessment for the UK for a national security strategy now, then developments in Europe and the potential low probability but high impact risks of quite radical changes in the institutional set-up, on which our security and our prosperity have been based since World War II, could not be ignored. That is the broader background for looking at the European security that we need to take into account. Those are only some introductory remarks. I am sure I will elaborate on some of those points as we come into questions.

**The Chairman:** I am going to encourage Members not to get into the eurozone debate during this particular session but, Professor Chalmers, as a model maybe, some of those things that you mentioned sound very interesting and perhaps you could bring them out in the responses to make sure you get your views in those areas over.

**Professor Malcolm Chalmers:** Absolutely.

**Q92 The Chairman:** The first thing we want to tackle is what you see as the challenges to European security and what role the EU's Common Security and Defence Policy should play in addressing them. What were the early expectations of what the CSDP would achieve and how effective has it been in fulfilling them? If they have not been fulfilled, what should be done to remedy this, or should the aims be revised? Professor Menon, I am also prompted by an article that you wrote that raised this question: since Libya, is the CSDP effectively dead? Perhaps you could also tackle that broader question within this broad start.

**Professor Anand Menon:** One of the problems in talking about the expectations of CSDP is that there were probably 27 different expectations of CSDP. But for the purpose of this country, and the French, the early expectation of CSDP was that it was a way of improving European military capabilities, first and foremost. If that is the benchmark you use then CSDP has not fulfilled those expectations. There are some people around who would even say that European military capabilities are less impressive now, taken as a whole, than they were at the start of this process back in the late 1990s. In that sense, you could probably brand CSDP as a failure.

There is the whole question of how you assess CSDP, and one of the damaging tendencies—at least among people in Brussels—has been to assess it by means of counting the missions. There have been a lot of missions but most of them have been absolutely tiny and not all that demanding. In many cases they have taken place at the periphery of the problems that, rhetorically at least, they were intended to address.

What role should CSDP play now? I suppose that depends whether you see glasses as half full or half empty. It would be premature to say that because CSDP has not worked to date we should stop thinking about it now, because the crisis of capabilities that led to St Malo in the first place is now more acute than it was then. It is hard to see another solution that European states could turn to than a multilateral EU-based solution, particularly for many of the continental European states. Doing things through the European Union carries a certain cachet and, even though they have not delivered on promises yet, I would suspect that there is no alternative mechanism that could be more effective in trying to make them do so. My temptation would be to say that the record to date has been disappointing to say the least, but there is nowhere else to turn and actually what we need is renewed engagement with CSDP in order to try again for the second decade to do better than we did in the first.

**Professor Malcolm Chalmers:** Let me just add very briefly to what Professor Menon has said, which is that in terms of the UK's expectations—not the general expectations but the UK's expectations and hopes for CSDP—part of the UK's hope was that CSDP would not undermine NATO and I do not think it has done that. One of the reasons why CSDP's role has been limited to small-scale operations is that in major military operations in which we have been engaged over the last few years, notably Afghanistan and Libya, NATO has been available. Therefore, the question of having to turn to the EU has not been there. That is something that is a matter for rejoicing in the UK but also I think in most other EU and NATO countries.

Specifically in the operations in which it has been involved, the CSDP has fulfilled the expectation of getting involved in those areas that draw not only on military assets but the range of other assets. About half of CSDP missions have not been military ones. They have involved police and so on, which NATO would not be appropriate for.

The only thing I would add to that is that the area in which it has been most disappointing is in relation to capabilities. I do not think this mechanism has done anything very substantial in generating new support for capability development, which remains a national prerogative, as it has always been in NATO days. One would also not want to overstate the extent to which NATO has had much success in getting countries to do things that they might otherwise not have done.

**Q93 The Chairman:** Coming back to this area of how successful it has been, I know that one of Professor Menon's papers talks about reasonable expectations or whatever. I would be interested to understand what you think those reasonable expectations might be of it. Secondly, is the trajectory getting better or has the EU reached a plateau, flatlining, or with defence cuts is it becoming even less effective in terms of its mission? Are we saying, "Well, it was never going to do great things straightaway but after 10 or 12 years it has managed to get some traction," or are we saying that it is decaying rather than getting better?

**Professor Anand Menon:** There are no obvious signs of progress at the moment except at the margins. There is an important Defence Ministers' meeting at the end of this month where people in Brussels will tell you we are about to launch pooling and sharing properly. They have said this before, so there is reason to be slightly sceptical, but the talk in the EU military staff at the moment is that they have finally come up with a list of 10 or 15 concrete

initiatives where member states will agree to pool or share, and so the process is slowly getting off the ground.

Many of the problems relate to the first part of this question, which is: what do you see as the challenges to European security? One of the fundamental problems confronting CSDP is that there are significant numbers of member states that do not see any threats out there. It was always my sense that, when Robert Kagan wrote his famous book saying that Americans were from Mars and Europeans were from Venus, a number of our partners took that as a compliment and not as a criticism. I think that is still the case. Member states vary very deeply in terms of how dangerous a world they think they inhabit. If you go to certain member states and say, “Defence expenditure is falling. We are not launching missions,” they would say, “Well, what a tribute to our success this is.” The perception in this country, and my own perception, is very different from that so in that sense I tend towards seeing this as a weakness rather than as something to be proud of. But there is no sign of any drastic action at the moment to remedy the shortfalls.

**Professor Malcolm Chalmers:** One of the primary purposes of both the EU and NATO, in the period immediately after World War II, was to insure against the nationalisation of defence and security policy. It was about denationalising defence and security so that countries no longer thought about security threats from each other but worked co-operatively. All the activity generated around NATO and particularly, but latterly to a much lesser extent, around the CSDP should be seen through that lens as much as anything else. When a small European country, with no history of involvement in Africa or Afghanistan or Iraq or Palestine, contributes people to that mission it is not because their Foreign Ministry has decided that they have a vital national interest in Somalia or in Afghanistan, or wherever it might be; it is because they want to be seen as good Europeans or good partners to the United States. That is about thinking about the role of their state in collective operations, collective defence, and guarding against the possibility, which none of us wants, of a return to the renationalisation of security. That comes back to the point I made right at the beginning that in this time most of all, when we are faced with the risk—perhaps not a big risk but a risk—of a renationalisation of economic policy in Europe, we should not dismiss the possibility that that would impact on other areas of policy, including security, both in NATO and the EU. I think NATO most of all, but both organisations play a role in ensuring that security is based on collective activity, not each doing their own thing.

The fact that on capabilities countries, even the smallest countries in the European Union and certainly the larger ones, still construct their forces on a national basis and make national decisions—they are all reluctant to have any committee in Brussels, whatever the name on the door, telling them how to construct their forces—shows how national instincts are still very powerful in most of our states in the defence area and makes the case for a rule-based order even more important.

**Q94 The Chairman:** I want to ask one final general question before we move on. So far in this inquiry we have not talked a great deal about the Lisbon treaty, the setting up of the EAS and the mutual assistance clauses and that sort of side, but I would like a quick comment as to whether you think—early days, perhaps—the Lisbon treaty and those new structures have made any difference at all or have made things worse, or it is too early to tell? What are the signs?

**Professor Anand Menon:** It is probably too early to tell, although I would say one of the problems with CSDP is that several member states use it as an alibi to get around the need for effective action at the national level. That is to say, when certain national Governments

are asked about their defence efforts they will point to Brussels and say, “We have made a declaration. We have created an institution.” In that way, talking about CSDP is a way of avoiding talking about difficult choices made at the national level. I do not think any set of institutions can compensate for a situation in which national Governments do not feel the need to make the effort. In a sense, we are looking at the wrong target there. What institutions can do is they can facilitate action if the political will is there at the national level. This is not just EU-specific; that is true of NATO, too. To date there is not an institution that has been created that can force national Governments to do something that they do not already want to do. In that sense, it is probably too early to see whether the facilitating role has been strengthened but I do not think we should expect too much of it unless the political will is there in 27 national capitals to act in the first place.

**Q95 Lord Jones:** Chairman, Professors, where does the CSDP fit into the British national security and defence strategy? Accepting your remarks regarding penny wise and pound foolish, a second question is: does the policy continue to be worth the effort and are we, the United Kingdom, getting a good enough return on our investment of time and energy?

**Professor Malcolm Chalmers:** The very short answer to your first question is that there is not a lot of discussion about this in the Government’s published National Security Strategy, but of course published documents are not necessarily the best guide to what policy actually is, particularly in this area. There is a degree of political correctness—I think, quite rightly—in government statements on security that you do not want to offend people who are your allies. It seems to me that implicit in the NSS and the Strategic Defence and Security Review documents is that we do not start with alliances and ask what the UK can do to help those alliances. We start with the UK’s interests and see how we can use alliances and other arrangements to pursue those interests in co-operation with others. In doing so, we have to accept that some of those arrangements are less permanent than others and they may be unreliable in cases where we have particular national interests. Therefore, in a way that is compatible with the resources we have, we want to maintain a significant degree of autonomy in our foreign policy but also in our defence policy. We want to maintain a spectrum of relationships, bilateral and multilateral, and within the multilateral field we also want not only to rely on one organisation but to build a strong role in NATO, the European Union, the UN, the Commonwealth, and so on. That is the context for the Common Security and Defence Policy.

In terms of what I would regard as the two key rationales from a UK point of view of CFSP as well as CSDP, the first is the need to strengthen the rule-based order in Europe that I have mentioned already, and maintaining good relationships with countries like France and Germany, which will always be our neighbours and will always be key trading partners who we want to remain friends with and who share our fundamental security interests. This it seems to me is the first rationale, which is an intra-European rationale. There is a second, more practical rationale, which is that CSDP is a mechanism for delivering CFSP commitments. If European Foreign Ministers decide they want to do something to help stabilising Somalia, for example, then there is a mechanism for collectively deploying people to train Somali security forces, which is one of the current CSDP missions. Now, without CSDP we could provide that on a national basis. NATO might not be the appropriate mechanism for doing it in that particular case. There may be regional sensitivities about it; there may be Turkish sensitivities in some cases, which is another important dimension. But you could do it nationally or you could do it bilaterally. There have been quite a number of important missions; France in Côte d’Ivoire recently, for example, was not organised under a European umbrella. So CSDP is not a magic bullet but it is a useful extra element in the

toolbox not so much perhaps for generating capabilities but for generating operational commitments from countries that would not otherwise be engaged.

**Professor Anand Menon:** I have just three very quick points on this. I suppose the first is that CSDP stopped being in any sense central to UK defence strategy around probably 2007-08, so it started under the last Government. The Blair Governments were initially very enthusiastic about CSDP and gradually lost interest over time. So it was well before this Government was elected that Britain had started to be more lukewarm about this policy area.

Whether we are getting a good enough return on our investment, time and energy is an interesting question. I remember that Fred Northedge wrote a book about the League of Nations and his conclusion was the League of Nations had not failed; it was just never tried. I feel a little bit like that about our view on CSDP. I am not sure how much time, investment and energy we have put into this and so I am not sure how much return we could reasonably expect back.

The comparison between CSDP and the other big projects of the European Union is very interesting. The two obvious big projects were the single market and the single currency. In both those cases, what defined them was that the most powerful state or states in that area were the most committed to it. So in the single market you have France, Germany and Britain. With the single currency you have Germany. The weakest can never lead if you are trying to integrate a policy sector of the European Union. We cannot simply sit back and say, "You people are weak, you need to do more," because the way European integration works is the people with the relative advantages say, "We are willing to do this," and then everyone else says, "If they are willing to do it, we are happy to follow." I think the larger member states have to make more of an effort than the other member states, in order to reassure them that this is something that is going to be genuine. In that sense, Britain's slightly aloof attitude is probably slightly counterproductive if we believe that CSDP is a way of getting an overall increase in military capabilities in Europe.

**Q96 Lord Jones:** I was going to say, Professor Menon, how helpful your document Double Act was and how cleverly it was sub-edited.

**Professor Anand Menon:** That was not me!

**Lord Jones:** Germany pays most, very topical, and the agency is prey to the whims of national Ministers. I wondered if you could cite any Ministers of late, that we may know of, who have intervened in this way. Somebody mentioned the League of Nations. Is there a President Wilson around, whim or otherwise?

**Professor Anand Menon:** No, there is no President Wilson around. I am not sure that is a bad thing, necessarily. It is surprising how many partner states think that the current British Government's position on CSDP is a Liam Fox effect and fail to understand that it goes far deeper than that. There were a lot of people saying that once Liam Fox was safely out of the way, as he is now, Britain's attitude would become more positive. I do not think that is true at all. As I said, this was an ongoing disengagement from CSDP. But all national Ministers in the context of the EDA defend their national interests. We are not alone in that. Every state that has a defence industry of any kind, and that is the vast majority of them, their Ministers go to the EDA to defend their projects.

**The Chairman:** Lord Sewel, you wanted to come in on this I think.

**Q97 Lord Sewel:** Yes. It is to take Professor Menon a bit further, I suppose. Is it sensible at all to talk in any real way about a Common Security and Defence Policy when, first, the things it finds easier to do are the non-military side and the military side it finds difficult? Second, on the issue that has been behind European defence and security thinking for decades—that is one's attitude to Russia—there are certainly three major divisions that I see among European parliamentarians: those who see Russia as a very present threat and the tanks will start rolling tomorrow given half a chance, and that is the central Europeans and the Baltics; the ones who see Russia as their best friend, which I would say is the Germans and the Italians; and the rest who say, "Okay, we are not really friends, but we do not see them as a major threat or a threat at all." If you get that range of differences on such a core issue as what Russia constitutes in defence and security issues, can you have anything that is called a Common Defence and Security Policy?

**Professor Malcolm Chalmers:** Can I come in on this?

**Professor Anand Menon:** Absolutely.

**Professor Malcolm Chalmers:** You make a very good point there, and of course that issue of divergence of views is nothing new in Europe. It was there under NATO. But under NATO, because there was a focus on one particular challenge on which there was a broad range of agreement, albeit with some differences of emphasis, it was possible to work together. In today's world, where we are talking about a wider range of challenges, inevitably there is bound to be a significant difference between states. I suppose I think of the title CSDP to be an exaggeration of what it actually is. In practice, it is a common security and defence instrument, which can be used when there is broad agreement between member states. But when you come across an issue as we did in Libya, where there is significant disagreement, or in the case you mentioned of a possible crisis in relation to Russia, then it is much less helpful. That is a problem with any organisation based on consensus. So CSDP has a useful but limited role to play.

**Q98 Lord Inge:** A lot of this has been answered already, Lord Chairman, but could you say a bit more about whether CSDP has led in any way to member states developing any capabilities, what those capabilities are and in what ways have they done it? What are the capabilities you believe, if European forces are to be effective, are the capability gaps at the moment? Are those views about capability gaps shared by the other member states? How would you rate the European Defence Agency's efforts on capability development? It is quite a straightforward question.

**Professor Malcolm Chalmers:** Professor Menon can answer it and I will add to it.

**Professor Anand Menon:** I will focus on the first and third bits, if that is okay, and say something briefly about the second. Has CSDP led to development of capabilities? Yes, it has in some specific cases and there is a wide variation among member states. There are some member states—Spain, Italy—where it has had no effect whatever. There is almost an inverse correlation between the amount of work done and the amount of time a Government spends talking about CSDP. The states that talk about it most tend to actually do least in practical terms. The Swedes have made tremendous efforts. Swedish defence policy has been completely revolutionised over the last 10 years and the legitimising badge that the Ministry of Defence has rather cleverly used in domestic political debates has been CSDP, the need to show themselves to be good Europeans and to work with the Europeans.

Now, this is not a case of the European Union imposing something on the Swedes. What has happened is the Swedish Defence Ministry had an agenda. CSDP turned up at the right

moment and the Swedes said, “We will use this because Parliament will never say no to a European initiative”. It worked like a dream. The Swedes have created a battlegroup that is first rate. The Nordic battlegroup is the best battlegroup in Europe and it is largely a Swedish battlegroup, and they have changed their defence concepts as well. In some cases, yes, CSDP has led to a very clear improvement in deployable forces on the part of some of our partners. In other cases it has led to very little, if at all.

Let us skip to the European Defence Agency. None of the EU institutions is very well adapted to defence policy and there is a very good structural reason for that, which is that the European Union was designed as an institution to tame the powers of its member states, not to project them. The point of European integration was to keep Germany in check, so we created a dense network of institutions that were designed to prevent large member states from leading, because the problem of Europe for the previous century had been the large member states trying to lead. You try to use those same institutions to deploy power abroad and you run into all sorts of problems, which are well known.

I would say that the EDA was specifically modelled on the European Commission by the people who thought it up in Brussels. That is to say if we have a European institution it can provide the information, the monitoring, all those mechanisms that allow states to co-operate more effectively. The difference is the European Defence Agency is toothless. It is a tool of the member states. As long as it is a tool of the member states there will be very strict limits to what it is able to do because member states make sure it does not take decisions at variance with their interests.

I have one final point, which struck me as fascinating when I read about it. It is very hard for politicians to take decisions about their military that involve painful restructuring. When the Americans came to do it at the end of the Cold War, they realised they had too many bases and they needed to undertake a base closure programme. Of course, doing that with Congress is a nightmare because every Congressman will defend his or her base and they will trade off among each other. What Congress did was they set up an independent agency to come up with a set of recommendations on base closures. The legislation that set up the agency said, “Congress will vote on this on a straight up or down vote. We will either accept the recommendations as a whole or we will scrap the recommendations as a whole, but there will be no option of going through the list individually and saying, ‘The base in Kentucky is absolutely crucial.’” No country does defence restructuring well at a political level. The problem we have in Europe is no member state will trust an EU institution to perform that role, so it seems that we are caught in a double bind. You cannot expect much more of the EDA but it is very hard to see how it can be reformed to make it more efficient, given the sensitivities about sovereignty that we have in this country. Do you want to talk about the actual capability?

**Professor Malcolm Chalmers:** If I may add something. On one level, it is straightforward to identify gaps in European capabilities. If one looks at the Libya operation you can look at all the things that European states were not able to provide and the Americans provided: targeteers, UAVs, refuelling capability, reconnaissance assets—the list goes on. The question that follows from such a list, however, in a resource-constrained environment, is how far we would want European states to focus their main effort on being able to acquire an autonomous European capability that is able to do another Libya-scale operation without any American involvement, if that was at the expense of having reductions in the size of our forces—some of these assets I have just listed are pretty expensive—so that we have lots more of them but we have fewer aircraft or fewer front-line assets for operations in which the United States is involved. That is a judgment that is not a military technical one. It is a



political judgment and it is a judgment about how far we see a future in which there is a risk that the Americans will not be involved at all—not leading from a rear position, as in Libya, but a situation where the degree of American withdrawal is much more drastic.

We may come on to this later, but my reading of the way US policy has been evolving, up to now at least, is that they want the Europeans to do more, but the number of scenarios in which the United States does not want to be involved at all and will leave it to the Europeans is still pretty limited. If you go round the European neighbourhood, certainly in terms of substantial military operations of Libya scale or above, it is not easy to think of many. There may be some scenarios in sub-Saharan Africa, but even there the American security footprint is increasing, not decreasing, as you see in relation to Somalia, Ethiopia, and so on. If we are talking about peace enforcement or state-building activities in the Balkans, if we are talking about security sector reform in west Africa, things of that nature, yes, the Americans will not be involved, but in terms of large-scale kinetic operations it is less clear.

In my view in the end this is something that individual countries are going to have to address, most of all the United Kingdom, France and others with serious military capability. There is a case for shifting the emphasis a little bit more towards autonomous capability gaps that have been identified by Libya, but I would not want to go too far in that direction. For many other European countries beyond the larger countries—and Germany I would put in the larger category here—again, you have to ask why they contribute to expeditionary operations and how willing they will be to do so in the future. I think there the lessons from Afghanistan and the lessons that are being drawn from Afghanistan are actually very important. After a long period of quite remarkable engagement by so many NATO and EU member states in the mission there, albeit at lower levels than our own country, there is a sense that they do not want to be involved in operations of that sort again, where the domestic political cost was significant but the security gain was not. So, to the extent that they do not want to repeat Afghanistan, it is not clear that it is going to have much of an impact on the capability development.

**Q99 Lord Jopling:** You have talked about capability gaps and you have talked about the difficulty of getting individual member states to fulfil the necessary obligations. I wonder if I could just turn it round a little bit. In your very early answers you talked about promises that have not been fulfilled with regard to capabilities. You also talked about how there was a reluctance to say rude things about other members of the alliance. But it would be helpful to this Committee, if it was possible, to see a rather brief tabulated expression of promises made that have not been fulfilled. Is it possible to get at that information, because it is a crucial part of this inquiry?

**Professor Anand Menon:** There are published sources. The IISS did a survey of European military capabilities a few years ago, and there was a piece by Nick Witney about four or five years ago on European military capabilities, in which he went quite systematically through the various pledges made at European level, the various capability goals. There is a very telling line in his conclusion, something along the lines of the goalposts have not so much been moved as dismantled altogether. He does this quite systematically.

Just to touch briefly on what Lord Sewel said, I should say it is something of a myth that we are good at the civilian stuff because the capability shortfalls in the civilian side of things are probably slightly worse. It is harder to find active policemen to send to Afghanistan than it is to find troops to send to Libya because active policemen do not want to go; they are under

no obligation to go, and they have a job here. We have managed to foster this myth that we are the civilian experts, but I am not sure that is wholly true either.

**Lord Jopling:** This Committee has expressed its views about the training of the police force in the past. I do not know whether we have had this information or I have missed it, but it would be very helpful if it could be circulated.

**The Chairman:** Indeed. I might come back on the EDA later on because we have not covered that too much.

**Q100 Lord Selkirk of Douglas:** May I ask a number of associated questions, the first of which you have already touched on? To what extent might the United States be less willing in future to fight wars in and around Europe? Perhaps as an extension of that I could ask you what percentage of the military input in the Libyan campaign was attributable to the Americans, because it appears that they had not actually received the credit for everything that they did. Perhaps you could give some sort of picture in your own words. The second question was whether the Libyan model was a useful model for the future or was it just a one-off to be seen in its own context? The third was whether the United Kingdom and France will increasingly be expected to share the burden for operations of this nature or comparable operations. Finally, can the EU encourage other states, particularly Germany, and persuade the smaller ones to increase their share of the burden, particularly at a time of economic crisis and difficulty and cuts? If you can give us an overall picture, we would be very grateful.

**Professor Malcolm Chalmers:** Perhaps I can start on that one. Those are excellent questions and I apologise if my answer does not cover every single aspect. I am not sure how helpful it is to give a specific percentage for the American contribution, but it is nevertheless very substantial. What is different is that, after the initial phase, the American involvement in the bombing campaign was very limited and European states took the main role there but the Americans still played a very important role in making that possible. I would not say that no military action would have been possible without American participation, but the nature of that military action would have been very different. There would have been many more problems in terms of avoiding collateral damage, for example, both because of lack of targeteers and reconnaissance but also lack of the appropriate munitions. There would have been lots of issues there, and whether it would have been possible to achieve the political result that was achieved, in the timescale it was achieved, without the Americans I think is very doubtful.

As I have said already, I do not think there is a general trend towards the Americans being less prepared to fight in significant-scale operations in the European neighbourhood. It seems to me that the American Article 5 commitment to NATO member states has not weakened, so if there was a territorial threat to the Baltic states, for example, I do not think there is any more question about that than there has been in the past. The US clearly has a very close security relationship with Israel, which ensures American domestic support for security guarantees across the whole area there. Counterterrorist objectives drive American policy, for example, in Somalia and Yemen and other areas in the European neighbourhood, about which we also have concerns.

Where the Americans have been reluctant to get involved for some time is in things like post-conflict peacekeeping in the Balkans, in EU candidate states, potential candidate states like Bosnia, where they rightly say that that is not American business. One always has to be very careful about treating any individual operation as a model, but the Libya operation does reflect a broader trend, after Afghanistan and Iraq—and I think this is a view people in the

UK share—where the United States is going to be much more reluctant to get engaged in large-scale armed state-building efforts because they are so difficult and so costly. The Americans are going to be out of Iraq militarily by the end of this year. It remains a question what the nature of the gains there has been, despite the enormous resources put in. I suspect we are still asking questions about where Afghanistan will be after 2014.

Whether Libya had happened or not, one of the lessons to add to that is that, both in Afghanistan and Iraq, in the end local security forces and local political actors were the key to any exit strategy and any sustainable solution and we should have devoted much more energy to them at an earlier stage. We see already that Libya reinforces that message. So I do not envisage the United States disengaging from our neighbourhood in coming years, but the methods of security engagement are likely to rely more on local parties within countries of conflict and regional allies, such as Qatar in the case of Libya, security sector reform and then conflict prevention activities, but being much more reluctant to get involved in quasi-occupation forces.

In terms of the United Kingdom, France and Germany, I would argue that it is remarkable how little the relative military roles of different European countries, in western Europe at least, have changed since the 1950s. If you went back to the 1950s and 1960s, the UK and France had global roles and exercised military power globally on a frequent basis and the Germans and the Italians did not. They never deployed outside Europe and we are still living with that legacy. I do not think the UK and France will be increasingly left with the burden of operations outside Europe. We always have been and, if anything, things have tilted a little bit in the other direction. For example, in Afghanistan we have countries deploying there that have never deployed outside Europe in historical memory at least.

I was in Afghanistan three or four months ago and one of the things that really strikes you—I am sure you have noticed it as well—is how many epaulettes people have, all the different countries working together. Why is Sweden or Slovakia or Slovenia or Portugal involved in a country with which they have no historic connection? If anything, the trend is in that direction but only in a very limited degree and, therefore, the UK and France will continue to be the core of and provide the bulk of European contribution to operations outside Europe.

**Professor Anand Menon:** There are two aspects to this question, I suppose. I agree absolutely with what Malcolm said about the US and Libya. They played quite a significant role and there is no sign of that lessening in major conflicts. But for the rest of the question it strikes me there are two aspects. One is political will and the other is actual capabilities.

Just quickly, on whether Libya was a model—politically, not at all, but militarily, maybe. But we should not draw any conclusions about Libya as a model politically for all sorts of reasons. One is that the righteousness of the case was so clear cut, from the support of the Arab League to a UN mandate to what was threatened in Benghazi. We do not usually get cases that are that clear cut. Secondly, and crucially, we will struggle to get support on the Security Council again, given a very widespread feeling among countries, such as Russia or China—South Africa has expressed a view on this very clearly as well—that we deceived them, and that we went far beyond the initial mandate having promised very clearly that we would not. I think they will be more reluctant than ever to give a green light to this sort of intervention in the future, and because so many European states will not intervene without a UN mandate that is going to be a real problem for us when it comes to future conflicts.

As Malcolm says, the UK and France have always been the countries to intervene outside of Europe. It is very striking that the EU managed to mobilise Irish soldiers to go to Chad. We

should not forget some of the remarkable developments in member state mindsets that have taken place because of CSDP.

The big question is the last question, of course, and I think we need to disaggregate that. The problem with European defence is not how much we spend. The combined defence spending of European states is very, very significant. The problem is how we spend it and that is where work is needed. Work is needed to ensure that we do not duplicate, that we do not make several different systems at great expense when one system across European states would do. It is rationalisation that is the issue, not increasing defence spending. Even with the current cuts, first we should bear in mind that some states are increasing defence spending at the moment; the Poles are, the Swedes are. But even with the current cuts, European defence spending is significant and sufficient if it were to be used in the right way.

On Germany, well, that is the big issue and we will come back to it when we talk about battlegroups a little bit, but there are two things to be said. If you ask them, many German politicians will say, "What you are forgetting is how far we have come." I think their argument is running out of steam a little bit now given what happened in Libya. Probably there was a case to be made five or six years ago that the Germans are now deploying, and this was a big thing for them to do. I do not know how we make Germany contribute. There are two problems when it comes to Germany. One is the political issue—their staunch political resistance to troop deployments. The second is that the Germans are obsessed by the issue of cost and they pay disproportionately for ESDP missions under the funding mechanisms in place. There is this concept called common costs, which account for a proportion of mission costs. NATO suffers from this as well. The problem for Germany is common costs are doled out on a GDP scale and, of course, Germany ends up paying far more than any of the member states, and can pay more for deployments than participating countries even when it does not deploy itself under this model. There is no easy solution to the problem of Germany.

Again, we will talk about this when we come to battlegroups but the one positive sign is the Germans are participating in this new Weimar Triangle battlegroup. It seems to me, just on the level of logic, that putting that amount of effort into creating a deployable force does not make a whole load of sense unless one day you are willing to deploy it, although time will tell.

**Professor Malcolm Chalmers:** Let me add one point to that, in terms of patterns of who got engaged in Libya and who did not, which I think is quite interesting. On the one hand you had the Poles and the east Europeans who did their bit in Afghanistan, and indeed Iraq, as an entry price to a security guarantee in their own neighbourhood from the United States, but did not get engaged by and large in Libya—these are countries that a few years ago we would have seen as being the more prepared to engage in military force because of their own history and security environment. On the other hand in Libya we have seen Denmark, Norway, the Netherlands and Belgium engaged proportionately in a rather significant way. That may reflect the resonance of the responsibility to protect rationale in those countries, all of which, perhaps with the exception of Belgium, are significant aid donors and take the humanitarian motive in Libya seriously, which is something that the east Europeans perhaps are less interested in.

**Q101 Lord Trimble:** There has been quite a bit of discussion about Libya and you will have gathered—particularly from what Lord Selkirk said—that we were quite surprised when, although it was billed as a NATO operation in which the US were taking a back role and leaving it to the European countries, primarily Britain and France, we then found that we

**Professor Malcolm Chalmers:** The first observation I would make, in terms of the American role, is that part of this is about perceptions. The Americans went out of their way to create the perception that this was not an American-led operation. They could have done more with relatively little extra expense to have themselves up front and centre but, in terms of their relationship with the Arab world, it was seen to be better for it to be more genuinely multinational, importantly involving Arab states as well as European states. I think they largely succeeded in that objective, so that is very welcome.

In terms of the gaps, I have already said that we should, more as nations actually than as Europe—but perhaps there is a particular UK-French dimension here—see whether we can do more to develop our ability to operate autonomously. Autonomous satellite reconnaissance is one of the issues that the EDA is actually involved in and that is rather important.

In terms of the operational headquarters, which of course has become a politically very charged issue in this country where there is clearly a disagreement between the UK and our EU partners, I was interested in the evidence you had from Whitehall officials on this particular issue. In that, it seemed to me, on the one hand there is an argument, which one certainly hears from Ministers, that the EU operational headquarters would fundamentally undermine the role of NATO in some way. On the other hand, there is a pragmatic argument about how much this would cost. How many personnel would it have? Would these personnel be in addition to existing headquarter operations? For example, the headquarters for the anti-piracy mission off Somalia is in Northwood—would those personnel be transferred to Brussels or would the headquarters be in addition? I would not want to give a definitive judgment as to whether we should have such a headquarters or not, but if its role is to add a degree of efficiency in running the existing and future operations of the sort we have—the 24 we have had so far—and maybe we will have another two or three small-scale operations in the future, then this is not a threat to the role of NATO in larger-scale operations but a pragmatic way of developing capability in an efficient way.

It may be that the current proposals for such a headquarters are overblown or trying to give the EU too many extra roles, and maybe they are trying to duplicate what NATO is already providing perfectly well, in which case there is not a role for it. But the EU does run quite a number—I think right now we run 13 or so—CSDP missions, and looking at how those are managed more effectively does not seem to me a bad thing. The reports I have seen suggest we are talking about 200 or 300 individuals in such a headquarters. If you are simply talking about their costs and some extra costs on top, then you may be talking about £20 million or

£30 million a year and the UK takes 10% of that. This is not big bucks. If you are talking about hundreds of millions, then the balance of advantage shifts very decisively in the other direction.

**Q102 Lord Inge:** Can I just make a comment about that? Lots of headquarters stuck around the place, with nothing to command and nothing to do, are actually a waste of money. You have to be very careful about designing headquarters that then do not actually have a role to train for and practise.

**Professor Malcolm Chalmers:** Absolutely. As I say, the case for an EU operational headquarters can only be justified if it is linked into the existing and reasonably foreseeable missions that CSDP would have, not hypothetical scenarios in which there is a major conflict that we would normally expect NATO to take the lead on.

**Professor Anand Menon:** There is a tendency among some EU member states to think that if you create an institution you solve the problem. That is a real issue. There are limits to what an EU military headquarters would do because, as far as I can see, the Polish plans on the table are for a very limited headquarters. But I would say several things. One of the problems that EU missions have had to date is the planning for them tends to start rather late in the day. The reason the planning starts late in the day is that it is only once a national headquarters has been chosen—be it Potsdam, be it Northwood—that those people start planning. If there were an EU headquarters, planning for missions could start as soon as a political discussion is started in Brussels about whether we should intervene or not, and that strikes me as a good thing. This is something we will come back to in question 7, but an EU headquarters would also allow for better integration of civilian and military elements, which is a real problem for EU missions at the moment.

I must admit I find the arguments that the British Government has marshalled against the headquarters to be particularly flimsy. I do not find them compelling at all. On the other hand, I do not think a headquarters would make an enormous difference but it would make some difference at the margins in terms of EU efficiency and, almost as important as the military efficiency argument, it would have been an excellent opportunity for the United Kingdom to make a political gesture. Because one of the most damaging things—and this goes back to an earlier answer—for CSDP at the moment is for the large member states to look like they are disengaging. That really will be the death knell for CSDP. If, as I think is the case, we desperately need our partners to do more and if, as I also think is the case, the best way to do this is through a European framework, our continued engagement and practical signs of our continued engagement are very important and a headquarters would fit into that.

**Q103 Lord Sewel:** Lord Teverson and I are two representatives from the Lords on the parliamentary monitoring group associated with the Anglo-French treaty. The thing that struck me most forcefully at the first meeting was that our French parliamentary colleagues saw very clearly that the treaty, and the association of the two countries, was a way of protecting the defence industries of those two countries. That was the overwhelming view that came across as the number one priority at the first meeting. Things have nuanced since then, but that was most explicit. The question is: if EU countries move into closer military collaboration in clusters or larger groups—a series of bilateral rather than multilateral groups—would their different defence industrial policies pose a problem?

**Professor Malcolm Chalmers:** The short answer is yes. There has been a lot of discussion about small clusters within the European Union and UK-France is the leading example, but

we are also talking about co-operation between Nordic countries or between the Czech Republic and Slovakia or between the Baltic states. UK-France is in a different league in that respect because both our countries have very significant defence industries, and, there are also quite strong similarities in our strategic cultures in terms of a willingness to deploy force outside Europe, albeit different spheres of influence historically. An area where we may see as a priority and an important interest may be one that France does not, and vice versa. Both on the operational side and the industrial side there are some real obstacles to moving forward.

Of course, one of the drivers for pooling and sharing right now is the significant reduction in defence budgets that is happening in most NATO member states. There are one or two exceptions, but most states, certainly including the UK and after the presidential election France, I suspect, will be driving down their defence budgets at quite a sharp pace. Pooling and sharing is seen as one of those means for mitigating the effect of that capability, but you cannot make savings without reducing headcounts and without reducing costs at one level or another, whether it is reducing the size of your armed forces or your civilian employees, your basing infrastructure or the costs of acquisition. But as soon as you come up with specific examples of ways in which the UK and France might pool capabilities or, indeed, acquire things in a more efficient way, you come right up against the interests of particular countries.

Let me give you one radical example I have heard, which is probably not on the agenda at all but it is a good illustration of some of the problems. I have heard people say, “We have overcapacity in the shipbuilding industry in our two countries. Why do we not have a situation in which one of our two countries specialises in building submarines and the other specialises in building surface ships and we will buy each from each other?” You can imagine the cries of anguish from the relevant constituencies in both our countries, but even if you were to have such an agreement there would be a real risk, or certainly a perception, that if, for example, the UK specialised in submarine construction and bought its surface ships from France, we might end up only buying submarines from our own budget and the French might do the same. So you would have to have some really complicated *juste retour* mechanism to ensure that we had long-term equipment plans, agreed with each other to ensure that it was equitable and balanced.

The very nature of the financial situation we are in now is that no Treasury or Ministry of Finance in any European country is going to fall for that, so there are some very serious obstacles to moving very far in this direction. That is not to say at the margins there are not things to be done, but I am a bit of a sceptic about the ability for pooling and sharing to generate significant savings.

**Professor Anand Menon:** I agree with all of that, and the only thing I would add is that I do not think, in this day and age, you can encourage defence companies to adopt certain strategies. Picking winners and creating European champions is a very old-fashioned policy and I do not think it is one for us now. Defence companies will be ruled by the market, and quite rightly. If they want to do well and to continue to profit, that is what they should be doing, so I do not think there is any scope for us trying to steer them in a certain direction.

**The Chairman:** Lord Sewel, do you want to move on and do the next one?

**Lord Sewel:** Do you want me to become Baroness Bonham-Carter?

**The Chairman:** Probably the public would not understand that or might understand it incorrectly, so let us go on to question 7.

**Q104 Lord Sewel:** Yes. How do you see the EU's military missions developing? Would their usefulness be increased if military and civilian elements were combined more often in one operation, and how important are executive mandates in setting up missions and should more use be made of them?

**Professor Anand Menon:** One of the striking things about CSDP is how they no longer have missions. It has been a long time since a mission was authorised and it is not clear when the next one will be. So, after the first flurry I think we have reached a real period of calm now in terms of the willingness of member states to deploy their forces on EU military missions. There are issues when it comes to combining civilian and military elements. Those problems arise in Brussels where there is a difficulty in getting the relevant institutions to work together closely enough or well enough at the planning stages. They also occur on the ground, and I have spoken earlier about the difficulties in getting civilian capabilities as well as military ones. I think the EU has currently under 200 police trainers in Afghanistan and the target was only 250. We have never reached that target. Was it 300? We are well short of whatever the target might be.

**The Chairman:** We were told by our government officials that it was not a target; it was a planning assumption or something like that.

**Professor Anand Menon:** I would not be in favour of the idea of training and expecting soldiers to undertake civilian tasks. I suspect if you talk to NGOs or aid organisations, as part of your evidence, they would be very strongly against it as well because of the massive problems we have had in places like Afghanistan of aid workers becoming targets because they are identified too closely with the military. Indeed, there is a real case for keeping those two arms very separate in order not to undermine the efficiency of the civilian work going on.

Again, at the risk of being boring and repetitive, the issue here is not an issue of Brussels institutions, it is an issue of whether member states are willing and able to deploy when the need arises and at the moment that is the fundamental stumbling block. Issues like executive mandates, which are very specific, will depend on political agreement to deploy in the first place and at the moment I find it very hard to see that agreement forthcoming. Many member states will be reluctant to incur the expense, whether or not they actually manage to find issues on which they were all equally committed.

**Q105 Lord Inge:** Can I just make a comment about the civilian-military relationship? I understand exactly what you are saying about it in Afghanistan. I think, though, that every operational deployment writes its own individual script and that relationship depends on the content of operations for that particular deployment. I do not think it is a black-and-white rule about that relationship.

**Professor Malcolm Chalmers:** The only thing I would add is that one common strand in a significant number of CSDP missions, so far, is the role of security sector reform as key to long-term stabilisation in countries. By its nature, that is both civilian and military because the security sector is not only about the armed forces; it is also about the police, the judiciary and the Ministries of Defence, and so on, and there you need a range of skills in order to make up a coherent mission. So we will continue to have that coming back because European countries, including our own, have substantial interests, particularly perhaps in sub-Saharan Africa, but we also have substantial development aid investments and there is a gap. Departments of Development in our various countries do not have the capability to deploy security forces to support their development objectives, so that is a niche that nobody else will fulfil if the EU or its member states do not.



**Q106 Lord Jopling:** You may be aware that over the years this Committee has expressed some exasperation over the lack of co-operation between EU and NATO and, of course, we are well aware of the reason that is always trotted out, namely the Turkey-Cyprus-Greece bloc. I wonder if you think that anything can be done to improve that relationship, given the problem of Turkey. If I can put a personal note into this, I have sometimes thought that the Turkey problem is used as an excuse by some people in Brussels, on either the NATO or the EU side, in not talking to each other and not trying to find ways of doing things around the Turkish problem. Do you not think that more could be done, given the Turkish difficulty, to improve co-operation between the two?

**Professor Anand Menon:** It is very hard to override or go round a veto exercised by a sovereign state that is a veto player in the organisation. It surprises me how little pressure is placed on Cyprus by other member states. It strikes me as absurd the degree of influence that Cyprus is wielding over CSDP within the European Union. The Greeks have always been irresponsible when it comes to Cyprus, right from the moment that they insisted that Cyprus should come in. Political pressure on the Cypriots could be ratcheted up, should the need arise, if there are other issues to be discussed.

Apart from that, it is very difficult. They have found informal ways of meeting, but I think you are absolutely right that some member states and some people in Brussels use Turkey as an excuse for saying, "We can't talk to NATO because it will be difficult because of the political problems." They are not insurmountable. There are ways of doing things informally and when the need has arisen they have found those ways of doing things informally, but it is a very difficult situation.

On co-operating to develop capabilities, they already do in the sense that NATO capability objectives and EU capability objectives are very similar. Both institutions suffer from exactly the same problem, which is that they cannot force member states to do things they do not want to do. I do not think there is any tension between the two institutions anymore and the more the United States moves in that direction the more true that will be. There is just this very parochial political issue in the corner and, short of solving the Cyprus problem, there is no obvious way of dealing with it, sadly.

**Professor Malcolm Chalmers:** I agree with you.

**Q107 Lord Williams of Elvel:** Can we talk a little bit more about pooling and sharing. What role do you see pooling and sharing military assets and capabilities as playing in developing Europe's military capabilities? What are the obstacles? Sovereignty? How can these be overcome? As a supplementary, do you see the UK-France arrangement—the two treaties—as a model that could be adopted for other organisations, other countries, other alliances, or do you see it as an obstacle to anything taking place beyond the UK and France? What role is there for the EU in all this?

**Professor Malcolm Chalmers:** Perhaps I can make an initial response to that very difficult question. Defence is still organised on a national basis and that fact is the fundamental obstacle to getting a lot of progress on pooling and sharing. It is partly about states wanting to maintain the maximum degree of national autonomy in their capabilities, which is particularly important for countries like the UK and France that have retained some significant degree of independent capability, but it is partly simply about the ways in which requirements are set that are fundamentally national ones. After all, defence budgets are national, not collective; the timescales are national, not collective. That is even before you get into the questions I have raised already about different industrial interests and different concepts of when military force might be used. In cases of countries like the Baltic republics

or the Czech Republic and Slovakia, which are new states and do not have long histories of independent operations, there is greater potential for pooling and sharing because in a sense they have not had a long history of military sovereignty, which is an obstacle to that. Clearly, there are a degree of industrial issues in the Czech Republic with Slovakia.

In cases like the UK and France, the scope maybe rather more limited, and from my perspective the greatest gains in the UK-France treaty come from the clear recognition that our interests are much more similar than sometimes we think when we discuss them domestically. We need to work much more together operationally, we need to train and exercise together, because in most scenarios we may have to deploy together. On the industrial side, clearly the agreement on hydrodynamic testing in relation to nuclear weapons is something that will save our countries a significant amount of money. So it is not as if there are not areas in which you can make savings, but I do not think you should overstate that.

**Q108 Lord Williams of Elvel:** Do you see that as a model for the rest of Europe, the UK-France arrangements?

**Professor Malcolm Chalmers:** No, I do not, because the UK and France are unique in Europe as being the two most capable military powers as well as the two larger powers who are most willing to use military force, but that comes along with a greater sensitivity towards the need to maintain national autonomy. On the one hand they have bigger budgets and there is more potential in theory but in practice they are more nationalist than some other countries, because the UK wants to have the ability to be able to deploy forces without asking anybody else, including the Americans or the French if necessary, and so do the French. In a way, that is part of the domestic politics of defence in our countries. The reason why our taxpayers and politicians are prepared to spend more on defence in this country than in Spain or Germany or Italy is because they believe those forces are necessary for British interests, not as a contribution to some collective good but as something that protects our interests. If we substantially reduce our ability for independent action by too much pooling and sharing, which really significantly reduced that ability, then I think the taxpayers would not be prepared to spend so much on defence.

**Q109 Lord Sewel:** It is almost a matter of reflecting back what you have said, in that in the discussion this morning there has been a degree of emphasis on individual member states, the interests of individual member states and the willingness of individual member states to deploy, which I thoroughly agree with. I think that is the starting-off position when it comes to defence policy and foreign policy. Given that—and this was mentioned at the very beginning by Professor Menon—there is no common view of the threat or threats, is pooling and sharing extremely risky, because the power of individual member states' interests will be greater than the obligations of pooling and sharing?

**Professor Malcolm Chalmers:** It depends on what particular example of pooling and sharing you are talking about. As I have said, for quite a number of the smaller member states who have a lot in common with other small member states, like the Baltic republics for example, I do not think there is a risk for them pooling and sharing air traffic control, fishery protection or whatever it might be. This is very pragmatic. But if you are talking about the UK or France, then we have to ask, in any particular example, whether this reduces our degree of operational autonomy. Would we prefer to have smaller forces we can use ourselves or slightly larger forces that we cannot? I think there will be a wariness about this in this country, as there will be in France.

**Professor Anand Menon:** Britain and France are relative novices at this. The Belgians and the Dutch do not have their own navy, to all intents and purposes, because their navies are so closely intertwined, so it would be virtually impossible to deploy a Belgian navy unless the Dutch were going along with it too. On the one hand this is a very rational response to straitened times and it allows you to do more for less. On the other hand you need to be fairly confident in your partner to pool and share to that sort of degree. When we were talking outside I mentioned that the Nordic states had a long discussion, when they said, “It is a bit silly for us to have several military academies; it is a waste of money and resources.” So they had a long discussion about this. They all agreed that it was silly to have more than one defence academy and the discussion stalled when they got to the question of who would close theirs. So we can all agree in principle with the need to pool and share; it is just that someone is going to lose out and someone’s capabilities will have to go and that is when it becomes difficult. Often Governments use the security argument to cover up what is essentially industrial policy. Defence policy is the last bastion of old-fashioned industrial policy, and we can legitimise it with the words “national security”, and Governments are not going to be quick to give up that kind of prerogative.

I think we should distinguish between two concepts. There is the concept of sovereignty, which is the legal right to take a decision—for example, Estonia has the legal right to protect itself against a Russian invasion. The other concept is autonomy, which means you have the ability to do it. Sometimes it is worthwhile giving up a degree of sovereignty if you increase your combined autonomy, and smaller states have been quicker to realise this than bigger states, but we are probably getting to the stage, even with Britain and France, where resources are very stretched, although there are real political constraints.

On whether the UK-French relationship is about pooling and sharing or whether the relationship is an obstacle to CSDP, it depends whether you see it as defined in contradistinction to CSDP. There I think you would get very different answers in Paris from the ones that you would get among some people in London. Some of Liam Fox’s newspaper articles around the time of the treaty made it abundantly clear that this was a far better way of doing business than doing it through Brussels. I think if you talk to policymakers in Paris, they will say that this is a way of drawing the British into CSDP.

**Q110 Lord Sewel:** When it comes to significant deployments, does pooling and sharing raise the prospect of a whole series of individual vetoes?

**Professor Anand Menon:** Yes, if you pool and share to the degree that the Belgians and the Dutch have. Pooling and sharing is a sort of medium step along the road towards full military integration. There are many steps that can be taken first. One is simply that member states could share information better, and this is where part of the question is about the role of the EU. One of the things the EU can do is facilitate the transfer of information between member states, because one of the most striking and sad aspects of defence restructuring over the last two years is how profoundly national it has been. Member states have not even bothered to inform each other, in many cases, about the sorts of restructuring that is taking place. It seems to me that if we are 27 member states that are part of an organisation, it would make sense to talk about what we are cutting, just to make sure we do not all cut the same thing and to make sure that what we are doing is complementary.

**Professor Malcolm Chalmers:** If I can add to that, it depends on whether the country in question is seriously contemplating the use of its forces outside its national territory without the co-operation of others, and most NATO member states are not contemplating that. They will only deploy outside Europe as part of a collective operation, so that a pooling and

sharing risk is much less than it would be for countries that do have that perspective in mind.

**The Chairman:** I have on this question both Lord Jones and Lord Inge, if we could keep it fairly snappy from both. Thank you.

**Q111 Lord Jones:** Here comes the snap. The fundamental point was made about defence policy and industrial policy being very tightly connected, and it came to mind that BAE is virtually the last remaining employer of tens of thousands of highly skilled workers, which is something that these two Houses of Parliament never forget, even when they are not discussing defence policy. We know that BAE recently—that is to say five or six years ago or more—pulled out of civilian air construction and looked across the Atlantic. Now the market for orders in North America is shrivelling. When you consider as policymakers, when you look at the policy you make for the medium term, what do you think the future is for a company such as BAE? Has it made the right call and, in terms of military-industrial policy, is it going to be viable for the decade or so ahead?

**Professor Anand Menon:** I am thoroughly unqualified to answer that.

**The Chairman:** That is a reasonable answer. We will accept that. We would never do that on our side but you are allowed to do that.

**Professor Malcolm Chalmers:** I am not sure if I am anything but marginally more qualified than Professor Menon to comment on questions of industrial company strategy. I certainly do not understand the totality of BAE's business. What I would say is, from a national defence perspective, having a situation in which you are entirely reliant on foreign sources of equipment does pose certain operational risks, in the short term in ensuring supplies during operations but also in the long term in being able to develop new technologies. We are in a world in which the medium and long-term future we see is very murky and new risks could emerge. One of the things we need to do as a country is ensure that we remain near the front of the curve in terms of the development of new defence technologies, and that is an industrial issue as well as an operational issue. So we will never be completely self-reliant in defence technology. It would be ruinously expensive to try to be so, but there is a balancing act here to be had and that does involve talking to major defence companies, such as BAE, but also all the others who are represented in our turf.

**The Chairman:** We will be talking to the defence industry later on in this inquiry.

**Lord Inge:** I suppose mine is more of a comment than a question. In justifying defence expenditure and the capabilities that you need for that defence expenditure, I cannot see any other way than you have to have some form of a threat out there that people understand and believe in. If you do not have that threat, it becomes very difficult to justify across the spectrum of conflict and the sort of armed forces you are talking about. Perhaps I may tell you a silly story, which I am afraid this lot have heard before. I moved down the road from being the Corps Commander to the Commander-in-Chief the day the Berlin Wall came down, and the first thing I did when I got to my new offices was to get on the blower to the brigadier responsible for intelligence. I said, "What, David, is the threat?" He said, "Commander-in-Chief, it is multi-directional and multi-faceted, which means I do not have a bloody clue where it is coming from." That is our difficulty at the moment for defence expenditure.

**The Chairman:** All right, we will take that as evidence, Lord Inge.

**Q112 Lord Radice:** Field Marshals can make comments. On battlegroups, are they a good idea in principle? Secondly, how have they worked out in practice? Could both Professors comment on that?

**Professor Anand Menon:** They are a very good idea in principle because they allow the European Union to do exactly what it has always said it has wanted to do, which is deploy quickly and prevent conflicts outside Europe. A battlegroup has never been deployed as yet and there are various reasons for this. Their battle-readiness varies. Back in 2008 the UN Secretary-General came to the European Union and asked for the deployment of a battlegroup to Darfur where problems were escalating. There were two battlegroups on standby then and they showed some of the problems inherent in them. One was a German battlegroup. The Germans were not about to send their troops to sub-Saharan Africa. The Germans are even more unwilling to use battlegroups than other formations because common costs, which I talked about earlier, are higher for battlegroups than for non-battlegroup deployment. So the Germans do not like battlegroups for that reason.

The British battlegroup—and this shows the other problem—that was there on paper was not really there to be deployed because it was made up of troops coming back from Iraq and about to go to Afghanistan and there was no way the British Government, even though we said it was there and ready for deployment, was going to send those troops. So quite often battlegroups are fictional. Member states say, “We have lived up to our commitments,” but the troops are not in a position to be deployed anywhere and this varies.

There is a trade-off when it comes to multinational organisations. On the one hand the more member states that are in a battlegroup the more politically legitimate it looks, so you have that cover of multinationalism. The other side of the coin is the more member states that are in it the more problematic deployment gets politically. So the Nordic battlegroup has had to carry out exercises under an assumption that the Irish might not be able to make it, which just makes planning a lot trickier. In a sense, you create a battlegroup but you immediately start unpicking it because one member state might have political problems when it comes to deployment.

I feel reluctant to say this sort of thing in front of Lord Inge but, from a military point of view, having these small force packages ready to go makes perfect logical sense given the nature of some of the security threats we now face. Doing them in this kind of multinational way, with all sorts of member states desperate to tell their publics, “We’re in a battlegroup,” whatever that might mean, means that in reality it becomes very difficult to deploy. That is the tension at the heart of them for me.

**Professor Malcolm Chalmers:** All I would add to that, with which I agree wholeheartedly, is that perhaps the battlegroup concept has its greatest purchase on smaller states that otherwise would not be planning for deployments of this order of magnitude. For the larger states we are doing it anyway, and therefore it makes less difference to what we do, but for a country like Sweden, for example, having that as something to aim for can make a real difference to how they plan. They can add additional capabilities that they might not otherwise have acquired. Like a lot of what we are talking about under this broad heading of CSDP, we are talking about things at the margin that provide marginal but useful capabilities, which add to the spectrum of things that can help us pursue our security objectives. This is not a radical, new element in the security landscape; it is an incremental but useful mechanism.

**Q113 Lord Jopling:** Looking back to when CSDP was ESDP, when the thing was first set up, the original conception was that it would only operate where NATO did not want to.

Therefore, if that is still true, which some of the evidence we have had is that it is, are battlegroups relevant at all? Professor Menon has told us they are desirable, yes, but are they relevant?

**The Chairman:** I am going to add to that. Do you see a circumstance where they would ever be deployed? Are we saying this is not going to happen in reality?

**Professor Malcolm Chalmers:** It is possible that they will deploy, yes, and I think you have seen in the DRC there was a significant EU involvement there before battlegroups came up, and might possibly be in future. There might be a deterioration in circumstances in eastern Congo that, for whatever reason, European states are worried about more than the United States is and we might want to have the capabilities available—perhaps post-Afghanistan where some assets have been released—in which we say, “Yes, let us have a go.” It will not be exactly the battlegroups that we have on standby; there might be a rearrangement of some sort.

In the Darfur example, I am quite glad we did not deploy European forces to Darfur at that particular time but one can imagine future emergencies of that sort in which the UN says, “We really need some higher quality forces on the ground to stabilise the situation in some country,” and the European states say, “Okay, we are up for it,” or the Americans say to the Europeans, “Look, we are doing enough in X. We would like you to take a bit of the burden and do Y.” So it is useful to have these options in our locker, even if we never actually use them. Given the security situation in many of the areas neighbouring Europe, it is entirely possible that there will be some areas in which we will want to deploy forces of this order without the United States being in a leading role.

**Q114 Lord Jopling:** Is that rather vague possibility worth all the effort?

**Professor Malcolm Chalmers:** The nature of security policy in today’s world, and the headline of the Government’s National Security Strategy, is coping with an age of uncertainty. We are not in an age in which there are clear large-scale security threats staring us in the face, around which it would be easy to organise our capabilities. We do know that our defence planners in the MoD have dozens of scenarios for possible conflicts, in which the UK forces could be involved in the next 20 years, for which they need to make some contingency planning—the European Union similarly. Most of those are of a relatively small scale but we still need to prepare for them. So it is vague and uncertain. I would not want to go back to the time in which we were facing one large existential threat, as we did during the Cold War, but it still needs significant investment.

**Professor Anand Menon:** Very quickly, I think the battlegroups are far more suitable for the EU-NATO relationship than the previous headline goal, which did raise questions about whether the EU was planning to step on NATO’s turf. They encapsulate that sort of central paradox of defence funding: we can see the need to have these things but let us hope we never have to use them. Given the sorts of threats that we face, they seem quite well adapted if they could be made to work. As for whether they will work or not, I think they could work. The Swedes are falling over themselves to deploy their battlegroup because they have to justify the spending to the Finance Ministry for creating the thing in the first place. So what the European reaction will be will depend on which particular battlegroup is on standby at any given time.

**Q115 The Chairman:** It is rather a roulette of international security. Before we finish, let me ask one thing that we have not covered in this inquiry before. Professor Menon, I know that you mentioned in one of your papers the use of permanent structured co-operation. I

do not want to go on at any length but perhaps you could just comment as to whether you think this is a route by which European security policy could be more effective, or is that as dead as some people might say the overall policy is? Could you briefly comment on it? Perhaps Professor Chalmers may want to come in.

**Professor Anand Menon:** If it worked as is laid out in the treaty it would be a fantastic idea. It is almost a convergence criterion for defence, although that had limited success, as we are now seeing in monetary union. What it says is, “You can join permanent structured co-operation but your performance, in terms of capabilities, will be monitored by the European Defence Agency and unless you get the requisite capabilities you will be thrown out as a result of a decision by the European Defence Agency.” As that stands, that strikes me as very sensible because it makes use of, first, the desire of states to be in and, secondly, the fact that you use institutions to make sure they live up to their commitments. It seems to me the problem is that that will never happen. The European Defence Agency does not have the teeth to come out with that sort of recommendation and so the danger is that you end up with token groups that do it for political show and it does not improve anything in capability. So I suspect it will not be all that effective.

**The Chairman:** Professor Menon and Professor Chalmers, thank you very much indeed for a slightly longer session than we normally do. That has given us a very good, wider perspective on these issues and some quite different answers from some of the ones we have had in the previous sessions, which is extremely useful to us. We will send you the transcript and hopefully the final report as well. Thank you very much indeed.

Ms Xenia Dormandy, Chatham House – Oral Evidence (QQ 71-90)

**Ms Xenia Dormandy, Chatham House – Oral Evidence (QQ 71-90)**

[Transcript to be found under Dr Dana Allin, International Institute for Strategic Studies](#)



**Mr Etienne de Durand, Institut français des relations internationales - Oral Evidence (QQ 291-313)**

*Evidence Session No. 14.*

*Heard in Public.*

*Questions 291 - 313*

THURSDAY 24 NOVEMBER 2011

Members present

Lord Teverson (Chairman)  
Baroness Bonham-Carter of Yarnbury  
Lord Jay of Ewelme  
Lord Jones  
Lord Jopling  
Lord Lamont of Lerwick  
Lord Radice  
Lord Selkirk of Douglas  
Lord Sewel  
Lord Trimble  
Lord Williams of Elvel

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**Examination of Witnesses**

**Dr Christian Mölling**, German Institute for International Security Affairs (SWP), and  
**Etienne de Durand**, Institut français des relations internationales

**The Chairman:** Monsieur de Durand, welcome. You can hear me and see me hopefully.

**Etienne de Durand:** I can, yes.

**Q291 The Chairman:** Thank you very much for joining us and, Dr Mölling, let me thank you as well for coming over to see us. Let me start the public session. Can I just remind everybody that this is being webcast? It is being publicly recorded. We will be taking a transcript and that will be distributed to both of you so that you can check for any mistakes that we have made in terms of that recording and have them changed. Just for the public record, this is one of a number of evidence sessions this Committee has taken looking at EU military capabilities. We are hopefully coming towards the end of that process. We have been on a visit to Brussels where we met EU staff, EEAS staff, NATO and some of the military members of the committee out there. We have also talked with Government, Foreign Office and Ministry of Defence personnel here, plus one or two people from think tanks, and we have heard American opinion as well. We are looking forward very much to perhaps a more continental Europe perspective today. I think you have a reasonable idea as

to the sort of questions we are going to ask. I notice that we have, in fact, directed some of them specifically at individuals but we would be very keen if either of you had comments on questions that have been more targeted at your colleague. I will leave it very much up to you whether you want to intervene on all the questions. Is that fine? Mr de Durand, you are okay on that? You can hear me okay still?

**Etienne de Durand:** Yes.

**The Chairman:** Right. Well, perhaps I could start off and ask the question more broadly that when the CSDP—of course, it was then the ESDP—was launched in 1998, it was very much the intention to give European member states an incentive to improve their military capabilities and the ability to use force in situations where the United States and NATO decided not to act. It was obviously, of course, because of an inability of Europe to intervene effectively in the Balkans at the time as well. Has the EU through its institutions, such as the EDA, and its capability drive, such as the Helsinki Headline Goal, had any measurable effect on collective defence capabilities in Europe and are member states any better prepared than they were in 1998 to plan and conduct a military operation without NATO's involvement? That is a long question but I think it covers a lot of the basic issues that we are going to move on to later. Perhaps Dr Mölling first and then we will move over to Mr de Durand.

**Dr Christian Mölling:** Yes, thank you, Lord Chairman. Let me give a straightforward answer to this. I think yes, it has improved. The question is: was it a significant improvement or not? Let me start with three general observations on the whole issue we are talking about this morning. First of all, CSDP is what member states make of it, quoting a very brilliant PhD dissertation on this issue. Secondly, we are always talking about the single set of forces, so what happens in CSDP in terms of military capabilities, 99% happens in NATO as well, as long as it is concerned on the European continent. Thirdly, I think it is very important to take into perspective what the future of Europe will be, and I would especially emphasise what the future of Europe is and not the future of NATO or the European Union. Europe as such will be without the US to some extent, and this leaves us with certain very important questions whether we are part of NATO or whether we are part of the European Union, or part of both.

As I said, I think there has been an improvement. Capabilities are or can be defined in, or broken down into, three different dimensions, which are the concepts behind the capabilities—why do we do these capabilities?—the institutions to generate them and the resources at the end of the day that we have to invest to generate things. What has improved is the coherence of our contacts in the European Union. We know to some extent at least and we have a picture of why we do capability development, what for, and we have shown that this has been successful and led to some outcomes. You mentioned the institutions, especially the Defence Agency, which is one of many. They have led at least to the sensibility that we have a capability gap, and now we come to the bad end of the story: the majority of Member States have not been willing to invest significant resources to close these gaps at the end of the day. This, as I said, applies to the European Union as well as to NATO.

With special regard to the European Defence Agency, I would say it has delivered, but only as far as member states allowed it to deliver. It delivered on a pragmatic level—it has even been acknowledged by members of the political sphere of the UK—but only, let us say, to operational needs like helicopter training. All these things are quite nice and help for a moment, but it does not have a long-term impact at the end of the day. The long-term impact is still down to the Member States. To have a significant impact in the future the Defence Agency or any kind of international body would have to have bigger projects to

influence, to really have a significant impact on the current structure that we have. But, as I said, this is up to the Member States. Just to make this clear, the Defence Agency is about 120 people. Even if you think of it sometimes as being a monster, it is so small it cannot influence. My MoD in Germany is 3,000 men and women in service. I think in terms of size one should not be afraid of the Defence Agency.

**Q292 The Chairman:** Thank you very much. Mr de Durand, would you like to answer that?

**Etienne de Durand:** Yes. I think it is fair to say that there is a slight misunderstanding about the issue. Let me put it this way: ESDP as it was originally conceived was not designed as European defence and certainly not for collective defence because obviously NATO was in charge of that. It was rather thought of as a crisis management tool. This is really what it was in light of the 1990s and the US refusal to get involved in Bosnia. This is really the origin of ESDP. Accordingly, ESDP was mainly tasked with the so-called Petersberg tasks, meaning peace enforcement, crisis management and stuff like that, not hard defence, and certainly not the high end of defence. Even though the French were the biggest supporters of ESDP, it was only regarded as a first step towards creating a European defence.

If you ask whether collective defence capabilities improved across Europe through ESDP, the Headline Goals, the battlegroups and stuff like that, I think it is fair to say no, they have not, and they have not because at the Member State level we have seen a stagnation or decline of defence expenditure and this is really what is driving the whole thing.

By the way, following the same logic, NATO also has failed to adequately prepare its Member States to collective defence missions, certainly over the past decade. Because Member States have been absorbed by Afghanistan and counterinsurgency, they have tried to adapt and to have forces that were easier to project, et cetera, so all that has absorbed a lot of energy with stagnant or declining budgets. I think this is where we are now.

If, on the other hand, ESDP is regarded as it should be—not as European defence but primarily as a tool for low-level crisis management—then I think it is fair to say it has been rather a success. It has cost very little, it has been made of small-scale operations—most of them have been rather more successful than UN operations, for instance—and it has allowed us, the active countries in Europe, to bring along countries that were very remote from military operations and have been so for decades. We have brought the Irish to Africa or the Austrians—really unlikely partners for such external operations. In that respect, I think ESDP operations have ensured a degree of convergence among the very diverse military institutions of Europe. In that sense, it is a success, of course. On the other hand, you could also point out that the big countries really have taken the lion's share of the operation. For instance, for operation *Artemis* in 2003 the French were providing 80% of the military resources. But still, I think it is significant that after some time some militaries in Europe have become more operational thanks to ESDP operations, but we are not talking of collective defence.

**Q293 The Chairman:** That is very useful indeed as an opening. Perhaps I could just ask both of you if you could comment on one of the things that we looked at at the beginning of this inquiry, which is the issue of what were the threats to the EU and to Europe. In a way, a security and defence policy should be a reaction to those. I just wonder whether you could give us any insight into how you feel the threats to Europe and to the EU have changed over the 13 years of this security policy and whether that has had any effect, positively or negatively, on what has happened in between. Perhaps I could ask Dr Mölling first.

**Dr Christian Mölling:** Yes, I can give you a very short response on this. I think first of all it is quite important to talk more about risks than threats. It is always difficult to make a clear picture as we had it some 20 or 30 years ago. That was an easy time. You have heard about this, I guess, as well. Risks always mean that something is missing to make a clear judgment. You have an action but not a capability or the clear intention or you have intention capabilities but you do not know who is behind the whole thing. This makes it very difficult and very fuzzy and very unpredictable in terms of what capabilities you need. Even capability-driven approaches have their limits to all these things, and we have seen that military force has its limits to current threats of our acquired and necessary values that we want to protect.

Still, I think it is necessary to turn around and see that there is a role of military force that is part of your portfolio of gaining or having and preserving influence to implement your strategic interests. I think this is still quite a different understanding in Europe on the use and utility of military force. Some still think of territorial defence, where Germany is always on your side; Germany may well not always be on your side if you think about protecting your strategic interests all over the globe by the use or by the display of military force. I think this is quite an important distinction to be made where also then capabilities are not there or not made available to one or another.

**Etienne de Durand:** Indeed, it is a very broad question that you are asking, Sir. I think it is fair to say that the spectrum of threats is a very large one today. I concur that we should probably speak of risks rather than threats because we do not know when and how exactly they are going to materialise. However, I think it is also fair to say that we are no longer in the 1990s and we can no longer assume that it is just disorder, chaos and a few hostile non-state actors. Even though all that still remains—it is part of the picture all right—we have to take into account the fact that western military superiority is slowly but surely eroding through a host of factors. Military and defence spending certainly comes to mind but it is not the only one. It is also diffusion of advanced technology, for instance. We have to keep that in mind, not just for today but certainly for 10 or 15 years down the road. Finally, there is everything that is connected to proliferation, which unfortunately will probably accelerate in the near future, especially if Iran develops an overt and operational nuclear military capability. All that should be taken into account when one is trying to picture the full array of threats that might affect European security in the near or medium-term future. If the question is whether there is something that we can safely not take into account so as to lessen the financial burden in the crisis – for instance can we assume that in the future we will not do counterinsurgency and stability operations again or can we assume that we will not need air superiority and stuff like that, my short answer would be no. There is no such assumption that can be safely made.

**Q294 Lord Lamont of Lerwick:** I wonder if I could just follow up with Dr Mölling—possibly Monsieur de Durand might comment—on the motives for CSDP or ESDP. You, at the beginning, referred to Europe being without the US. We had public evidence from Nicholas Burns of the State Department, in which he strongly denied there was any danger of this happening and despite the move of focus to the Pacific made it quite clear that the United States regarded NATO worldwide as the most important alliance that they had. So this is strongly denied by the United States. Secondly, there is always the danger that by forming a defence capability that duplicates some of NATO you cause what you are saying you fear to happen. Is the motivation for a European defence dimension really based on a fear that the United States might desert, so to speak, Europe or is it because it is thought appropriate that the type of Europe that is developing ought to have a defence dimension?

**Dr Christian Mölling:** Let me say it this way. The US will, of course, always and still be engaged when they see that a strategic interest is in danger and they, of course, still have a strategic interest in Europe and in a stable Europe and in a stable geographical and geopolitical environment surrounding Europe. But Libya made clear that the US said, “Look, this is not our strategic interest. We do not bother at all about this.” I read what Mr Burns said. I can only say or can only refer to what Mrs Clinton said; she said that the turn towards Asia comes at the expense of Europe, so it is a zero-sum game from their perspective. There is some rhetoric behind this. The US currently needs the Asian, especially the Chinese, threat—it is like the Sputnik shock that you need. You need to turn around your machinery. You have to gain some budget or at least to preserve some budget levels. But still I do not see the threat of or the danger that we duplicate something. The question is basically how you assess the signs of Libya—whether you assess it as, “This was the last call”, or whether you say, “Okay, we still get the US engaged if we need them to get engaged because they did it in Kosovo, they did it before”. Is it a turning point or not? Is it a game that we can win or that we cannot win? I would start no longer betting on the US if it comes to very, very small scenarios like Libya or some other small and dirty things. They are always convinced to say, “Look, you do it on your own or you do not engage in it”, but start to invest in it. You heard all the arguments. They think, rhetorically at least, that we live on their expenses in terms of defence expenditure, so the US is subsidising European defence. As I said, there is some rhetoric in it but there is also some truth in it. I think in terms of fair burden sharing, which has always been the issue of NATO, there is a reason to start thinking about it; if you take a look into the fiscal situation of the US, it is not necessarily better than the European situation currently. They have to say they are in the same situation as we are, so there will be a decline in the US as well and they have to reshuffle their engagements also in terms of capabilities.

**Etienne de Durand:** Yes, I completely agree with that. The point is not that the US is about to leave Europe once and for all. The point is that they have to make choices now because of financial pressures, after a decade of war, with a military machine that is fatigued, let us put it that way, and the fact that they cannot possibly pay to recapitalise their force structures to the same level as previously. They will have to make choices for the first time in a very long period. They will have to face very crucial choices in terms of force structures. We are used to it in Europe, but for the US it is almost a first.

From their perspective, there is no big threat on Europe and also the Europeans do not really provide—I know all the nice talk about NATO, but the reality is that the Americans have been cruelly disappointed with Europe’s overall military performance over the past decade, whether in Afghanistan or in Iraq. When I say “performance”, I mean both capabilities, numbers of troops provided, but also willingness to use them and the problem of political caveats, which make it extremely difficult to use some European military contributions in a militarily coherent way. I remember that from Afghanistan a few years ago when I was there, from a US point of view “the rest”, as they called it, provided three brigades while the Americans were providing eight of them. It is not as if we were taking care of half the burden—it was barely a third of the burden—because they also had to plug the military gaps that all our force structures have in terms of surveillance, intelligence and air-to-air refuelling. We have seen that in Libya and in close air support in Afghanistan, and so on. We do not deliver that much from a US point of view and we are no longer under an existential threat. I am not saying they would not show up if an existential threat were to materialise, but to do crisis management because it serves a European interest is not something that should be taken for granted on the US side any longer. I think Libya from that perspective certainly is the future.

I should also add that they want us to get our act together. They no longer care about theological questions like NATO versus ESDP versus any other way or institution or framework. They do not care about all that. All they want us to accomplish, and especially the big nations of Europe—the British, the French and the Germans certainly—is to get our act together and to remain at a minimum level of capabilities and, if possible, improve those capabilities. This is what the Americans are interested in, much more so than the vehicle itself, the institutional vehicle, whether it is NATO or ESDP. They have dropped the arguments regarding ESDP duplication. All that belongs to the past, really. Frankly speaking, Madeleine Albright's famous "three Ds" is no longer I think the issue. The issue is whether significant military capabilities, will be left in Europe in five to 10 years from now after the worst of the crisis is behind us. This is really what the Americans are wondering about.

**Q295 Lord Jopling:** As for whether the United States is not particularly interested in the relationship between EU and NATO, I want to come back to that because it is a relationship that needs clarification. Of course, this Committee is well aware of the difficulties in that relationship caused by the Cyprus/Turkey situation. We know about that. Coming back to the Lord Chairman's first question, where he reminded us that when ESDP was founded the clear understanding was that ESDP would have the ability to use force when NATO decided not to act, do you see that clear distinction between EU and NATO as still being a concrete factor or do you believe there has been some alteration at the edge between the two? Do you think that in the years since 1998 the two have duplicated each other? I wonder if you could speculate on what the future relationship might be between EU and NATO and tell us whether you feel there are things that the EU can do with its civilian non-military arm compared with what NATO can do, which is almost entirely a military dimension.

**Dr Christian Mölling:** Thank you for the question. I think NATO's role has been in the past and will be in the future especially the role of Article 5. That is for sure and I am very glad that this will be the future, or I hope that this will be the future. The Chairman already mentioned that the European Union came from a completely different perspective or different train of thought when it developed its crisis management capabilities. At the end of the day, for the historical part I do not see any duplication at all. For whatever reason it has not taken place, whether it was because Madeleine Albright said it or because Member States do not tend to waste resources in international organisations. They have the tendency to waste resources at home but they do not waste resources in international organisations. They are very afraid of these things and of giving too much money to joint endeavours at that point.

I think that the future will see that there is less difference between the European Union or CSDP and NATO, but it is, as I said, between Europe and the US. This is the growing distinction, and all the goods and the bads that you have with the US. There is also some kind of policy influence the US traditionally had on Europe that may now be gone, so there are some limits or borderlines that now are open—so there is some space to be filled, some new ideas to be introduced. It is about children growing up to some extent, I would say. At the end of the day, it is what the European Member States make of it, and as NATO turns more European I think there is a role for the European Union besides CSDP that is quite important, which is the role the European Commission already provides to defence and security areas, which are industrial policies, technology policies, market policies. Like it or not, at this part there is already an influence by the Commission and I guess we will see more of this. It is also that the European Union provides the Europeans, those who can participate in it, with the ability to use structural policies for their wider foreign policies, be it development or be it trade. If you are able to handle this, you of course can do more than

NATO can do. NATO of course does more than military issues; it is also a political organisation. Whether we will see that NATO turns into a civil-military organisation because they are going to possibly build up a civilian planning capability is still to be decided, but this may lead to duplication with what the European Union does in their CPCC—the Civilian Planning and Conduct Capability unit. But at the end of the day, if it comes to operations also on the civilian side it is down to the Member States. The Member States provide also the civilian personnel for CSDP missions. They are also down, not to some 40 guys in CPCC, but to the thousands in Europe to provide the necessary civilian means to make also these operations successful.

**Etienne de Durand:** From my perspective, duplication is inevitable. However, the worst duplication does not take place at the institutional or multilateral level between the EU ESDP on the one hand and NATO on the other. The real duplication takes place, of course, at the national level. Every small military in Europe still has a headquarters, military administration, and so on. A lot of functions that are redundant with other militaries in Europe, even though the staff of the small militaries in Europe are sometimes barely smaller than the troops the staff are supposed to command. The waste of money is there and the only way we can escape that would be by creating a unified military. In that way, it would be possible to reduce redundancies in a dramatic way and save a lot of money. But of course we are not going to do it, so I do not think duplication is that much of an issue.

Moreover, ESDP/CSDP has remained fairly small in terms of staff. In all fairness, of course, ESDP has tried a little bit to move up the chain of operations, so to speak, moving towards hard defence and other high-end missions. The French have supported moving in that direction in past years, but this policy has not been supported in Europe and ESDP and it has remained very small. When you look at the permanent staff, the structure, it is extremely small, especially when compared to NATO. If you are looking for fat to get rid of, of course NATO is the prime target. All the Member States have recognised that and especially the UK and France and a few other countries have been at the forefront of reforming NATO. We are trying to trim it by 25% and bring down the size of the permanent headquarters in NATO. That should be the beginning and certainly not the end of NATO reform because NATO has been configured for Cold War militaries that no longer exist. The real fat and waste of money is in NATO today, certainly not in ESDP.

Now, regarding the future relations between those two bodies, frankly speaking, each is trying to move on to the other's territory to some extent. NATO has been talking a lot about energy security and other kinds of civilian missions, whereas ESDP has tentatively tried to do more than just peacekeeping. In a way, it is unavoidable because we are talking about bureaucracies and bureaucracies naturally tend to look for missions and things to do. Especially now that NATO will leave Afghanistan, and given that at best Afghanistan will not be a success and might very well be a resounding defeat for all of us and for NATO, NATO has to find another *raison d'être*—it is as simple as that. That is why they are talking of Global Commons and energy security and new missions like that.

Regarding the civilian missions, the EU supposedly is able to garner, to organise and to use civilian capabilities—and by “civilian capabilities” I mean police forces, judges, civilian experts, et cetera, and, of course, money—that are organic to EU Member States or even the EU itself. I am thinking of the European gendarmerie force. Of course, the EU can do all that, whereas NATO cannot really do it because it is a political military institution with no organic civilian capabilities. Now, some people would like to develop those capabilities in NATO today. That would be duplication as well, of course.

Moving from theory to reality, frankly speaking, the overall performance of EU civilian capabilities committed to ESDP operations has not been terribly impressive. Let us look at security sector reform in DRC or EUPOL in Afghanistan. EUPOL in Afghanistan is clearly a failure and more than a failure. Besides, ESDP cannot tap effectively into the EU's financial resources for missions like reconstruction because those resources depend on the Commission, whereas ESDP is primarily intergovernmental. The EU is not properly configured to really access its comparative advantage, which is civilian capability and money supposedly. The creation of EEAS, the European External Action Service, does not seem to have changed that.

Let me conclude by saying also that it seems to me, frankly, that the two organisations today have a limited relevance. They have been a disappointment. NATO has been a disappointment in Afghanistan. ESDP has worked for small-scale crisis management but not much more than that, certainly not for capability improvement across Europe, so we should not spend as much effort and time as we used to in the 1990s discussing how we combine the two organisations and so on. The real problem is capabilities across Europe and that is really at the Member State level, at the national level. This is where serious things are decided. The rest, especially how European countries will organise their institutional relations, is secondary to that. When you look at Libya, quite clearly most European nations are more comfortable using NATO for hard defence missions and combat missions than they are using ESDP. I think the two organisations will co-exist for some time and the division of labour will be decided in an ad hoc way. But again, this is no longer and it should not be a crucial issue today for the defence of Europe.

**The Chairman:** We would just also say that we recently looked at EUPOL Afghanistan and we were very critical of that operation, particularly how it had been resourced, so thank you for that.

**Q296 Lord Jay of Ewelme:** You have both stressed how far the nature and success of European defence will depend on the individual commitments, in both senses really, of nation states. Mr de Durand has already referred to the effects of cuts on defence budgets. Of course, the NATO Secretary-General has said the amount of defence budget cuts in Europe since 2008 is greater than the entire annual defence budget of Germany and, of course, this is an issue that is very relevant for us here in Britain as well. I wonder if you could just tell us a bit more, perhaps starting with Mr de Durand on France, and then on Germany, about what impact the economic crisis has had on defence budgets in your own countries but also in your view what effect the economic crisis will have on the developing ESDP.

**Etienne de Durand:** It seems to me that the answer, unfortunately, is a straightforward one. We are already in a very precarious position in terms of defence budgets and defence capabilities, not only in my country but certainly also in the UK and Germany. The crisis will only make things worse. Now, just as a quick reminder, if I may, when we look at the past decade European defence spending has remained flat more or less on average. Now, when you look at China, Chinese military investments and expenditures increased by 189% over the same period.

**Lord Jay of Ewelme:** 189?

**Etienne de Durand:** Almost 200%.

**Lord Jay of Ewelme:** Almost 200%.



**Etienne de Durand:** Yes. Russian expenditure has increased by 82%; India expenditure by 54%; Asia in general by 60%; Africa has gone up as well and North America by 80%.<sup>2</sup> This is the only continent where we are not spending more; actually we are spending less. This is absolutely the only continent on earth. It should be taken seriously because especially if that trend continues into the future we will be in a very difficult position.

Now, on France and the French case, defence cuts, very deep defence cuts, were effected in 1995 and this is really when my country moved away from the Cold War and Cold War spending levels. A new round of cuts was organised in 1997 when the Socialist Government of Lionel Jospin was elected. Then budgets rose a little to their previous levels, 1996 levels, when President Chirac was elected in 2002. Then there was another round of cuts with the 2008 White Paper and Mr Sarkozy. Those cuts altogether have been incremental but added together they have substantially delayed the modernisation of French forces over the past 20 years. Also, they have entailed a reduction in force structures. Like everywhere else in Europe, but it is especially the case in Britain, certainly in France, we have financed the modernisation of our forces by reducing force structures, by reducing numbers. In other words, there is a trade-off between quantity of structure and quality—here, technology. I think in our two countries we have reached the limits of what is reasonable in that respect. If we go lower than that, if our armed forces get significantly smaller than what they already are, it will be extremely difficult for them to exert any kind of influence in an international coalition or to operate on their own except in a very localised way.

Let me give you just a few figures that I think shed some light on all this. We have 20 infantry battalions in the French army today. There are 24 infantry battalions in the Swiss army. There used to be 2,000 infantry battalions in the French army after mobilisation in 1914. This is where we are. We used to have a huge continental army in this country, like Germany. Britain, of course, was different. Now, all of us operate with militaries that are extraordinarily small for the missions they are given and compared to the size of our population, but this is how we finance modernisation. The truth is that our levels of defence expenditures do not allow us to recapitalise our forces and even less so to modernise them by investing in new materials, new generation equipment, and so on. This is where we are now.

Now, if you add to that the crisis and its likely effect on budgets, then, frankly speaking, I really do not know how to square the circle at this stage. The only way to do it—and I think we will discuss this—will be to do some pooling and sharing, especially between the big Member States in Europe. If we do not do that, we are going to lose other capabilities—military capabilities, industrial capabilities—and we should be very clear about that. Certainly—you know something about it in the UK—when you have lost a given capability completely it is extraordinarily difficult to reconstitute from scratch. It is extremely costly, and takes a lot of time. We are talking 10 years minimum, billions of pounds, and so on. For us, I think what is reasonable is to devise ways of surviving the awful decade that is ahead of us, financially speaking, and to avoid losing capabilities as much as we can. By “capabilities” I mean military know-how and industrial know-how, which are more important than equipment per se. Equipment can be bought later on, but if you lose the ability to use it or to devise the equipment, then it is tremendously expensive to get back in the game.

**Dr Christian Mölling:** Yes, I can fully subscribe to what Etienne just said. If you compare the current downturn with the times immediately after the end of the Cold War, there was a significant downturn in terms of numbers, but the importance of the downturn now is that

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<sup>2</sup> From SIPRI.

we are reaching the critical and sub-critical levels of capabilities. That may be the perspective we are right now going into and where we have to be very careful. What we have seen over the last two years is that the level of ambitions for the UK and Germany have been lowered significantly. France will do this, I guess, in 2012. We have seen over the first two years where the financial crisis has reached the public spending areas and reached the defence budgets that there have been different reactions. It has something to do on the one hand with the political priorities you give to defence, like in France where you simply said, "Okay, what we will do is a very systematic revision of our armed forces", whereas others simply had to cut because they did not have any kind of fiscal buffers. You can see also a difference between the small, medium and bigger countries in Europe. The smallest have been the fastest that had to reduce their capabilities and they had to cut about 25% to 30% off their budgets. The medium countries have cut about 10% to 15% and only the biggest were down to a bit lower than 8%. All these things are important because they will continue. The important difference is that we will see that this pressure to save money will continue in the future. This does not mean for next year and the next five years but for the next 10 or 20 years. This is the perspective we should bear in mind.

If we assess the current state of reactions of Member States, we have to say that until today the idea that the financial crisis would help us to burn the fat and make the muscles more transparent did not work out. What we did was cut some fat but we also cut muscles—some Member States even cut to their bones. Etienne already referred to the inability to rebuild afterwards. I think this is very important. Take the example of the Netherlands. The Dutch simply threw away their battle tanks. There is no ability now for them to easily rebuild this capability.

I think, as I said, it is very important to take a look into the future. It is completely underestimated what is in front of us, at least for the majority of Member States in the European Union. I have the impression that the French and the British are aware of what is coming up and the US as well, but for the rest I very much doubt this. What we see currently is that the current cuts will hit the European defence sector in three different waves. The first will be from now through the next five years. You will simply shrink your capabilities on the national levels if you continue like this, and afterwards you simply will see whether you have any capability you can pool and share at all.

For the next five to 10 years afterwards you will have your defence industry simply leaving Europe because what Etienne referred to in numbers of expenditure also relates to market share, with European market shares going down. As a global player, you are looking around where you can get more money for the products you have. This is, of course, definitely not Europe, so you should be advised to leave Europe if you are a global player on the defence industrial side. For the next 10 to 20 years, we will see a downturn in research and technology, which means once we have money again we do not have the technologies to spend them in. This is not only governmental spending in research and technology, but also industrial spending in research and technology. I just yesterday had a talk to one of the leading German industrials, who said, "Look, the first thing I will cut, of course, is R&D because it does not influence the direct outcome and it also does not influence the perception of our shareholders. Nobody cares about this at the moment." That is short-sighted. It is not only the Member States' perspective; it is also the industrial perspective. At the end of the day, as I said, the pressure to save is still there. The only question is whether we would like to have a political influence in this and put a political framework on it or whether we simply let it happen and take the harm that will come out of it. I think the most important question to answer to get the rationale behind it, because we are now talking about money, is, "What are these armed forces for?" Why do we not pool and share?

**Q297 Lord Jay of Ewelme:** I was very struck by what you said about the Dutch battle tanks and the disappearance of the capability in the Netherlands to make battle tanks. But if we are going to have to move towards sharing, does that matter? Can the Dutch not buy their battle tanks from somebody else who is making them? Is that not how pooling and sharing may come about?

**Dr Christian Mölling:** Pooling and sharing basically means that you co-ordinate yourself. You do not throw away and say, "Look, it is over," because what you do by this is unco-ordinated—

**Lord Jay of Ewelme:** No, but if you are not going to have any battle tanks yourself because you are not making them for whatever reason, but somebody else in the EU, in the ESDP countries, the European countries, is making battle tanks, does it matter if you are not making them yourself?

**Dr Christian Mölling:** You would expect that the Dutch would have to talk to the Germans and the French and the Polish because what now happens is that these three countries are specialising—by accident they are now forced to take over the responsibilities in NATO for the jobs that battle tanks do, just by a national decision that has been taken simply solely. So this is not about pooling and sharing.

**Lord Jay of Ewelme:** Are they now talking to each other?

**Dr Christian Mölling:** No, they are not.

**Etienne de Durand:** If I may add—

**Lord Jopling:** Can I follow that—

**The Chairman:** Mr de Durand, can we just come in on this and then perhaps I will bring you back.

**Q298 Lord Jopling:** If we are talking about battle tanks, is that not a very good example of the total absurdity of the European defence capability that we have three manufacturers of battle tanks, France, Germany with the Leopard, and the British one, as well as the American Abrams. They do not have unified ammunition. The British one has different ammunition; it is not interchangeable. If you add up the number of battle tanks there are in NATO it really is a reflection of times past rather than the current situation. Surely it is a good thing that somebody is shifting their defence capability from battle tanks into rapid reaction forces, for instance, rather than to raise it as a criticism, I would have thought.

**Dr Christian Mölling:** May I answer that?

**The Chairman:** Yes, then I will bring in Mr de Durand.

**Dr Christian Mölling:** The decision was not made on a strategic rationale but because of budget cuts, so there is no strategic rationale behind it. What has been said is this could be taken over by the Apache helicopters, which is not 100% true. The battle tanks are an easy example because they are very graspable; they are very visible things. The same things happen in other areas as well. The important thing is if you talk about co-operation, you need the substance to co-operate. What we basically currently lose is the substance to co-operate and by this we also lose the solidarity of the Member States because they are no longer engaged in the development of capabilities because it does not matter to me. It may be battle tanks today. We have the same situation, if we talk about the industrial capabilities, for shipyards as well. Now in industrial capabilities we have the same situation of duplications, all these things as well. I guess, turning to the specific area, we would not say

that they are currently obsolete so there is still the need to come to a conclusion, but it is not currently in sight.

**The Chairman:** Mr de Durand, if you would like to come back on this, and then I think I need to start moving this on rather quicker.

**Etienne de Durand:** I will be very quick, if I may. Pooling is not role specialisation. Role specialisation, especially for big countries like Britain, France and Germany, is clearly unacceptable because it means that you depend on the political willingness of another country to provide the capability that you have lost. Losing, for instance, main battle tanks means that you can no longer do that and you will have to beg another country to do it for you, which is clearly unacceptable for the bigger Member States.

Now, moving to main battle tanks, yes, you are absolutely right. This is one of the numerous examples where we have not co-ordinated at the industrial level and now we pay the price. However, it does not mean that we should do away with steady forces. One of the clear lessons of Iraq, for instance, is that you need battle tanks even for counterinsurgency and stability operations. They are not a thing of the past; they are a very useful capability. When a small country decides that they no longer use them and they no longer need them, I am sorry, it is all right for them because they assume that we will be there to provide the capability. But for the Germans, the French and the Brits, we cannot do that because we are in a way the last line of defence; we are the ones that are ensuring the coherence, or what is left of it, of the whole system, and the Americans behind us. This is not open to us. We cannot abandon a huge capability like that. It is unthinkable.

**The Chairman:** Thank you. Perhaps we could move on, then, and we need to make a bit more time up.

**Q299 Lord Jones:** Lord Chairman, gentlemen, the German Government has imposed cuts in their defence budget and they are also announcing reforms concerning waste and non-priority programmes in their defence budget. What do you think is the net effect of these cuts and reforms and, following on that, do you think the German armed forces in general thereafter are going to be more or less ready to deploy abroad in engagements such as Afghanistan or Libya? Have you been able to make assessments on those lines?

**Dr Christian Mölling:** Yes, we are currently doing that. I have to say the closer you are to the issue, the more difficult obviously it becomes to judge on it. Let me say that this reform will not solve all the problems but, of course, all the next reforms that will come will do so. The German armed forces are, from a military perspective, I would say a fully-fledged force currently. They have demonstrated their ability to fight the full spectrum of operations in Afghanistan, acknowledged by the US as well, because they are currently fighting side by side. This is the military perspective on the whole thing.

On the political perspective—I think we will turn to this later on if we debate Libya—there may be a completely different point of view on that. What we have seen is that, as I said, we are going to lower our level of ambition in Germany. It does not necessarily mean that this is a bad thing because there always is a question how much force or how many forces and which kind of forces you need. Whether the cuts and the reforms really make the German armed forces more effective is quite difficult to say, because what we currently see as implemented at the first step is the reform of the ministry itself, which is a necessary step but, of course, delays all the other steps. What you will see is that we will have elections in 2013 so all the things before elections will start next year, and this will put a halt to the reform process to some extent. There will be most likely a new Defence Minister who will

then set up a new reform or a new part of the reform and change possibly priorities and all these things.

At the end of the day, I am currently not completely convinced that this reform will really solve all the problems, but it started with the necessary and the manageable part of the reforms in Germany. In terms of the efficiency that we need, of course, there have been some cuts in the system, but the overall level of the budget will still remain the same. The question is whether we get more efficiency out of it, especially concerning the recruitment of personnel—we have to invest right now to be cheaper, meaner and leaner in some decades. But we are talking about such a long time horizon it is very difficult to judge right now. It would depend, I would say, more on the next Government than on this Government.

**Q300 Lord Jones:** What has been the response when the German people look at Afghanistan and Libya? Is there a basis for expecting that there would be further support in the future for expeditionary interventions abroad?

**Dr Christian Mölling:** I think yes. It depends on the way you explain things to people. What we have seen in Afghanistan, which was a kind of German lesson I would say, was that people were surprised that the Government told them that we were drilling wells over there and suddenly they saw our soldiers shooting other people. I would say that, for a good reason, Germany would always enter; the question is whether you could present a good reason for this. I think the same thing is true or would have been true for Libya. If you had been able to make the case, it would have been possible to gather the German public behind it on a different basis, as it was in France or in Britain. Of course, the German public is much more pacifist than the French or the British, possibly. But I would always say for a good reason there is a possibility, but this is more about making a good case for it and saying, “Look, it is in a certain way of our interests to go into this”—even the argument of solidarity sounds possible to the German public, I would say.

**Q301 Lord Jones:** Solidarity and interest. Has there been a discernible response to the very recent signing by Britain and France of a defence treaty? Have you made your own assessment there yet?

**Dr Christian Mölling:** We, as an institute, have made our assessment and the German Government has made their assessment as well. I am not sure whether these both are similar. The German Government, or the MoD, currently thinks it is fine if they co-operate so we do not have to engage in this necessarily. I think the sign this thing tells us is not necessarily understood in Germany, which is that this is an entente frugale, which basically means the French and the British have taken a look into their books and seen what is coming up and, therefore these two countries see the need to join each other. This I think is currently not perceived by the Germans as a pressing issue, so there is the need to raise the awareness. Let us say the assessment from our institute is that the treaty is fine and a very important sign that you need the treaties to make such steps durable. I think it is a very important lesson that you can enter into a co-operation but, for making the co-operation steady, the treaty is very important because it also keeps Governments and Parliaments away from saying, “Yes, look, my particular interest is shifting around. Could we stop this again?” That is very difficult to do this with treaties. What we currently see as the crucial point is whether the French and the Brits come together when it comes to defence industrial policy, and I think it is not a secret that this may be quite the most important turning point for this treaty.

**Q302 Lord Radice:** I have just a quick point on defence cuts. Am I right in saying that you spend a lower share of your GDP than either France or Germany—that you are down at something like 1%, is it not?

**Dr Christian Mölling:** It is 1.5%.

**Lord Radice:** 1.5%, but it is lower so you are cutting from a lower base, if you like. Surely, if you are looking at European defence as a whole, that is something that must concern everybody, because you are the most powerful nation economically in Europe and yet your defence expenditure is not the most powerful. In fact, you are cutting it from a lower level.

**Dr Christian Mölling:** That is true. I would take two different perspectives on that. On the one hand, I agree that there is a responsibility that Germany has and this responsibility is not limited to saving the eurozone or saving the European economy, but there is always a link of all the different issues that are linked to policy, be it trade, be it defence, be it all these things. You have to be present in all these to have power as a result of all these things. Otherwise you would have to pay for it to some extent. On the other hand, I would like to ask Members whether they would like to have a Germany that spends 2% of its GDP, which is €50 billion, in defence. Do you know how many tanks that is? It is quite a lot. I would be threatened by that.

**Q303 The Chairman:** That is an interesting perspective. Dr Mölling, can I just be clear on one thing? One of the things in terms of Germany's participation, particularly in missions abroad, is that there is quite a constraint from the German constitution on what can or cannot be done, apart from the political will side and a political explanation. Is that true or is that just something that is misunderstood outside Germany about what the constitutional constraints are?

**Dr Christian Mölling:** I would not pin it down necessarily to the constitutional constraints. A lot of people think that this also constrains the Parliament or constrains the Government or something like this. I would not say that this is true. Of course, there is the formal constitution, but over the last 20 years we have developed quite robust informal ways of getting the Parliament involved at very early stages if it comes to an operation. It is always the job of the Government to inform the Parliament that there is something coming up, and there has never been a Parliament stopping a military operation.

**Q304 The Chairman:** Mr de Durand, do you have a very short comment you want to make on the German situation?

**Etienne de Durand:** Yes, two very quick comments. First, as Christian pointed out, the real problem is not so much capabilities on the German side, though it a capability problem may arise in the future, depending on the size of the cuts. The real problem is political will. We have struggled for years to get German forces to be more deployable, but that is not really the issue. They can deploy faster now, but the real problem is whether they can be employed, not just deployed, and it is all about political constraints and caveats, as Afghanistan clearly has shown.

The second point is the whole question of what I call political culture. Yes, Christian again is right. We are happy that Germany has the political culture it now has as opposed to the political culture it used to have. It means also that the German military is really the military of the German Parliament, whereas in your case the Royal Navy, the Royal Air Force and the British Army are the army of the people and they are commanded by the Queen, but especially by the Prime Minister. Here, quite clearly in France the President is the head of the military. It is completely different in Germany. The political culture is different and so we

should not expect the Germans to move quickly in our direction. I think we have been a little bit naive. Probably there was some kind of Joschka Fischer/Gerhard Schröder moment in post Cold War German history, but when people assume that Germany would only get more and more active and more and more normal regarding the use of force, I think we got it wrong, frankly speaking. I think that what we have seen in Libya will continue.

**Q305 Lord Lamont of Lerwick:** My question is for Mr de Durand. Earlier on you gave a very interesting reply to Lord Jay about the past—it was in the past—impact of the economic background on the French defence budget. My question is really about the future from now on, which I do not think you touched on. That is that the French Government have indicated there will be a defence review and people are speculating that this may lead to cuts after the presidential election. Do we know anything about what the issues in this review that will be up for consideration might be?

**Etienne de Durand:** Yes, sir. Actually, what is taking place now is not really a defence review; it is rather what you call here a Green Paper. The big decisions will have to wait until after the elections, obviously, and it will all depend on not only who wins but what is the economic and financial environment in May or in June. Rumours are correct. There are already discussions to amend the current five-year defence spend, called Loi de programmation militaire, and take away a few billions out of it. Now, it is, of course, not good news but if it stays at that level, if we are talking €2 billion or €3 billion, it is something that can be managed more or less. If the cuts are deeper, however, it is a completely different story. At this stage, it is very difficult to say what will be the decision made by the next President, even if it is still Mr Sarkozy.

Let me point out first that for this country as well as for other countries, even deep cuts to the defence budget will not alleviate national budgetary problems in a meaningful way because those problems are of an altogether different magnitude. If you were to take out half of the defence budget in France, it would amount to a short-term stopgap to the problem but it would not solve the problem. I hope that European Governments everywhere, and certainly the future French Government, will take that into account. But there is no way of knowing that. There are just too many unknowns regarding who will be elected and what the economic and budgetary context will be next summer.

**The Chairman:** Dr Mölling, was there anything you wanted to comment on the French side yourself?

**Dr Christian Mölling:** No.

**The Chairman:** I think we have covered pretty well Libya and Germany, so perhaps, Lord Sewel, we could move on.

**Q306 Lord Sewel:** We have already mentioned pooling and sharing and the EU's interest in encouraging pooling and sharing. Can we just summarise what you think are the obstacles to pooling and sharing, the importance of individual countries wishing to retain sovereignty and the somewhat protective view that states have of their own defence industries? Are these significant obstacles to pooling and sharing?

**Etienne de Durand:** Well, I think for bigger Member countries, and certainly countries that still have international ambitions, pooling is fine as long as it does not mean sharing the decision equally with a lot of countries, especially when you are providing the bulk of the effort. This is really what has hampered pooling and sharing at the Euro-wide level, because it is very difficult to get an EU consensus, as we all know. So if you happen to pay, say, 25% of the bill, but you still need the green light from countries that are footing 1% or 2% of the

bill, this is an issue. Of course, our countries, want to remain as independent and sovereign as possible. That is part of the reason why we still have armed forces and still have a defence industry, so it would be self-defeating to end up in a position where we would be completely dependent on a Euro-wide consensus.

So for me, pooling and sharing makes sense only under the following conditions. First, you have to have a small number of participants—big numbers here cannot work. Secondly, you need the least amount of political strings attached, especially no political veto. If there is a veto involved and if you need the green light—if London needs the green light of Paris to do something with capability that is being owned in common, or vice versa—we know from history that we do not always agree on things, and it should be taken into account, otherwise it is unrealistic.

The third condition is that we should share only between like-minded nations that have more or less the same level of capability to contribute, certainly the same willingness to use force, or at least for small countries that have excellent niche capabilities. All that explains why the Franco-British treaty of last year was, of course, a natural answer, and certainly is the most suitable case that I can think of, along with what the Nordic countries are trying to do together. It is certainly the best example of where you could do pooling and sharing in an effective way, not only from a military and financial point of view, but in a way that makes sense politically and strategically. So pooling and sharing is really not the same thing again as role specialisation.

Let me give you a final example of things that could be made to work. It is what the Americans call crew swapping. The US Navy and the Marine Corps have managed to do that together, and when you know inter-service rivalries in the US, if they can do it, there is no reason why the Royal Navy and the French Navy could not do it as well. It means that basically for very large platforms that are very expensive, you can have two crews. It is not about having bi-national crews, because if you have a bi-national crew, of course you need to have political consensus. Here, we can imagine a situation where for very expensive platform—air platforms or Naval platforms; so-called high-demand, low-density platforms (HDLD) in the Pentagon jargon—we could envisage having two crews for some of those platforms, so we would keep the know-how of how to operate those platforms, and we could use it jointly if this is an operation that the two countries want to do, or alternatively each of us could rent the platform for an operation that the other country is not interested in.

I think this is much smarter. Frankly speaking, it is too hard to try and devise a political consensus before being able to use the capability, because if that is the case, you are just tying your hands behind your back, and this is certainly something that our two countries do not want to do. So pooling and sharing, yes, but only in a smart way, otherwise this is not going to work.

**Dr Christian Mölling:** On pooling and sharing, I first remark on one of the questions that has been here on the agenda, especially whether Germany would increase its collaboration. I think this is quite significant for the whole pooling and sharing issue. You can only increase collaboration on things that are still there. If they are no longer there, you will not have any increase of collaboration, because you cannot collaborate on something which is no longer there.

I think you perfectly described in your question the perceived or the often-named problem, which is sovereignty or the strategic culture, and the real problem that has been a bit provocative, which is defence industry and jobs. People say, “Look, we can’t go together,



because we have to be sovereign, and we don't share the same strategic culture". For the last 20 years we have gone in combined operations. We have managed for 20 years our rules of engagement, which are a direct expression of our strategic cultures. We do this very successfully. There is no other continent or military organisation that does it like NATO or the European Union, so there is no problem with sovereignty on all these things, at the end of the day. We do it in Afghanistan, we do it in Kosovo, and if we do it in Kosovo—and I was very surprised about the message—we do it in Kosovo on the company level, which is very small. There we do combined forces, which is on the technical level.

Compared to this, what we do not do, and we have not done this for centuries, is co-operation in industry. Defence industry is, by the invention of the nation state, national and there I think lies the problem, because there is also the area where a lot of different interests come together very helpfully for some people and say, "Look, there is a reason to keep our defence industry national, because it is my portfolio, it is my jobs, it is my taxes", and all these different things that keep us away from getting all the things much more effective. This is also the effect and the limit to pooling and sharing. We can pool and share military capabilities, but if we talk about pooling and sharing in terms of saving money, at the end of the day we would have to go for the medium and long-term savings, which is in the industrial side, because only if you share and only if you come to industrial coherence, broadly speaking, will you be able to get net effects out of the whole pooling and sharing thing.

Pooling and sharing has often been debated as a bottom-up issue, so Member States come together. I agree with what Etienne said: it cannot be 27 or 28 all doing this thing together. It has never been in history. There is no example where all 27 Member States pool and share one capability. It does not exist; it does not make any sense. But I would like to add on the bottom-up perspective the top-down perspective, because I think it is not enough to only say, "Okay, this has to only be done bottom-up". There has to have been some kind of flanking measures. On the one hand, especially if we talk about pooling and sharing in terms of wanting to save something, we first need to know what the things cost. There need to be price tags on your tanks, on your services, because otherwise you basically do not know whether you save some money by pooling and sharing. Otherwise, it is only doing co-operation, but co-operation has, until last year, been something that everybody was afraid of, because it costs more money. When people said, "Think about international co-operation", everybody said, "No, it's much more expensive".

So what you need is price tags first then, as I said, you need to combine military capability development and industrial issues. This has to be in line and it is currently not in line. What you also need to talk about, if we then come to the question of military capability as such, is that pooling and sharing will not prevent you from losing capability, so there needs to be additional investment. We need to invest, because we are currently losing capabilities. Pooling and sharing will only sometimes stop the loss, but will not generate new capabilities.

Then, finally, what we need is to co-ordinate the current process and the current role specialisation which is taking place. Even if Member States are most keen not to have role specialisation, this is what is currently taking place. Member States specialise their roles on the level of ambitions, which is true for the small and medium Member States in Europe. They do not want to have full spectrum forces. They want to participate to some extent—let us say, with one or two battalion-size forces in stabilisation operations plus having their very nice air forces flying around for some reasons—and others want to do something more, but this has to be co-ordinated, otherwise we have a lot of fat on the one hand and no muscles on the other hand.

**The Chairman:** I have had both Lord Lamont and Lord Sewel. Did you want to come back?

**Lord Sewel:** I want to come back on one of the subsidiary questions here, but let us—

**The Chairman:** Okay. Perhaps we could keep it fairly punchy on this, but Lord Lamont and then Lord Jones.

**Q307 Lord Lamont of Lerwick:** On pooling and sharing and procurement, 25 years ago when Michael Heseltine, Lord Heseltine, was the Secretary of Defence in this country, there was a great attempt to create a Europe-wide procurement programme. There was something that I think was called IEPG, the European procurement group, and there was a programme covering almost every item of equipment, and it went down to quite small artillery items. There was a programme—there was always a European project in almost everything. There was a European attempt to create one. Is there anything like that? I have not heard it mentioned in any of the hearings I have been to of this inquiry. Is there any formal structure today trying to promote in most areas a European collaborative supply? Of course there are arguments for and against. Some people say this makes these things much more expensive, they are never delivered on time and so on, but Michael Heseltine, as you may know, was very keen to establish a European industrial base and wanted to do this via the procurement programme. Is there anything like that at all today?

**Etienne de Durand:** EDA is supposed to play that role, but it is largely prevented from playing that role, especially because the UK does not want EDA to play a big role and naturally would like to kill it if possible or walk out of it, as far as I can tell. Now, if we talk industrial co-operation, for it to work, it has to be bottom-up and not top-down. When you look at the 1970s, whether between our two countries or between Germany and France or the three of us, we did manage to have programmes that were fairly cost-effective and that we could sell. They were successful—Jaguar, for instance, is a good example, but there are several good examples.

Now, more recently, it has become much more difficult for those co-operations to work, for two simple reasons. The first one is that there are many more Members and it is too difficult to co-ordinate past two or three countries, and the second reason is of course that everyone wants to abide by the principle of *juste retour*, meaning that the national industry has to be part of the programme. This has proved unmanageable. So either we get back to the model of the 1970s and we do it with a small number of countries involved or we have a body like EDA, European Defence Agency, taking care of that and trying to rationalise it at a European level.

But the thing we can no longer do is what we have tried over the past 15 years or so, which is a top-down-driven approach, where you want to do a specific programme, mostly for political reasons, to prove that Europe is working. This is extremely costly and nobody is interested in that game anymore, as Christian pointed out. So either back to the 1970s or do it at the European level, but it will involve sacrifices for all Member States of parts of their national industrial base. So I am not so sure that this way is open, and not just for the French or the British, because we are the two nations that have the most to lose out of that, because we have got the biggest defence industry, but even for the Germans. I am not sure that the Germans would be keen to see that happen. Thank you.

**Q308 Lord Jones:** In pooling and sharing, is there any assessment yet by, say, Germany or France on the project of the heavy lift aircraft, the A400M, where EADS has brought forward this alternative to the C17 or the Boeing, by the Americans? Do you think it has

been sufficiently successful for such projects in defence concerning work and jobs and our industries in our respective countries? Is it good enough? Has it been successful enough? I know Britain has put down for 22 aircraft, and I know France and Germany have put down for far more than that each. Is there a sign there; is it a positive development?

**The Chairman:** Perhaps, Lord Sewel, you could put your question, then I will ask our witnesses to do it all in one go.

**Lord Sewel:** Can I ask the German question? The inquiry we are doing is into the military capabilities available to the EU, and I think one of the strongest concerns or messages that have come up, not just in this inquiry, but generally is really that Germany is not making the contribution to European defence that it should as a major power, in terms of the money it spends, the deployability of its troops and the way in which it heavily caveats any deployability at all.

**The Chairman:** Perhaps we could take Lord Jones's question about the planes and, Dr Mölling, if you could come back on Lord Lamont's question, and perhaps we will take Lord Sewel after all of that. We will take that separately, although I think you have covered a bit of it.

**Dr Christian Mölling:** Yes, I will try to be very brief on the procurement thing, which I think you laid out, and Etienne has also said already what may be the distinction. It is not a structure. We would talk more about institutions or the mechanism of processes, which reflect the traditional, national approach to things—juste retour and Article 346, which are basically the entry door for Member State interests and for multinational co-operation, compared to European procurement, in terms of there being a harmonised procurement. The other institution that you would need, ideally speaking, is a market—a market which simply introduced different rules about how you make your things. We have some steps forward into this direction—they are very difficult, very small and slow—but we are making progress in terms of the defence procurement directive, which would contribute to having a more real market-style area. Still, it will never be an ideal market.

Etienne mentioned the European Defence Agency, and you have the European Commission behind all these things. It should not be forgotten that these are the potentials you could use if you want to. The thing, however, is if you want to change the market, the procurement structures, you basically would have procurement, but as we are going down with procurements currently, there is no big procurement project right now in the tube—it is not coming up right now. It is very difficult to change the market style right now and use these directives to make it work and by this also to send a signal out to the Member States and to the markets that something is changing. So there is some kind of a solution in the queue we could use. To some extent, it depends on the Member States to make it happen. Also, in the defence directive there is of course an opt-out clause, which is for multinational co-operation. So you go back to what has been in the past the most costly and most ineffective thing. You would be basically exempted from all the normal public procurement rules, and this is not very helpful.

The A400M is a perfect example of the collision of very different aims. You already mentioned it. It is the aim of military capability, of jobs, of technological leadership and all these things. You mingle them up together. The only thing which went wrong is that people still believe and want to believe that, if you mingle up all these different aims, you would be able to deliver on time, to deliver what you expected, all these different things. I do not know who lied to whom, but at the end of the day we know that everybody lied to each other—the industry to the Member States, the Member States among each other. They

closed their eyes, and now they are complaining about it. I cannot understand why, at the end of the day. Shall I take the German question now or later?

**The Chairman:** Yes, if you want to add a little bit more. I know we have covered some of that, but perhaps you would like to come back a little bit more on that.

**Dr Christian Mölling:** Could you just give me some key words on that?

**Q309 Lord Sewel:** The basic argument is that Germany is not making the contribution to European defence that one would expect from such a major economic power as Germany is. The issues are, first, the level of expenditure and, secondly, the willingness to deploy and the use of significant caveats when you do deploy.

**Dr Christian Mölling:** I agree on all those, except a little bit on the caveats. The caveats area is something where I would say we have lowered the caveats in the light of the military needs—not in terms of a political strategy, but in terms of military needs, caveats have been, as far as was possible, adopted to situations. That is not the problem. For the rest, I fully agree that Germany does not necessarily pay the attention it has to pay to the current situation, but Etienne already mentioned it. There is a history where this country is coming from. The question is currently, if you take Libya, whether it was an accident or whether it was a turning point, and the turning point into which direction. That is something I would not be able to judge on currently. I would not even try to make an educated guess on it, because what you see is that the political leadership that has been traditionally in place in Germany, growing up in the post-Second World War order, is no longer in place. We have a new generation of politicians coming in who do not have the impression of what Germany's historical role is necessarily, at least not by the impression of the Second World War.

This is some part of things which are currently changing. There is also a long shadow of history and also institutional blockage, but I think it says a lot about the current situation, let us put it like that. In the current situation, especially the decision of Libya, we have the mingling of all these three different factors, and the question is: what is the lesson identified out of this? Will it be learnt for the next time? I would not even try to make a judgment on this currently, but I would urge you to first of all keep an eye on it, and secondly, to engage with Germany in a constructive manner and say, "Look, it is not about deploying military force". But first of all what you need to urge is: do we have the same problem perception? Germany, being interested as an economic power, has its interest in Asia. It perceives it currently only as economic interest, but if we have a military issue in Asia, there are also security interests immediately raised for Germany. So this needs to be explained to the Government, not by the tabloids, but possibly in a constant diplomatic engagement where your country, as well as the French, has a very long and good tradition.

**The Chairman:** Mr de Durand, did you wish to add something briefly to that?

**Etienne de Durand:** Yes. I think the jury is still out regarding the military effectiveness of the plane, generally speaking. There have been problems, but it is normal for a complex weapons system to have problems in its first month or years. It is better that those problems—probably engineering problems—can be identified sooner rather than later, so that they can be overcome early on. Regarding the industrial problem, I think it is fair to say that it is a model of what we do not want to do in the future. It has been a top-down-driven approach and it has been very expensive because of delays, but also, as Christian said, because everyone lied to everyone. Personally, I think Member States are more to blame than EADS, frankly, in the issue. So we do not want to do that in the future. Now, it might

turn out to be a very good capability at the military level. Again, the jury is still out here. C17 are very excellent planes in some circumstances, but you need a level of infrastructure that is not always out there, especially in third-world countries. So this capability might prove itself very useful in the future.

Now, to move to Germany, I fully agree with your assessment. I think it is fair to say that regarding both the level of spending and the level of commitment, as expressed by caveats in general, and not just in Afghanistan, Germany has not delivered<sup>3</sup>. On the other hand, if the Franco-British agreement works out, if it delivers and if we can show the rest of Europe and especially Germany that we can save capabilities that way, by pooling and sharing at the bilateral level, for instance, that Britain does away with its heavy forces, armoured brigades, whereas the French keep them and you train on our tanks and we train on something that you have kept and we have not—then I have no doubt that eventually Germany would follow. So it is incumbent on us to make it work, and I think that France and the UK have a special responsibility vis-à-vis Europe on the defence issue. Last year's treaty has to deliver. It is very difficult to get there, but we have to deliver and we have to show the way. Frankly speaking, this is the only hope that is left. NATO and the EU and so on are not going to save us from the financial problems we find ourselves in, so the bilateral co-operation has to show the way. Other countries already have expressed their possible interest in that UK-French initiative and, if we can show that it delivers, the rest, and especially Germany, will follow, and it is critical that eventually Germany follows.

**The Chairman:** Okay, thank you. That leaves us really with just battlegroups and operational military headquarters, which perhaps we could go through fairly quickly, Lord Selkirk.

**Q310 Lord Selkirk of Douglas:** Lord Chairman, I would like to ask a question, if I may, on the subject of battlegroups. EU battlegroups were planned to be a tool for managing military crises, but never in fact used. I would like to raise a number of associated questions. First, have battlegroups had an impact on the modernisation of European forces? Secondly, why have they never been used? Thirdly, what can be done to make them more useable, and finally, what can be done so that Member States take more seriously the military requirements that come with membership?

**The Chairman:** Perhaps I could ask both our witnesses if you could go through the pithy points of how we get this policy right, if it is worth having at all. Perhaps, Dr Mölling, you could start.

**Dr Christian Mölling:** Yes. I would like to add one additional aim to what the battlegroups were meant for. What you have cited is the British and the French aim; the German aim was always to use it as a driver for their own capability development, modernisation and European integration. They worked out the capability generation to some extent. What we have learnt by them is better co-operation in Europe, which is true for the battlegroups especially, but also for other kinds of co-operation, especially defence co-operation, in Europe. Then it worked out we also learnt more about the political structures, how we could co-operate not only on the military but also on the political levels and how we get processes right in terms of how we get into an operation. All this has been learnt very distinctively, and not in big numbers.

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<sup>3</sup> Mr de Durand added to this sentence (after the evidence session) for further clarification: 'what has been rightfully expected of it'

It is only the co-operation, for example, between staff and commander control units, not of bigger field units, but from my perspective, there is not necessarily the need to have this kind of co-operation. So at least to some extent in terms of capability generation, it helped us to develop the defence reform a little bit further. Again, it also helped us to keep Member States engaged, and it was for those who are not part of NATO, especially for the Swedish, also an ability to hook into the NATO developments, because clearly the requirements of battlegroups are driven by NATO and the NATO Response Force, so it is quite similar, and that was the way for those who are not part of NATO to still participate in NATO-style modernisation.

Battlegroups have never been used in a formal argument from the German perspective, for example, because all the situations they could have been applied for were not meant to be rapid response reaction. Battlegroups are not there as a military tool as such, from the German perspective, but specifically for rapid response, and from a German perspective you could question that to some extent. There was never a situation where rapid response was necessary. There is one exemption to this, but I am not going to mention it. We are a bit under time pressure.

The other thing is basically they are too small. For the current kind of missions, they are too small. What you would currently need—in all the scenarios that you could imagine currently—is at least the size of a brigade, not of a battlegroup. It is not 2,000 men; it is about 4,000 to 5,000 to 6,000 men you would need to engage, and also to have the ability to reinforce in a very swift way. How can you solve the problem? Basically, it is a political problem; the decision whether a situation is a rapid response situation or not is a political decision.

Maybe it helps currently that we see that the resources are getting more and more scarce. You cannot hide scarce resources in your garage where you fight with secondary class stuff outside. This British argument I think was valid and it is now even more valid. What you would basically need is more peer pressure, and Member States have to close the doors with 27 and say, “Look, you are not complying. You are basically not complying and we are going to make this more and more public that you are not complying.” There are some Member States who do not do this, and we know about them. The question is: do we want to drive them out of the whole thing politically, or do we want to keep them in the whole thing? This is always the question of what is the battlegroup a tool for—for political co-operation, for military co-operation or for operational deployments?

**Etienne de Durand:** Yes, again, I absolutely agree. I mean, we should not exaggerate their importance. They have been useful to spur some nations into doing something and to co-operate. However, from an operational perspective, they are nothing but glorified battalions, and of course they are not big enough to be useable except in really the easiest cases that you could think of, and again there is no political agreement to use them, necessarily. So in the end, the battle groups were created also to hide the failure of the Headline Goals, which were never met. It is as simple as that.

So yes, they can be good for force generation and certainly they have proved useful for some countries; I am thinking of the Nordic countries, for instance. But we should not make too much out of it, frankly speaking. At the end of the day, we would just find ourselves with 15 glorified battalions that have no upper structure to be co-ordinated at the brigade level, so from an operational point of view it is not necessarily very effective anyway.

**Q311 Baroness Bonham-Carter of Yarnbury:** Last week we were in Brussels and heard evidence from the Director-General of the European Military Staff, who disagreed

with both of you, and thought that there had been indeed three occasions when he would have liked to have deployed and where we could have deployed battle groups. He felt that the problem was money again, and that for the smaller countries deployment meant spending a very large chunk of their defence budgets, which was then stopped by the finance department, and so deployment never occurred, and that is was a problem of no common funding. I just wondered what your views were on that.

**Dr Christian Mölling:** You are absolutely right—for smaller countries, that is a point that keeps them away from doing it. If we then go directly for the common funding, I am not sure whether this is a helpful thing. I would apply the method of common funding of extending the Athena mechanism to some extent. But there is also a rationale behind keeping spending national, because it makes you yourself responsible for what you spend the money for. But I agree that, if it is prohibitive to get even smaller countries deployed, we should try to think about how to make them capable to deploy. It is more a political decision to deploy or not to deploy, because of the smaller countries. To be honest, if 200 men are missing, we would be able to subsidise. If 1,000 men are missing from the infantry, from the fighting forces, it would be difficult.

**Etienne de Durand:** Frankly speaking, common funding is the issue, not only at the EU level, but also at the NATO level now, and we should be very clear what it means for us, especially the big three, if I can say so, at the European level. The more common funding there is, given the extent of the budgetary constraints we are facing, the less funding there will be at the national level, so in the end, what do we want? Do we want to subsidise a few forces in small European countries that are more or less deployable but will still in the end depend on the green light from their capital, and do we want to sacrifice national capabilities to get that? In the current context I do not think it wise to do this. If you can help them to be more deployable and so on, all the better, and it is true that with battlegroups the initiatives were designed to get small countries to contribute more. But now that we are under threat of having our capabilities cut to the bone and not just the surface, I think common funding really is not such a great idea. It will just translate as less national capabilities and less money for our national industrial base, and I fully expect our Governments to look at it that way.

**Q312 Lord Selkirk of Douglas:** We understand the problems very clearly, but if you had to sum up in a very few words what the solutions are to these problems, how would you do it, in a very few words?

**Dr Christian Mölling:** Let me try that way. It is very initial. Go back to the starting point, after the end of the Second World War. Why did we start the Coal and Steel Community? Can we escape our geopolitical fate, if you want to put it like that? I mean, I can move countries, I can even leave this continent, but the nation states cannot, so we are basically bound. Britain is bound to Europe, as Germany is bound to its role in the middle of Europe, and it is not a question of political institutions around this. It is still a question of Member States and how they want to shape their future. I hope they still want to shape their future and not just let it happen.

**Etienne de Durand:** Again, from a general perspective, for the past 15 years, let us put it that way, whether at the NATO or the EU level, we were launching initiatives for the sake of NATO or for the sake of EU integration. Now we have to change that completely. We have to adopt, if I may say so, British pragmatism, and try to move forward from a bottom-up pragmatic way, and not from a top-down approach. We have to look for ways that can deliver and work in the very short term and help us to preserve and salvage what can be

salvaged in the coming years in terms of military and industrial know-how. This is way more important than equipment per se. Equipment can always be designed and operated later on if you know how to.

That is the crucial point, and so that is why I think that the Franco-British agreement is really the only important game in town presently. I do not believe that NATO or the EU can deliver something in a timely and cost effective way. I think if we cannot do it bilaterally and attract other European Member States to follow and to share in our initiative, in 10 or 15 years from now all of us will have undergone a considerable decline in our military capabilities, in our security and in our political influence. We have to get our act together now.

**The Chairman:** Okay, thank you. Just finally, we have one issue that we need to raise with you, which is around operational headquarters. Perhaps you could just give us a one-liner on that and say perhaps where you think we should sit.

**Q313 Lord Radice:** I have just a one-line or not-many-lines question. One issue that was raised with us in Brussels, which I think is, or was, supported by France and Germany and Poland, is the idea that the CSDP should have an operational military headquarters. Do you think that is a good idea?

**Etienne de Durand:** You know, why not, as long as it is kept very small. Knowing that NATO HQs are heading towards smaller numbers, we could set up a small European HQ while avoiding duplication and certainly avoiding losing money. The whole point from a French perspective today is no longer to create a substitute or an alternative to NATO. The whole point would be to incorporate within that headquarters a civilian dimension, which already exists in the European operations centre, so as to be better prepared for complex stability operations that require a civilian component. So seen in that light, why not, as long as it is small and not too costly.

Also, you have to understand the domestic political dimension here. The reason why the French Government insists on having that is that we got back into the integrity of the military structure of NATO: but at that time, President Sarkozy said that it would be easier to make progress on CSDP after we had shown to all our partners, and especially the British, that we were in good faith regarding NATO. So it will certainly make things easier from a French domestic point of view<sup>4</sup>, if such a gesture could be had from Britain. However, is it a critical issue in the short term? Frankly speaking, I do not think so.

**Dr Christian Mölling:** Three short points on this. I think the first question is basically whether we will have future CSDP missions or not. Afterwards, you could decide on the operational headquarters. As for a debate about the operational headquarters, I think it is very important to not think of this part. I would say currently it is debated as a political symbol and not as something which solves the problems. I would advise you to step away from that.

As Etienne mentioned, NATO is 12,000 people. If we were to set up this structure, it would be perhaps 40, 50 or 90 people more. Even if you cut 25% out of NATO, it would be still 9,000 people, and then take a look into your national command structures. This is basically not a threat. It is there, or it should be there, because it should solve two problems. Etienne mentioned already the civil-military dimension and there is nothing to add to that. It should solve also a clearly identified gap between planning and conduct of operations, especially if

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<sup>4</sup> Mr de Durand added to this sentence (after the evidence session) for further clarification: 'if some progress on CSDP were to materialise'



they have to be fast. This is the reason why. There is a long lesson of identifying process for this and there is evidence on this, and therefore from a clearly analytical perspective, if you want to have future operations, there is a reason for having a kind of structure. But it is not a military headquarters. I think this is quite important. It is very small and tiny. It is a monster, but it is very small.

**The Chairman:** Good. Thank you very much indeed. Monsieur de Durand, thank you very much for having participated with us at a distance. I hope at some point when you are over here we might have an opportunity to meet and to thank you more personally for being a witness in our inquiry today. Thank you very much.

**Etienne de Durand:** Thank you very much.

**The Chairman:** Dr Mölling, thank you for coming over to see us. We very much appreciate that.

**Dr Christian Mölling:** Thank you very much.

**European Defence Agency, Madame Claude-France Arnould, Chief Executive – Oral evidence (QQ 197-220)**

*Evidence Session No. 9.*

*Heard in Public.*

*Questions 197 - 220*

WEDNESDAY 16 NOVEMBER 2011

Members present

Lord Teverson (Chairman)  
Baroness Bonham-Carter of Yarnbury  
Lord Jopling  
Lord Radice  
Lord Sewel  
Lord Trimble

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**Examination of Witnesses**

**Mme Claude-France Arnould**, Chief Executive, European Defence Agency, and **Graham Muir**, Head of Policy and Planning, European Defence Agency

**Q197 The Chairman:** I have to give you the official warning notices that the meetings is technically in public and is being transcribed. We will provide you with the transcript. If there are factual errors, you are very welcome to correct them.

**Mme Claude-France Arnould:** And grammatical mistakes on my part?

**The Chairman:** That is your choice. I am sure that there will be very few. I think you have seen the sort of questions that we are trying to look at. I would be grateful if for the public record you would introduce yourself. I do not know whether you would like to make a short opening statement of any sort—that is up to you—but otherwise we will move into questions. As I have said to other people before, the House of Lords is very much into finding the truth of matters rather than interrogating people, so we hope it will be a constructive conversation and we will find out more about this area. Is that okay? Over to you.

**Mme Claude-France Arnould:** Thank you very much for your interest in the EDA and for giving me the opportunity to give facts about it. You suggested that I should introduce myself. I am the third chief executive of the EDA, after Nick Witney and Alexander Weis, which shows that the EDA has not had a very long life; it is a rather young agency. In the past, long ago, I used to be a French diplomat, particularly working on EU matters and was posted in Germany. For the last 11 years I have been in the European Union, in the crisis

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management structures as head of the Directorate for Defence Issues and then the Crisis Management Planning Directorate. I was appointed last January by Lady Ashton and I have now been chief executive of the EDA for 10 months.

Let me give a few short words about the EDA. It is an agency of the Council; thus it is an intergovernmental agency. It was recently created, seven years ago. It is the only EU agency mentioned in the Lisbon treaty and the only one whose Steering Board meets at the level of Ministers. The board is constituted of the Defence Ministers, which gives it a double specificity, being an intergovernmental agency and having the political impulse from the Ministers sitting on the Board. The role, of the mission, is to support the Member States' efforts to improve their defence capabilities. We are not a procurement agency. We do not manage programmes. The agency is headed by Lady Ashton.

**Q198 The Chairman:** Is that who you report to? Is that your boss?

**Mme Claude-France Arnould:** My boss is Cathy Ashton. She has three hats: she is Vice-President of the Commission; she is High Representative; and she is Head of the Agency. She chairs the board of Ministers. She appointed me, as well as the deputy. The proposal on the budget is hers, as head of the agency. Importantly, this triple-hatting of Cathy Ashton facilitates co-operation between EDA, the European External Action Service and the work that is done together with the Commission. I think that this link with the Commission in her capacity as Vice-President is important to seek synergies and the comprehensive approach from the European Union, which also matters for capability issues. The question of synergy is particularly important in these times of financial austerity.

The EDA is a facilitator. It offers a co-operative framework. It helps Member States to acquire capabilities collectively that could be out of reach individually, especially for the smaller Member States. It triggers more possibilities to develop capabilities for smaller Member States.

It is sometimes forgotten in some Member States that many things are done with 26 participating Member States—that is, 27 minus Denmark—but we have an Administrative Arrangement with Norway. You thus have 27 Members acting around EDA. Some things are done with the 26 Member States while other things are done à la carte—that is, only with those Member States that are ready and willing to participate on specific projects. That offers two possibilities, working on some issues with all Member States, but also working à la carte with a smaller group of Member States. It is up to Member States to decide whether and how they co-operate. They are sovereign decisions based on the strategy priorities. The agency is very small. There are fewer than 120 staff, around 115, with a small budget, frozen at around €30 million to €30.5 million. Of course, the fact that Member States are operating under very severe financial conditions affects our budget. At the same time, when they have something interesting to discuss, they can also save money through what is done around the agency, because we are a capability multiplier. I shall stop there.

**Q199 The Chairman:** You have your colleague, Graham Muir, here.

**Mme Claude-France Arnould:** Sorry, I should have introduced Graham.

**Graham Muir:** Thank you, Lord Chairman. My name is Graham Muir and I am the head of Policy and Planning at the European Defence Agency, so I help the Chief Executive.

**Q200 The Chairman:** We are very happy for either of you to answer; we can take evidence from either of you. It is entirely up to you how you want to do that. One of the great themes that has gone through our whole inquiry has been the problem that European

defence, added together, is one of the largest defence budgets and number of military personnel worldwide—larger than the United States—and yet it is operationally less competent, shall we say, for its size than the US or other areas. This whole area of trying to make that work better—part of that is pooling and sharing and developing together—is perhaps a way forward to make that more effective. To that degree, the EDA may be the salvation of EU military capability for the future. In that way, perhaps I could ask you to remind us what you see as the achievements of the EDA so far and perhaps some of the disappointments as well. How do you see that performance improving further or changing in the future? As chief executive, how do you make this difficult area, which challenges national sovereignty in all sorts of ways, work better for the EU as a whole?

**Mme Claude-France Arnould:** There are five main areas of achievement that you are asking about. The first is working for capabilities in direct support of operations. EDA is training helicopter crews in high altitudes and warm climates. Of the 150 crews that have been trained through exercises organised by EDA, of course with the different Member States offering such conditions, half have been deployed by those Member States in Afghanistan. It is directly between capability requirement—of course we are always short of helicopters—and it is a lack of equipment, but it is also a lack of trained crews. We in the EDA addressed this shortfall and we are going on in that direction. Another example linked to Afghanistan, because it is deployed in the Afghan theatre, is moving from the level of research and technology to the level of the deployment of a forensic counter-IED laboratory deployed in Afghanistan by France as the lead nation, because there is a need for an allied Member State to deploy it in Afghanistan. We are in the position to address one of the major causes of casualties in Afghanistan, which is IED. These are two examples of work that is directly linked to capabilities that are required on ongoing operations.

The second category that I would like to mention is pooling and sharing. Now it is one of the main lines of action decided by the Ministers, but it is already an *acquis* regarding some of those capabilities in EDA. It is not new. I will take again just one or two examples. One is maritime surveillance. Through EDA acting as a hub, we now have six nations linked by a maritime surveillance network. When the signature is finished, it will be 15 Member States, acting in a network and with the possibility to operationally interact through this maritime surveillance network. Other examples include the European Air Transport Fleet. That is in a kind of military “Star Alliance” system, with the possibility to pool the support and maintenance functions.

Something that is more difficult to communicate, but which I think is of great interest to some Member States—it is critical for deployment—is all the issues relating to interoperability, standardisation and the concept of employment. That is something that EDA has already produced and will go on producing.

Another important element to me is to champion. As I said, the board is a board of Defence Ministers. The EDA is an intergovernmental agency to champion, identify and express the requirements and the interests of the Defence Ministries. Many EU policies have an impact on the defence interests. For instance, the Single European Sky will be a revolution in the way that air traffic is managed. Of course there are some military interests. Radio spectrum looks technical, but it will have a very important impact on Defence Ministries. Of course the policy regarding research and technology within the European Union could be a major source of synergies, considering again the financial restrictions that we have. That is an important element of EDA. I mentioned the relationship with the Commission. There is also the work with the Commission on industrial market issues.

That is for the positive elements. You asked about disappointments. The resources are limited and there is a budget squeeze, which is understandable considering the situation that all Member States face. But nevertheless, I would like to express that in a way, the smaller the budget, the lower the output. I will give an example. Small studies are cheaper than a demonstrator, but the complete input and the utility of a demonstrator could be considered as higher than small studies. We should think about the efficiency of the money that is put into EDA. Again, if there is less resource, there will be a tendency to finance smaller studies, which could have a lower direct impact.

**Q201 The Chairman:** Could you give me an example of that, where perhaps you have done a small study and something else should have been done, just to give us an idea of what sort of thing we are talking about?

**Mme Claude-France Arnould:** We worked on airworthiness, which is very important, particularly for drones, or UAS, for the Single European Sky and for the insertion of the military air vehicles in the non-segregated spaces scheme. EDA built an anti-collision demonstrator, called MIDCAS. That really makes a difference. When you go to industries, they mention MIDCAS, because it allows what they do to be consistent with the regulations on anti-collision requirements. But of course, MIDCAS cost more than a study.

That allows me to mention another important element. We have a small budget, but what is even more important than this budget is that, based on identified interests from the Member States, they gather around the table to finance some research and development actions and programmes. That makes a difference. Depending on the year, it could be €100 million or €200 million that has been gathered by the Member States to finance specific projects. That is one of the big assets of EDA. I hope that that will not suffer too much with the financial restraints. Now, there will be a tendency to sacrifice research and technology, because the ongoing requirements are so difficult to satisfy.

The main element is the commitment of the Member States. It is not the Community structure; it is an intergovernmental structure. The value of EDA is the value of Member States' commitments in EDA.

**Q202 The Chairman:** Who are your greatest champions?

**Mme Claude-France Arnould:** If you look at the figures—it is difficult for me to answer because I am French. I think they are among the champions. Smaller Member States are big champions. I will take an example, because I mentioned research and technology. I said that we are 26 plus Norway. Norway brings more to research and development in EDA than many Member States.

**Q203 The Chairman:** One last introductory thing: I remember that when I took over the chairmanship of this Committee we had regular reports on the EDA—and we still do. One of the things that struck me, before I knew much about the agency, was the list of things that you were involved in. It was amazingly impressive, but amazingly long. I wondered whether there was sufficient prioritisation to make certain things work, rather than having a long list of projects that did not necessarily get everywhere because they did not have sufficient focus. Is that an issue in terms of having a small budget and being asked to do too much and nothing specifically being done well enough?

**Mme Claude-France Arnould:** I think that it is an issue and we should prioritise. At the same time, there is a permanent tension. Again, our orders come from the ministries of defence. They say, "Prioritise," but at the same time they always come with new ideas that

we should do—even those Member States who say most that we should prioritise. We have to live with this tension, but we should probably focus more, particularly around pooling and sharing, anywhere we can make a difference. But we have to take into account the requests of the Member States, because we have 26 shareholders.

**Q204 The Chairman:** Lord Sewel was going to ask this question but he has had to leave. My introduction was too long. Has the EDA managed to increase the military capabilities of Member States? If so, in what way? What are the remaining capability gaps and how can the EDA resolve them? How can the EU encourage other Member States to increase their share of the defence burden? We are particularly interested in your views in that area, as we have an environment of austerity and reduced budgets, as we all know.

**Mme Claude-France Arnould:** I have already tried to address that first question, giving examples of areas where we have contributed and supported Member States in increasing their military capabilities, despite the shortfalls. Member States agreed 10 top priorities for capability development planning. These 10 priorities, unsurprisingly, are lessons from the Libya operation. We particularly need to focus on those shortfalls that were again highlighted in the Libya operation, particularly the air-to-air refuelling, intelligence, surveillance, reconnaissance, precise munitions and the availability of air transport. Medical support is also always a showstopper for operations. On all those capabilities, we will put proposals to Ministers on 30 November. We want to focus on that. Again, they are not new in the EU or in NATO, but we would like to focus on them. Nevertheless, at the same time we want to prepare to focus on those domains for the future, for the technologies of the next generation.

**Q205 The Chairman:** That list on Libya is very useful, although the medical side is not one that I have heard mentioned before. Libya is hardly a typical operation, in many ways, but those really reflect other crisis management operations as well, as far as you are concerned.

**Mme Claude-France Arnould:** Yes. First, if you again take medical, intelligence, surveillance, reconnaissance, air transport, you find that in all operations. Secondly, we think in EDA that, in a way, Libya—although as you say it was not a standard operation—nevertheless gives a kind of standard of the degree of limitation of casualties and collateral damage through the use of those technologies allowing for that level of precision. That means that both legally and ethically that level of precision would be required for humanitarian operations. That is key for the Europeans to be able to act.

**Q206 The Chairman:** I am reminded by Kathryn, our Clerk, that the medical area came up in our Atalanta report, so it was needed.

**Mme Claude-France Arnould:** For training operations, such as the Somalia training mission, one of the key elements to launch such an operation is the fact that, even for the training mission in Uganda, the necessity was to have appropriate medical attendance to the people who were deployed.

**Q207 Lord Jopling:** I wonder if you could go a little deeper into the problems of pooling and sharing. If one looks at the structure of the European Member States, the total defence capacity is a shambles, really, compared with the United States. There are far more people in uniform but only a fraction of the capability and it is almost impossible to get agreement over some of the mechanisms that the military need. For example, Europe has three separate battle tanks with different ammunition. I forget how many defence colleges there

are. There is a very small percentage of people in uniform who are capable of being deployed. Do you see a way of being able to make progress in dealing with this situation, bearing in mind people's determination to keep sovereignty and the political forces that are trying to protect the existing defence manufacturers? Do you see a way of getting through this? It is not only an EU problem; it is a major NATO problem, too. Could you talk to us about the extent to which you can co-operate with NATO over trying to achieve better pooling and sharing? Do the Cypriots block your endeavours in this way? It seems to me to be absolutely nothing to do with the Turkish and Greek Cypriot problem, if one is talking about pooling and sharing. I wonder if I could ask you just to look in a crystal ball. If you were asked to design your own ideal forms of co-operation between EU and NATO, with pooling and sharing capability developments and without any politicians getting involved and blocking your way, what do you think the situation would look like? How would it be different from the co-operation that you do, or probably do not, receive at the moment?

**Mme Claude-France Arnould:** Because I understand that this is formal, I cannot answer about the idea that an ideal world could be a world without politicians.

**Lord Jopling:** Feel free.

**Mme Claude-France Arnould:** I do not think so, being a democrat. The comparison with the US is absolutely relevant and shows a degree of progress in efficiency that we should reach, but at the same time it is an illustration of the limitations. There is no issue internally of sovereignty. We have to try to have more efficiencies in a totally different institutional framework, respecting the sovereignty of Member States without the federal element that exists in the United States. As you said, we have to deal with the sovereignty issues and with the political issues. That is why EDA is here to support the momentum and the decision given by the Member States and the decisions to be taken by them. We are a facilitator, but the decisions are taken by Ministers.

Where can we help? If you take the question of sovereignty, political sovereignty has to be absolutely respected. When it comes to the question of operational requirements, the fact is that if they pool or share a capability, they need to be assured that they can still use that capability. We can work on that, as EDA. If we examine what the blocking elements and the enabling elements are for pooling and sharing, it is clear that sovereignty is one blocking element. There are some elements of sovereignty that we can help Member States to address, including the fact that if you share a capability, you must be sure that you can use it. There are existing clauses to do so, which we have experience of. We can propose for those pooling and sharing the experience of these clauses and the experience of functioning financial and legal frameworks to support what they want to do together. We can also propose to them, again for decisions that they will take under their own sovereignty, domains on which they can pool and share without facing that kind of sovereign difficulty that you mentioned. We can build on existing co-operation. There is a Franco-British, which is mentioned by many Member States. There is a mode of co-operation. There is co-operation between Belgium and the Netherlands. On all those issues, we can capitalise as an experience to multiply those à la carte and very ad hoc arrangement, which can nevertheless be extended.

There is another element that I think is key. As an incentive, we can help Member States with their savings. The easiest, because it is less sensitive in terms of sovereignty, is probably all the support functions, including training, logistics, energy and maintenance. It is less sensitive and there is scope for pooling and sharing. On the basis of that, if we can help the Member States to save money, perhaps it will give them the margin of manoeuvre to

reinvest that money in co-operative domains and on the condition that it will be more efficient.

**Q208 Lord Jopling:** What about co-operation with NATO?

**Mme Claude-France Arnould:** Of course co-operation with NATO is key, particularly considering the financial crisis and the difficulties. Member States cannot afford any duplication between NATO and the European Union. We work permanently with ACT, Stéphane Abrial and his team. That was already ongoing in the past but now, particularly considering the Smart Defence initiative, we really work hand in hand at my level but also at the level of experts, which is even more important. In all those domains that I mentioned, experts discuss together what we will pursue in the framework of the European Union and what we will pursue in the framework of NATO, but also, for instance, very clearly including communicating about that. If the EDA, for instance, pursues work on medical support, some good work is done in NATO, too. Just because it is being done in the European Union or in NATO, we do not ignore the good work that has been done in either. We also increase the relationship with the NATO International Staff. I think that is important.

In an ideal world, for me the first element, because to say that least it does not facilitate your work, would be to have the appropriate framework to exchange classified information. It is important to have really practical co-operation. Without that, nevertheless, in the field of capability we have a good level of co-operation with NATO, both ACT and the International Staff.

**Q209 Lord Jopling:** Does Cyprus interfere with your efforts to co-operate with NATO?

**Mme Claude-France Arnould:** No. I invite the NATO Assistant Secretary-General, and he also has the possibility to invite me to NATO meetings. I mentioned the exchange of classified information. The only point that Cyprus cannot accept is that we would send some classified information without receiving reciprocal documentation from NATO. That is what they are sensitive about.

**Q210 Lord Jopling:** We all know that the United States is reluctant to share a lot of intelligence with many of the European Member States, because they are all so leaky.

**Mme Claude-France Arnould:** The formal issue is security arrangements, taking into account the level of document that all the Allies would be ready to share. We are not working on some of the most sensitive issues for the United States.

**Q211 The Chairman:** Let me stay with this area of pooling and sharing. As someone involved in politics, or as a parliamentarian, it seems to me that we have all these budgetary problems and we have difficulties over Europe looking after itself defence-wise, so pooling and sharing is a great idea and we should go for that. Move on to the next business. You mentioned a few examples of where it works, but the more I have gone through the inquiry, the more I question whether it is obtainable. It may happen in terms of the Belgian and Dutch navies, or the UK-French defence treaties, which this Committee has welcomed and takes some interest in, but I wanted to ask what makes that possible. What works and does not work? What are the conditions that make pooling and sharing work, in terms of trust or history or common objectives? Is there a chance of rolling that out? Because we have a number of regional examples of clusters where it sort of works, should we in a practical sense encourage more of those clusters to happen? If we do, are they all going to end up specialising in the same capabilities, so that Europe is no better off than if all 27 plus Norway did their own things? How practical is this as a solution really?



**Mme Claude-France Arnould:** I think that we have to begin by showing that it is useful and it makes a difference. To do so, we have to begin particularly based on those criteria that you mentioned, where you can have trust because of history, or where you have common interests because of geography. Many pooling and sharing initiatives are based on the fact that there is a geographical similarity of interest, including in terms of defence. We should build on that. Again I insist on the à la carte approach. We should not necessarily look for 10 Member States to be around a table to be able to do something—even less with 26. It is built on what the Member States would be ready to do. Trust is linked to the fact that they face the same culture, in a way, but also the same strategic threat or requirement to act. That is the first element. To avoid exactly what you say—clusters without leaving some shortfalls or overcapacities, because we have both—EDA can offer a landscape mapping of what exists, to be aware of the possible overcapacities, the shortfalls or the threat of a total lack of technologies in the future. We should also allow existing co-operations, or those that are to be developed, to learn from the experience of another co-operation. We were supported by senior-level experts in our work on pooling and sharing. For instance, there was very great interest from central European countries to learn the best practices from Nordefco. I think we can propose coherence, consistency, visibility and, at the same time, not reinventing the way to do it each time, but building on existing lessons and knowledge.

**Q212 The Chairman:** Is the Nordic example successful? What has it actually delivered?

**Mme Claude-France Arnould:** It has delivered three networks of co-operation. Take the Nordic battlegroup. I think it is an example of operational capacity that has triggered defence reform in some of these countries. That has triggered acquisition procurement of relevant capacities. In any regard, the Nordefco Nordic co-operation, including the battlegroup, is a demonstration that we can get more capabilities.

**Q213 Baroness Bonham-Carter of Yarnbury:** You talked about the EDA's contribution to the development of military capacities. Has the CSDP overall led to Member States developing their capabilities, and in what way?

**Mme Claude-France Arnould:** The example that I gave of the Nordic battlegroup is a good one. Based on an initiative from the UK, France and Germany, it is one in the CDP framework. This battlegroup has really triggered more capabilities.

**Q214 Baroness Bonham-Carter of Yarnbury:** But it has never been deployed.

**Mme Claude-France Arnould:** No. I think it is a big issue to encourage, or not. It is a successful capability and then there is the question of deployment. You give the example of the fact that operational deployment is an important incentive for the use of capabilities, and the prospect of operational deployment in a framework that some Member States that have specificities can accept politically is a good incentive for more capabilities. We have some Member States in the European Union that are more peacekeepers, traditionally acting in the framework of the UN. If they can link their requirement for more capabilities to that kind of task, I think it helps with the political acceptance and the political momentum for more capabilities and more resources for defence.

**Q215 Baroness Bonham-Carter of Yarnbury:** That links well into the next part of my question, which is what lessons should be drawn from recent military operations about the capabilities that European forces need, and need to acquire?

**Mme Claude-France Arnould:** As I mentioned, the Libya operation, which was a NATO operation, not an EU operation, has again emphasised our shortfalls. It is always the same

list: ISR, air-to-air refuelling, smart munitions and everything about transport: strategic and tactical. There is no surprise. On the best conditions for interoperability, we as EDA can bring a contribution. The way that the Member States will operate, with standardisation, common certification, a common concept of employment, all contributes to interoperability on the ground, working together on the way the CIS are used. This kind of background work, which is not very visible, is really relevant regarding the operations that we lead.

**Q216 Lord Radice:** Could you tell us something about the EDA's role in co-ordinating defence procurement? Is there a tension between, on the one hand, the fact that the defence industries are a very important source of jobs, which is obviously a very big issue at a time of high unemployment, and on the other hand the need for us to co-ordinate defence procurement and collaborate defence industries?

**Mme Claude-France Arnould:** If I may first react to your remark about jobs, we were in the United States. Of course they are big supporters of everything the EU can do to improve their capability. Taking that into account, it was a surprise to us to see the level of knowledge, information and support in the United States for such a small structure as EDA. The question is how you can help the EU Member States to bring more capabilities. When you have an honest discussion with the United States, it is clear that one of the main incentives is jobs. We also have to find that incentive in the European Union. It is for operations, but it is also for jobs, including at the political level.

Then function of EDA in the industrial market is key. As I said at the beginning, we are not a procurement agency. We cannot harmonise the requirement. We cannot procure, but nevertheless through this work on priorities and specification we can support a more consistent definition of the requirements. That is one element.

Secondly, regarding procurement itself, we have developed an EDA intergovernmental regime on defence procurement and the associated code of conduct on defence procurement. It was approved by the Member States in November 2005. It is a concrete initiative on the basis of which we have a voluntary, non-legally-binding mechanism encouraging competition in the European defence equipment market. Twenty-five Member States plus Norway have subscribed to the code.

I can give you a few numbers to illustrate this role on the defence market. Over 680 contract opportunities, with a total value exceeding €25 billion, have been published on EDA's internet-based platform—what we call the electronic bulletin board. Over 440 contracts, totalling approximately €5.7 billion, have been awarded in competition, and almost 150 contracts have been awarded cross-border. There is clearly progress on cross-border co-operation.

Now there is the implementation of the two directives on defence procurement and intra-community transfers. It will be a very strong incentive to create, progressively, a single European market. We work hand in hand with the Member States on this issue. At the same time, these directives have to respect the specificity of the defence sector. In particular, there is a possibility linked to operational sovereignty to use Article 346 of the Treaty, and then for domains to maintain again the derogation, again to acknowledge the specificity of defence procurement.

We have organised a workshop, in association with the Commission and legal experts to support the Member States in their understanding and interpretation of the directives and the possible use of Article 346. We will follow up that, because Member States expect that from us. Again, recently we had a meeting of the NADs—the directors of armaments—and

we had an exchange of views with the Commission on the implementation of the two directives. We have to analyse together, with the Commission and the Member States, the way it will affect the functioning of the market. We can facilitate the impact of the directive for Member States, and of the remaining use of Article 346.

**Q217 The Chairman:** I understand entirely that you are not a procurement agency, but as you describe it you clearly have a lot of experience and you understand that area. I wonder if I could come back to the UK-French treaty, which this Committee has some dealings with. One of the things that has come out of that, particularly in our discussions with the French National Assembly and Senate, was that in France and certainly in the United Kingdom, one of the big issues is that defence projects always cost hugely more than their budget and they always deliver late, sometimes decades late. It is an inherent problem with defence procurement. It was pointed out that perhaps the more people that you involve in your defence procurement, in terms of the number of nations that are involved, whether in a NATO context or in the EU, then the more complex it gets and the more impossible it is to deliver on budget and on time. The proposition is that the maximum number of Member States in procurement for new equipment of any sophistication is probably two. After that, it just gets too complicated. The combinations get too great and different people want different things. So actually, the answer in this area is perhaps no more than two. Perhaps you could comment on that, because it is clearly important in trying to rationalise what Europe does in this area.

**Mme Claude-France Arnould:** First, if I may say so, two is already a great step forward. Let me take one example in the Franco-British list of co-operation—maritime mine countermeasures. We began that work in EDA and it was mature and we were really happy that it was taken as something useful in the Franco-British treaty. If more Member States can come to it without changing the calendar or the requirements, which are precise, it would be useful for everybody. It would be useful for the two Member States. Industry would like it very much. Industry prefers to have more clients than two. It is important for the European market.

I think that there is a need for a core identification of the parameters, the specification, the calendar, the conditions of employment. There is scope for bringing in more Member States, not necessarily immediately—they can join later. That is in the interests of the two Member States, because they can achieve savings with that, including procurement. It is clearly in the interests of industry. It should not be exclusive, including in the interests of the two Member States. We should also take the lessons of successful co-operation. Where there is identical equipment, it is easier to pool and to share all the support functions.

**Q218 The Chairman:** Identical products are a possibility in a lot of areas? You are saying that it is possible to get a common specification that people do not then change?

**Mme Claude-France Arnould:** I think so. The financial crisis will bring such constraints that all the specifications that all the military staff everywhere would like to multiply will have to be simplified, in a way. We are coming to a moment where, considering the financial limitation, this natural requirement for more specific peculiarities of the equipment will have to face the fact that we cannot afford that any longer. I think that the level of financial constraint that we have will be a positive element, vis-à-vis the legitimate wish of all the Member States and all the different parts of the military establishment to define their own precise requirements. There will be a push for more common requirements.

**Q219 Lord Trimble:** Is the existence of different defence industries and different national defence industry policies a problem? If it is, is there a solution?

**Mme Claude-France Arnould:** I think that the industry has already experienced large amounts of restructuring and consolidation. We have to take advantage of the different types of industries that we have—big trans-European industries and the very strong element brought by smaller and medium-sized enterprises. There is still progress to be made on a less fragmented market. You were giving some examples of the number of tanks we produce. I will take the example of the number of planes. We have three European planes competing for export. It is not EDA that can trigger the restructuring of industry; that is not our role at all. I think that less fragmentation of the domains will be very important. We have 16 shipyards. I also have the number of the defence academies.

**Lord Jopling:** Fourteen?

**Mme Claude-France Arnould:** Yes.

**Q220 The Chairman:** I did not think that we had any shipyards left in Europe at all. I am seriously impressed.

Perhaps we could sum up. The CSDP was all around military reform and trying to make our defence more effective and active. Do you think there has been progress in that area? I am asking for your personal view, not just in terms of your EDA role, but taking into account your experiences as a French diplomat and everything. Do you think that the project has moved forward and we have moved to some degree towards rationalisation and a more effective EU military ability? I do not necessarily mean completely within an EU institutional context, but more broadly. Are you optimistic?

**Mme Claude-France Arnould:** I am optimistic because the challenge was for the EU to be able to act militarily. It met this challenge, and there were some successful operations. The simultaneous challenge was to develop the capabilities to do so. There is still tremendous progress to be made, but the logic for co-operation and for pooling and sharing, based on some modest but successful examples, is there.

The difficulties that we face are not specific to the EU. I do not comment on NATO, but they face difficulties. This includes individual Member States. It is not only about collaborative projects, which are difficult. Even projects that are led at national level face the same difficulties.

Yes, I am optimistic. I really think that, including in the extremely severe environment that we face, the rationale and the logic is to be able to co-operate at a broader level than one Member State, and even than two in many cases. If the bigger Member States, particularly the two that you mentioned, want Europeans to demonstrate more commitment to taking their share of the burden, they have to use all the structures to help those smaller Member States, or those for which it is not that easy to do. The level of the European Union can really help. Based on perhaps modest and often not very well communicated success stories, we can go ahead.

**The Chairman:** Claude-France, thank you very much for going through all that. After having had many EDA papers come across our desk, I am delighted to meet the person who runs it. I hope that when you are in the United Kingdom some time, perhaps there might be an opportunity to meet the Committee again at some point.

**Mme Claude-France Arnould:** It would be a great honour and a great pleasure. Thank you very much.

European Defence Agency, Madame Claude-France Arnould, Chief Executive – Oral evidence (QQ 197-220)

**The Chairman:** An informal briefing would always be welcome. Thank you very much indeed, and thank you very much to Graham as well.

**European External Action Service, Mr Robert Cooper, Counsellor – Oral Evidence (QQ 116-131)**

*Evidence Session No. 5.*

*Heard in Public.*

*Questions 116 - 131*

**TUESDAY 15 NOVEMBER 2011**

Members present

Lord Teverson (Chairman)  
Baroness Bonham-Carter of Yarnbury  
Lord Jay of Ewelme  
Lord Jopling  
Lord Radice  
Lord Sewel  
Lord Trimble

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**Examination of Witness**

**Robert Cooper**, Counsellor, European External Action Service

**Q116 The Chairman:** Thank you very much indeed. This has been rather a late arrangement, and we hear that you are quite busy on Balkan matters at the moment, so we appreciate this opportunity to have a discussion. This is a public session that will be transcribed. You know the procedure; you will have a copy of that so that you can change any factual errors. Although this is a public session, we do not have any members of the public here. If at any point you think it would be useful for us to go off the record, we would particularly appreciate that. Although it is not completely central to our own inquiry, we would be very interested to hear about what is happening with regard to Serbia and Bosnia—Kosovo, forgive me. This Committee and the EU Committee met the Deputy Prime Minister of Serbia, and the Serbian Prime Minister is in London while we are away.

**Robert Cooper:** This is Mr Djelic?

**The Chairman:** Yes, so we have a bit of an interest in that area. The inquiry is into EU military capabilities. Primarily we are looking at the role of the EU in the military sphere, but we are also looking at wider alternatives and how things should work pragmatically in future.

**Robert Cooper:** Perhaps I could also say by way of introduction, having glanced at the questions, that there are a lot of them that I do not feel particularly equipped to answer because I have not been directly involved in military things for a while. I am better able to say something about the political and bureaucratic environment, as well as something about why I think there is still a case for the EU being involved in military things.

**Q117 The Chairman:** We are not precious about the questions; we are asking them of nearly everyone else that we are seeing. Maybe I could ask you to give us opening remarks

around that area, and perhaps we can take the discussion from there. Then we might give ourselves some time to talk about the Kosovo and Serbia area and Balkans issues at the end.

**Robert Cooper:** I will probably start with the Balkans, because in a way that is where the story begins as far as the ESDP was concerned. The shock to the European Union that started the ESDP off was the beginning of the Balkan wars in the 1990s when the US did not particularly want to be involved and for that reason NATO was not mobilised. There was a strong feeling among the European partners. One of the infamous quotations at the time—there were some even worse remarks on the European side—was from James Baker, who, as Secretary of State, got absolutely everything else right, and I think he was a great Secretary of State, but on this point he was wrong. Concerning Bosnia, he said, “We don’t have a dog in that fight”. Well, lots of European countries thought that they did have a dog in the fight, yet, because their ability to operate in a co-operative military framework was focused on NATO, they were unable to do that. Eventually they participated in the UN framework, which to begin with worked very badly, and eventually there was a NATO intervention as well.

As an aside, perhaps I could correct the historical record. The historical mythology is that everything was going badly until NATO arrived and put some muscle into it. What actually put some muscle into it was the British and French—and a little bit of Dutch—rapid reaction force in Bosnia, which was in fact under UN command, specifically under the command of the admirable General Rupert Smith. General Smith was also the commander of UNPROFOR on the ground, which targeted the NATO bombing; when he wanted bombing, he brought it in. But the people who really did the damage were the British and French artillery grouped together under the UN flag, which is never really appreciated because the person who wrote the history mainly was Richard Holbrooke, who was looking at it from an American point of view.

Nevertheless, to come back from that aside, this was a moment when Europe suddenly realised that there might be military contingencies in which it wanted to be involved but in which NATO was not engaged. It was on that basis that the idea of the ESDP started. In fact, if you look at the original specifications that were drawn up for the ESDP in the St Malo declaration, this is a kind of reply of Bosnia. It talks about the European Union being able to provide a force that in practice is the force that NATO provided; it is sized for the Bosnian war. You can ask yourself about the fact that the US has now taken a rather different view of what NATO is for and what it should be involved in, and we have now seen NATO involved in all kinds of other things, most notably Libya, with Europe—at least from the point of view of visibility—in the lead. Maybe it is not such a likely contingency in the future that there will be European contingencies and things that we want to do that the US is not interested in.

Personally, I think it is good to have the possibility of carrying out European military operations, for two reasons. One is that I think it adds to the range of options that we European countries in general, and the UK in particular, have. NATO has a different brand image from the European Union. There are places where the European Union can go where NATO probably cannot because of the different image. One relatively recent example of that was Chad, where David Leakey played a very important role in putting the operation together. I do not think it would have invited NATO into Chad, but it was ready to have the European Union in. The second reason for thinking that the European Union should have such a capability—and Chad was an example of this—is that there may be times when the EU will be able usefully to combine a military intervention with some kind of aid operation, which it will be better placed to do than NATO. Thirdly, there is a general proposition about what you might call British sovereignty, which says that it is unwise to put all your eggs

in one basket. If you want to keep your hands free to operate in different ways, perhaps you keep the possibility of operating on your own, although as defence forces shrink that becomes more difficult, but what is the harm, provided that it does not cost you a lot of money, in having a European option as well as a NATO option, for the unforeseeable moment when the US changes its attitudes and policies? The US is subject to quite violent swings of attitude depending on who its President is, and I could run through a whole panoply of examples of this—for example, Woodrow Wilson fighting an election in 1916 on not entering World War I and then changing his mind a year later. There are a whole range of places where US policy has fluctuated quite sharply, and therefore perhaps there is no harm in having an option that is not entirely dependent on the US. That is the general reason why I think that this is still a venture worth supporting.

**Q118 The Chairman:** Perhaps I can move on a bit from that to ask you, if you were writing a report card—perhaps you do write the record card for the High Representative—on the period since St Malo, what your views would be and what that tells us about the future and what is possible and not possible for the future.

**Robert Cooper:** You mean if we look at the different operations that we have done? I may not get them all; I may have forgotten something. The first thing that we did, although by that time it was almost a kind of exercise, was to take over the NATO operation in Macedonia. That operation was launched by NATO in—I am not good at the years—2000, maybe, but at the urging of the UK it was an operation in which no American participated. This time, just after George Bush had been elected, the US had decided that the Balkans were not important and it was not going to join in, but it did not stand in the way. It was the most successful thing that we have ever done in the Balkans. It is interesting that there is no mention of it in Tony Blair's memoirs, but he ought to be proud of it. We deployed about 250 forces from NATO, mostly British, and prevented a war. It is one of the few examples of a successful prevention deployment. Equally, it is one of the few examples of people bringing the military and the political together, because in parallel to the military intervention there was a political intervention run jointly by Javier Solana, who was the High Representative here, and George Robertson, the Secretary-General of NATO, which put together the Ohrid agreement, which sort of helped to solve the intercommunal problems. It may not be entirely stable, but at least there has not been a war there. We took over that operation, but that was really quite small and, as I said, it was almost like an exercise.

The next military operation that we carried out was in Bunya province in eastern Congo, which we did at the request of Kofi Annan because there was a growing crisis there that was very threatening to the people. A UN force was going to deploy, but it was going to take it maybe six months to do so. An EU force went in because it was able to go in quickly, and it probably prevented considerable bloodshed. It was largely a French force, but there was a British contingent as well and quite a lot of others.

**The Chairman:** I do not think that we need to go through them all individually. Maybe just some highlights.

**Robert Cooper:** Then let me mention Chad, because that has never received much publicity. It is the only thing that anyone did in a military way connected to Darfur. We were not able to intervene in Sudan but intervening in Chad helped to safeguard the people in the refugee camps and helped to stabilise Chad, which was under threat because of the influx of refugees. That was extremely worthwhile, and militarily it was very well done. David Leakey drew the lesson from this that one should not assume that the smaller countries of the EU do not have a contribution to make. He said that the contributions from countries such as



Austria and Sweden were extremely valuable. Ongoing, of course, is Operation Atalanta, run from Northwood, which is an example of an answer to the question, “Why should the EU do this?”. The answer is, “Well, because as well as chasing pirates we are perhaps better able to do things on land, such as arrange for their detention and trial or persuade the Governments on land to do that”. I could mention Bosnia as well.

**Q119 Lord Radice:** Could you just remind us who David Leakey is?

**Robert Cooper:** He is the Gentleman Usher of the Black Rod at the moment.

**Lord Radice:** Oh, him.

**Robert Cooper:** He used to be the director of the military side.

**Lord Radice:** Sorry, yes.

**Q120 Baroness Bonham-Carter of Yarnbury:** I was interested, when you talked about the Congo, that you said we were able to go in quickly compared with the UN. Why is that?

**Robert Cooper:** It is just in the nature of the UN. It was putting together a considerable force, gathering it from Argentina, Pakistan and all kinds of places, whereas the EU, with a backbone of French forces, was ready and able to go quickly.

**Baroness Bonham-Carter of Yarnbury:** Is that generally the case?

**Robert Cooper:** It ought to be. You never know whether forces are actually available at any one moment, but yes, we ought to be able to do those things. Later on, there was a phase when there was an election that the UN was worried about, and we provided a supplementary quick reaction force over that period, which also did a valuable job.

**Baroness Bonham-Carter of Yarnbury:** I suppose that maybe that is partly historical connections.

**Robert Cooper:** Historical connections, yes, and people who speak French.

**Q121 Lord Jopling:** Right at the end, you mentioned Bosnia and then you stopped and began to answer questions. It happens that Lord Sewel and I were in Sarajevo and Banja Luka just three weeks ago and talking to the Prime Minister of Republika Srpska. We were saying to them that they should start co-operating and being more reasonable towards each other. It seems that the whole tension in Bosnia-Herzegovina could blow up again at any moment; it seems that they still hate each other as much as they ever did. Towards the end of our visit, we were told that they had more or less given up any hope of joining both the EU and NATO. Do you recognise that?

**Robert Cooper:** They are a pretty depressive bunch down there and they give up rather easily. This is the kind of thing that can be turned around. As far as the EU is concerned, we have an active programme of trying to do with them the kind of things that would happen if they started enlargement negotiations—trying to raise the level of their institutions. We will see how far this gets us. They may be giving up but we are not.

You are absolutely right; they still hate each other and are still incapable of making their country work together. The risk of this turning into a military conflict is relatively limited because the Croats are just joining the European Union and their message to Bosnia for a long time has been, “You make your country work. Get on with it”. That is more the less the same message that the Serbs are delivering. So if neither Serbia nor Croatia will tolerate

violence in Bosnia and they make that clear, the risk is different from the one that was there in the 1990s and the early 2000s. That is the risk of conflict; they have not solved the problem. What we have had in Bosnia for the past 10 or 15 years is an armistice rather than a peace agreement.

**Lord Jopling:** But Serbia is encouraging them to make it work only so that they do not screw up its chances of joining the EU.

**Robert Cooper:** I do not think there is anyone in Serbia who would have anything to do with violence in Bosnia again. Admittedly, we have the good guy in charge in Serbia at the moment in the shape of Boris Tadic, who has delivered Mladic and Karadzic to The Hague, but there are still some nasty characters around in its political scene. However, I really do not think that they want to go back there again.

**Q122 Lord Jay of Ewelme:** I just wanted to follow up Lady Bonham-Carter's question. You gave rather a lot of examples of the EU having operated rather swiftly and effectively. Do you draw any conclusions from that about the need or the case for an EU operations centre rather than doing it as it has traditionally been done, thorough national headquarters and on a more ad hoc basis? This seems to be rather a good case for things being as they are.

**Robert Cooper:** That is one of the questions that I would rather leave to someone like David Leakey or the current director of the military staff. It is really an operational question for someone who knows what you can and cannot do. I remember only David Leakey saying to me, "The trouble is, if we'd tried to put together a headquarters here, it wouldn't really be good enough", but that may not be his view now, so I would suggest asking him. I think that that is off my territory.

**Q123 Lord Sewel:** We have been reading an article by Nick Witney that is relatively old by now on re-energising Europe's security and defence policy. You will be familiar with it but I shall paraphrase the bullet points. He says that there is basically no strategy underpinning what the EU does in defence; that any interventions are underresourced and that it is extremely difficult to get the right assets at the right level; that Europe overall has the wrong assets—too many tanks and combat aircraft, which goes back to the Cold War posture; that Europe has large armies but a poor record on deployment; problems with command and control; and, finally, a lack of learning lessons because everything seems to be a great success.

**Robert Cooper:** I think that there is a lot in that. Nick Witney is a very clever guy; he knows his field really well and has put his finger on a lot of things. The only bit with which I half dissent is the claim that there is no strategy. First of all, I think that that could be said of quite a lot of operations. In Rupert Smith's admirable book, *The Utility of Force*, he starts off on the Balkans by saying, "The first thing that you have to understand about the Balkans is that there was never a strategy". I think that we have a strategy in the Balkans now, which is about the European perspective, as it is called, which on the whole is a success, but it is a long-term strategy. What we have done in the Balkans, at any rate, has been within a strategic framework.

On the Congo, you could say with justice that perhaps there is not yet a fully fledged strategy with Atalanta, but it is quite tough to devise a strategy against piracy in a world where you can make a lot of money as a pirate. That is the only political bit, but I think there is a lot in all the rest. Maybe more lessons are learnt than he lets on because that is not done as publicly as it could be. Still, he is a very good guy.

**Lord Sewel:** That would mean that there is a long way to go.

**Robert Cooper:** Yes, sure.

**Q124 Lord Trimble:** Parenthetically, could I observe that his very first paragraph—page 10 of the executive summary is as far as I have got—states in very broad terms a strategy that Europe is forming?

**Robert Cooper:** I read this, but it was a long time ago. I think that a lot of those points are still very good.

**Q125 The Chairman:** Perhaps we could start to look a bit forwards now. Given that you feel that the EU does have a strategy in this area, what sort and shape of military operations do you think Europe might get involved in? Clearly, this is the most unpredictable area that there is, but if Europe has particular things that it is good at, or is better at than we have seen over the past 10 years, what should it concentrate on into the future? What should it maybe avoid?

**Robert Cooper:** I do not see Europe doing a Libyan style of operation for a while yet. Perhaps it is a pity, but I do not see Europe taking sides in a conflict. In theory, that is not what the Security Council resolution says, but that is the way it turned out. I can see Europe doing things such as it did in the Congo with the UN: to stabilise something while you are waiting for a UN force—to help stabilise a ceasefire agreement. There you have a political strategy, at least in the short term. I can see Europe doing that kind of thing, which fades into post-conflict stabilisation. For that, though, police and other civilian capabilities are as important as military capabilities. One of my not very successful crusades has been to try to persuade member states of the European Union to see the military and the civilian not as completely separate things but as being in a continuum. Unfortunately, the military get asked to do a lot of things that are not really their job and for which they are really very expensive, when one would do better with a gendarmerie-style police force or something else altogether.

If you had asked us to predict eight years ago what things we were going to do, we would not have got anything like what we have mentioned. No one would have mentioned counterpiracy as a field of operation. Maybe someone with imagination might have said protection of refugees. Those are the sorts of things that I imagine Europe doing—rather at the soft end of the spectrum, but a valuable way of keeping a military option available.

**Q126 The Chairman:** One area that you mentioned early on is that the EU brand is different from the NATO brand and that therefore the EU is capable in certain parts of the world where NATO is not. You mentioned Africa. For the future, if that sort of operation happens, does the EU have the command and control capabilities to do that without NATO?

**Robert Cooper:** In the Balkans, we have actually used NATO command and control. The EU operation in Bosnia is still conducted through SHAPE. Whether or not that is politically possible at the moment I am not sure, because the Turkish-Cypriot problem vitiates everything there.

**Q127 Lord Sewel:** Is that not a real problem? You have Bosnia, which is Berlin Plus—the EU and NATO together. You have no chance in hell of putting something like that in place elsewhere because the Cypriots will not stand for it.

**Robert Cooper:** Or the Turks; I can never remember which it is, but it is one or the other.

**Lord Sewel:** It is a tragedy.

**Robert Cooper:** We have weird arrangements in Kosovo because we have a large peace operation there, NATO has a large military operation, and they work closely together but there is no agreement between them. I have not been involved in that bit of it happening because someone or other—Cyprus or Turkey or both—is objecting to this. You are right; it is perfectly stupid. It is farce as much as tragedy.

**Lord Sewel:** Anything that we could do?

**Robert Cooper:** What has happened in that particular case is that the two commanders for the two staffs got together and worked out what an agreement would look like, and then each side behaved as though there were an agreement without actually having one. That has worked perfectly well. In other areas, though, it has caused us real difficulty, in some cases life-threatening, such as in Afghanistan. All I can say is that so far nobody has found a way of dealing with it, and I agree with you that that is really monstrous. It is a pity not to have the Berlin Plus possibility around because if you wanted to use a really capable headquarters, there is one at Mons that is very convenient for us. You could use DSACEUR and have a fully European chain of command, which was transparent with NATO and the US as well. It really is stupid.

**The Chairman:** That is something practically that we just have to accept for the next decade, at least.

**Robert Cooper:** No. I do not think that we should, because it is so stupid. We have not been able to solve it for a while but you never know—now and then you get an opportunity. Things change. Cyprus does not seem to change, but Turkey changes quite rapidly. Maybe we can find a way of making a deal. Happily, I have not been involved in this particular quarrel for a while, having tried a couple of times and failed.

**Q128 The Chairman:** Robert, we have had a couple of witnesses from the United States. That is clearly quite an important dimension of the topic that we are looking at within NATO, but also within American priorities. How does the European Union External Action Service look at where the United States' attentions will be in future? Certainly the present Administration say on many occasions that Asia is where the action is. Is this something that we should plan for, particularly in the EU?

**Robert Cooper:** Militarily, there are a lot of risks in Asia, and those are quite big risks. If you wanted to forecast where there might be a real hot war with potential great power involvement, Asia is that much more likely. On the whole, direct threats to the national security of European countries are quite limited. If you look at the areas where we have intervened, in most cases it has not been because there has been an obvious and direct threat to us, so they tend to look like—did Douglas Hurd use the phrase?—wars of choice rather than wars of necessity. So in a model in which Europe looks after its interests in the neighbourhood of Europe and maybe in the Mediterranean, the US handles the other bits of the Middle East such as Iran, for example, where there are larger military powers, and perhaps the Asian subcontinent where there are nuclear risks, and Asia, where there are some very heavily militarised countries and still some risks. That would perhaps not be such a bad division of labour. However, one must always remember that in the background there is Russia, which is unpredictable. I am not for abolishing NATO at all, but it would not be a surprise if US attention drifted elsewhere.

**Q129 The Chairman:** Perhaps I could ask one last question. Occasionally when I go to the House of Commons and get involved in defence discussions there, the prevalent view

seems to be that with 27 member states you can never really put a foreign policy together and therefore a military policy is even more impossible. That view has a fair bit of traction. What is the answer to that?

**Robert Cooper:** The first stage of my answer would be to say, “They do it in NATO”, but the reply to that might be, “Well, that is because the US beats them all up”. The second stage of my answer is, “Actually, we do a whole lot more foreign policy, and if you listened to that, then you would believe”. If you want, in a second I will tell you about what is going on with Serbia and Kosovo. The remarkable thing is that we agree on so much. If you look, for example, at each of the operations that we are discussing, you will find that there is an operational plan that has been endorsed, paragraph by paragraph, by 27 member states, and sometimes these are quite thick documents. So the amount that you can agree on is quite remarkable. I also believe, and that is why I continue to be a strong supporter of the EEAS, that if you gradually develop what will effectively be a shared European external service, the development of a common foreign policy is likely to become easier because a large number of countries will rely on the information and advice they get from the European posts. Of the 27, most of them probably have diplomatic representation in a maximum of 50 places, so the rest of the world is covered by the large countries in the EU and by the European Union itself. So the European Union missions will have a role in the foreign policy formation of quite a large number of member states. I think that the prospects of something like a European foreign policy over the long run are as good as the degree of common views among the large member states. The problem is not with the 27, leaving aside Cyprus; the problem is with the large countries.

**Q130 Lord Jopling:** You have explained to us what we have heard before, but it is helpful to have it endorsed, which is that the EU does the softer jobs and NATO doing the heavy lifting, if we can put it that way. One hears, particularly from the Eurosceptic point of view at home, people saying, “The EU thing, it’s all a build-up for a European army”, although it is not a view to which I do not think too many people subscribe. To what extent is there, within the membership of the EU, still a desire to build up the European military potential beyond the softer side of things? Is there still, as was suggested earlier, a group of nations, or any individual nation, that would like to see it made much stronger and involve itself in what one might call the heavy lifting?

**Robert Cooper:** I do not think that there is anyone who thinks in terms of a European army. There are lots of people who think in terms of, “Not my field”, but who think in terms of more common European procurement, for example, because a lot of money is wasted. And, of course, there are people who for a good while now have been dedicated to the idea of a European headquarters, and somehow this has become a sort of—I do not know what the term is—shibboleth that everyone always argues about. But that really is about the extent of the argument at the moment. My own feeling is that, particularly with France having reintegrated into NATO, it is an argument that continues because it never really ended. It is not a very live argument at the moment. Perhaps there are others who would share my view that we do not know what US policy is going to be in 20 years’ time, so it is not a bad thing to have a European option as well. That is probably as far as quite a lot of people would go.

**Lord Jopling:** Is there still an understanding, as there always was when the thing was set up, that the Europeans would only do things which NATO did not want to do?

**Robert Cooper:** Yes, basically, that is so.

**Q131 The Chairman:** Robert, we would like you to talk to us about Serbia and Kosovo. Would you like to do that on the record or off the record?

**Robert Cooper:** I might as well do it off the record, if that is all right. It has nothing to do with your current inquiry.

**The Chairman:** Robert, thank you very much. We offer you every best wish that you manage to resolve those things.

**European External Action Service, Mr Maciej Popowski, Deputy Secretary-General – Oral evidence(QQ 244-265)**

*Evidence Session No. 12.*

*Heard in Public.*

*Questions 244 - 265*

WEDNESDAY 16 NOVEMBER 2011

Members present

Lord Teverson (Chairman)  
Baroness Bonham-Carter of Yarnbury  
Lord Jopling  
Lord Radice  
Lord Trimble

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**Examination of Witness**

**Mr Maciej Popowski**, Deputy Secretary-General, European External Action Service

**Q244 The Chairman:** Mr Popowski, thank you for giving up your time this afternoon. This is the last of our meetings in our two-day visit to Brussels. If possible, we would be interested to ask, towards the end, for some of your views as a Pole, rather than just as a top member of the EAS, or at least for a Polish perspective on some of these issues. This is an inquiry about EU military capability. We have undertaken a number of witness sessions before we came out here, mainly with UK Government officials, with think tanks and with some American input. We intend to publish the report very early next year. Perhaps I could make it clear, although it is utterly obvious, that this is a public session and we are recording it. You will get a transcript of the session, which you are very welcome to change if there are factual errors. If it would be useful for us as Committee to go off record, that would also be possible, but we are trying to do as much on the record as we can. It would be very useful indeed for the public record if you were able to introduce yourself so that we have that in the transcript. I do not know whether you want to make a short opening statement. If you do, we are very happy to hear it, but otherwise we will get straight into the questions. I hope all of that is very clear.

**Maciej Popowski:** It is. I have done it before, on other subjects—I have testified twice in the House of Lords on development assistance. I am Maciej Popowski, Deputy Secretary General of the European External Action Service. One of my areas of responsibility is security and defence. For an opening statement, I can only say that we are now at the

moment where we need to make up our minds in Europe about the future of security and defence, not only because the CSDP as a project has come of age, but we are operating in the new institutional environment after the entry into force of the Lisbon Treaty, and the very recent experience of the Libya crisis was very telling in many regards, in particular when it comes to Europe's crisis management capabilities. We have to draw the right conclusions and see whether we need to redefine the way we conduct European security and defence policy.

**Q245 The Chairman:** I believe that there is a meeting of Defence Ministers at the beginning of December that will look at a lot of these issues. Is it possible to tell us a little bit about what that meeting is going to try to do?

**Maciej Popowski:** Yes. In fact it is a back-to-back meeting of Defence and Foreign Ministers. Defence Ministers will meet on 30 November and Foreign Ministers will meet on 1 December. They will have a joint meeting as well. They will discuss the usual sets of issues, but I hope it will not be in the usual way. They will discuss capabilities, operations, partnerships and the way we deal with NATO or the United Nations, but we very much hope to achieve some results in particular areas and draw lessons from the operations, preparing the ground to agree a framework on the further development of Europe's capabilities.

**Q246 The Chairman:** Perhaps this comes into the area that we were going to ask about first. Why is that review necessary? Do you feel that the structures are not right at the moment, or that they could be organised more effectively? What is the motivation for that? Is there a need for significant change?

**Maciej Popowski:** There is a need to be more efficient. The question of whether or not we need to revise structures comes second. We definitely need to do better. That is perhaps the most obvious conclusion of the Libya crisis and operation. It was not an EU operation, but it was led by European countries. We definitely need to be more efficient. Of course there is a very significant financial dimension, as defence budgets all over Europe are under very severe pressure. In a way, we have to do more with less. On one hand, there is this pressure on the defence budgets; on the other hand, the demand for Europe as a crisis manager is growing. Demand to handle crises in our immediate neighbourhood is growing. So we have to find a way to be more efficient.

**Q247 The Chairman:** Is that a demand from inside Europe that Europe must do something, or is it equally a demand from outside Europe, viewing the EU as an institution that can help to solve other people's problems, as they see it?

**Maciej Popowski:** It is both, actually. Member states are fully aware that we should assume responsibility to guarantee security around our borders. That is not new. It is already an objective that has been clearly stated in the European Security Strategy of 2003. But external demand has been growing as well, not only with our partners in the south looking to us, but even the transatlantic partners—the United States—increasingly expect Europe to be more capable of handling crises around our borders. I think that the farewell speech of Robert Gates in Brussels in June was very telling in that regard. He reminded Europeans of their responsibilities in the area of defence.

**Q248 The Chairman:** Are there any examples, apart from the United States, of our southern neighbourhood asking for our assistance?



**Maciej Popowski:** Perhaps not clearly spelled out yet, but we have been discussing with the new Libyan authorities, the NTC, how we could help. This is quite a complex process, as you can imagine. It is UN-led, but within this UN framework we are ready to provide our assistance in the area of security sector reform. We have been discussing terms of engagement for a while. We will have to do a needs assessment first. Clearly we agreed with the United Nations that Europe would lead the needs assessment on border management, which in the case of Libya is a huge task.

**Q249 The Chairman:** Indeed. With the establishment of the External Action Service, do you feel that Europe is now in a stronger position to be more co-ordinated in this area and to move it forward? Or has it meant that while the EAS has been getting itself together organisationally, there has been neglect in this area?

**Maciej Popowski:** There is a huge potential that we need to use. Of course we had to spend some time and energy on getting organised. That is inevitable for a new organisation. But at the same time, we have to face new challenges. In the first three weeks of our existence the Arab spring happened, so we had to act quickly. I think the response, in general, was relatively well prepared. Of course, the military dimension was very limited, but we had to act in a comprehensive way. That is exactly the leitmotif of the European External Action Service, to make sure that we can use all the instruments at our disposal in a co-ordinated fashion. All the instruments means diplomatic development and security and defence instruments as well. In Europe, we always praise this comprehensive approach to foreign policy and crisis management; now we have to do it.

**Q250 The Chairman:** Does the Military Committee feel comfortable in the EU, which is very much a civil organisation? Does it fit?

**Maciej Popowski:** It does fit. I also think that the members of the Military Committee feel quite comfortable. The whole idea of developing a more comprehensive approach to crisis management originally comes from the military part of the house. They have already done some work on it and they also believe that we cannot be effective if we launch operations in an isolated manner. No operation can be a substitute for policy. So we need a policy framework. Within that framework, military, military-civilian or civilian interventions can play a very significant role.

**Q251 Lord Trimble:** You mention the Libya operations. Are there any lessons to be drawn about the capabilities that European forces will need in the future?

**Maciej Popowski:** Absolutely. I think that the Libya operation has shown clearly what we lack in Europe. There are differences between different national armies, but it was already clear in the second or third week of the Libya operation that we lacked the air-to-air refuelling capability, we lacked certain intelligence capacities and we lacked the so-called smart munitions. This was a very pressing problem for many Europeans involved in the operation. That is why we have to rely on the Americans. Of course they were ready to help, but they did not want to lead. These were perhaps the three most striking examples, but I think there will be more.

**Q252 Lord Trimble:** We were struck in evidence that we received from other witnesses that the headquarters in Naples discovered that they did not have the planning capability to run the operation and that large numbers of Americans had to be deployed into that body to keep it going. Had we not had all those American personnel there, we would have had great difficulty in sustaining the campaign.

**Maciej Popowski:** I am sure that it is true. This is of course a NATO headquarters. I do not know the details of its set-up.

**Q253 Lord Trimble:** We were told that there were some novel features about the air campaign in Libya, which had not been experienced before, and consequently the existing resources in that NATO headquarters were inadequate and very significant reinforcements had to come in. The point is that the European countries that were supposedly leading on this operation did not themselves have the expert planning resources to run it. I agree with the points that you made about the materiel gaps, in terms of smart munitions and the rest of it, but this was more a human gap in expertise and experience.

**Maciej Popowski:** I am pretty sure that that is the case, because we have never run such a major air campaign before. There were elements of it in Kosovo, but it was not the same order of magnitude. There is a larger problem as well that we face in Europe. Whenever we decide to launch a multinational European operation, we always have to augment or man the headquarters that we choose. There is a certain problem of continuity. We have to find the people and blend them into a coherent team. We need to repeat this. If we can ensure that we can give those planners appropriate training so that they share a certain level of strategic culture, that would help as well. Then, of course, what you point out is the lack of specific skills, which I think may be a problem with regard to certain operations in Europe.

**Q254 The Chairman:** Can I come back on Libya again, to understand practically? It became a NATO operation, as we know. There was a very high profile abstention by Germany in the Security Council when it came to a vote. Did the Libyan operation cause tensions within the military structure or other parts of the EAS, in terms of relationships, during that time? It was quite controversial with some member states, wasn't it—or some political groups within member states?

**Maciej Popowski:** I do not think that it caused major tension within the EU as such. Some of the member states were put on the spot, so that was an issue. The exact mandate of the NATO operation had an impact on our planning for the potential EU operation, because the member states did not want to duplicate. As a decision had been taken that NATO assumed certain tasks envisaged in United Nations Resolution 1973, at the EU level we agreed to concentrate on providing security to potential humanitarian operations, only at the request of the United Nations, which never happened. Because we were supposed to operate in parallel, this had certain effects on our planning.

**Q255 Baroness Bonham-Carter of Yarnbury:** You referred earlier to the hard economic times that we are facing. How can the EU encourage other member states to provide more funds for defence, in particular Germany?

**Maciej Popowski:** The key word is “encourage”. You cannot impose anything on anybody. We are not a defence organisation, so we do not even try to harmonise national defence planning. That is a sovereign decision of every member state. We know that all our budgets are under pressure. Our defence sector, particularly the defence industry, is still fragmented. We do not have an integrated defence market. So we have to ask the right questions. That is a way of encouragement as well. For example, do we really need 10 different manufacturers of armoured vehicles in Europe? We could perhaps reduce that a bit. It is a sovereign decision of every nation, whether they would like to keep their industrial capacity or not, but that is very much the rationale behind the pooling and sharing initiative, which I am sure you have discussed during the day. We hope to make progress. It is still too early to say whether we will, or whether this progress will be sustainable, but we very much hope to be

able to make progress, because it is also very much linked to the future of our defence industries and defence market.

**Q256 Baroness Bonham-Carter of Yarnbury:** What happens if your encouragement does not work and you do not make progress?

**The Chairman:** Particularly when the EU is telling everybody else that fiscal rectitude is what you need, but by the way we need a bit more contribution on the defence side. It is a difficult argument for the EU, isn't it?

**Maciej Popowski:** Well, if we do not succeed, then we have to think again about our level of ambition. We want to be able to run certain types of operations. We cannot do it without assets provided by member states. We do not have any European assets and we will not have any. We can only rely on the member states. We are already confronted by significant shortfalls in personnel and equipment for our missions.

**Q257 The Chairman:** Could you give us examples of that, or what effect that is having at the moment?

**Maciej Popowski:** Let us take the anti-piracy Operation Atalanta in the Indian Ocean. For the time being, we may end up having only two battleships in the area in early 2012. That is definitely not enough. Normally we should have 12, I think. The operations commander is a very capable man, so he could adapt a bit, but two is definitely not enough. This is for the member states to provide. We can ask them to do so, but that is all. Another example, which is more civilian than military, is our rule of law mission in Kosovo. It is the biggest ever. We have almost 3,000 personnel, European and local. We lack the so-called formed police units, which are basically riot police. We need them for security reasons and recent events have validated that need, but we are at 50% of the capacity that we would need. It is definitely sub-optimal.

**Q258 Lord Jopling:** You talked about doing more with less a few minutes ago. One of the ways in which you can do that, I suppose, is by pooling and sharing. What opportunities do you see for pooling and sharing, bearing in mind all the problems of sovereignty and protecting domestic armaments businesses. How far do you think that the EU can go in encouraging pooling and sharing or is it just something that everyone talks about, just like every politician at every election talks about peace, progress and prosperity? That is all very nice to talk about, but very difficult to achieve.

**Maciej Popowski:** It is a delicate issue, of course, because it touches the very heart of national sovereignty, but as we live in a world where almost no nation can handle security problems alone, I think we should try to arrive at some sort of interdependence based on trust. The member states who decide to participate in any kind of pooling and sharing scheme would be reassured that of course it would not deprive them of certain assets if they need them.

There are already some examples in Europe where pooling and sharing is taking place. Some of the projects are being led by the European Defence Agency, which I understand you visited as well, for example the common training of helicopter pilots. The European Defence Agency has also put together a mobile laboratory for improvised explosive devices, which is currently deployed in Afghanistan. We have requested member states to come up with projects and they came up with more than 300. Most of these projects are in the area of force support and training exercises. This is good, of course, but in a way it stays away from the more sensitive collaborative projects that we would encourage. We are being forced by

circumstances to do more together and I think that the member states realise it. They have to cross a psychological red line. Again, it is their own decision. We as the European institutions—External Action Service and EDA—will definitely try to manage the process, but we will not impose anything because we are not in a position to do so and we do not want to.

**Q259 The Chairman:** Is there a willingness, though, among member states? I get the impression quite strongly, in a way, that, because of the budgetary difficulties, the appetite is large for the EU to play a civilian-military role in missions, but when it comes down to providing the resources, that is difficult, so the question is whether you undertake an operation that you cannot fully resource, or does that mean that you should not undertake it at all. Given that we are likely to have austerity to some degree for the next number of years, how will that affect the EU's projection of CSDP outside?

**Maciej Popowski:** It is a matter of choice and political will. If member states do not have political will to deploy personnel and assets, they will not do so. We have a certain potential. We have around 2 million military personnel in Europe, and I was told recently that we were deploying only 3% in UN, NATO and EU-led operations. It is not overwhelming. I think that we could do a bit better, but that requires political decisions. Again, it is something that the EU cannot impose. The High Representative feels strongly about this. We need to be serious about our missions, because we take political responsibility. We set up a mission and we deploy, but then we do not man these missions properly. It entails a risk. Let us take the example of Kosovo again. If we do not have the forces on the ground that we need, we run the risk for our people on the ground, not to mention the reputational risk for the EU as a whole.

**Q260 The Chairman:** The EAS and the EU could be completely passive and say that it is completely up to member states whether they do it or not, and if we do not have enough resources then we will not do it, but presumably the whole ethos of the EU and the CSDP is more than that; it is motivating people and nations that that contribution is important. How do you go about doing that? Is the EAS now in a position where it is easier to do that? Is crisis management easier now, under the current institutional arrangements, than it was in the past? Have we at least made that step forward? Do you have some examples of that?

**Maciej Popowski:** It is more difficult for financial reasons, for sure. Perhaps it is more straightforward from an institutional point of view. What matters to the member states is that when we want to mount an operation, we want to define a certain context and we need an exit strategy. Again, a point that Cathy Ashton feels strongly about is that sometimes we lack appropriate exit strategies. We are in a quite competitive position. The EU can embed any kind of intervention, civilian or military, in a larger context.

This brings me back to the point about the comprehensive approach. Let us take Bosnia as an example. We have been engaged in Bosnia for years, both militarily and through a civilian operation. At a certain point of time, some member states said, "We need to do something about it, because we face mission creep. We need to phase out that kind of engagement". That was a difficult discussion and member states had different points of view, but we could then use the other EU instruments to demonstrate that we could propose an alternative solution. We managed to get agreement to phase out the police training mission in Bosnia and replace it with purely civilian-led action, which we finance from the traditional EU instruments, pre-accession. We will continue to provide training to the Bosnian police, but through different means. This could be done elsewhere as well. I am not saying that it is a

universally applicable model, but this kind of combination of CSDP and non-CSDP instruments places us uniquely as a provider.

**Q261 Lord Radice:** I am not sure which hat I am asking this question to—whether it is your hat as an EAS luminary, or your hat as a Polish national or Polish citizen. You can take it whichever way you want, but one thing that has been brought to our attention here is that a number of actors in the European Union, particularly the Weimar group, are arguing for the establishment of an EU operational headquarters. I do not know what your thoughts are about this. Do you think it is a good idea? Can you have some alternative arrangements that might make more sense and be less expensive?

**Maciej Popowski:** I will definitely try to answer this question with my EAS hat on. The Weimar initiative is an important contribution to the debate on the CSDP, although not all member states agree on all elements of the initiative. The question of structure is basically about planning and conduct capability. From our point of view, what really matters is effectiveness. What do we need to be more effective? We should conduct the discussion on the basis of the lessons learnt from different operations, both civilian missions and military operations.

We do not want to create a structure for the sake of creating another structure, because that will not solve our problems, but we have identified shortfalls and deficiencies in the planning process that we need to address. If everybody agrees that the best solution would be to create a new structure, so be it. That is not likely to happen, so we have to make sure that we can make best possible use of the existing structures that we have—the EU Military Staff and the crisis management and planning directorate—to revise our rulebook, cut the timelines and perhaps make sure whether all the steps that we usually follow in the planning process are really necessary. By the way, we are still using the crisis management procedures agreed in 2003, which is eight years ago and 24 operations ago. Maybe we should have another look and see what could be adapted in order to become more effective. There are different options but we want to be pragmatic, and of course we need everybody on board. We are ready to play a facilitating role. We are proactive, taking these discussions forward, but we want to have a good result that every member state would be comfortable with.

**Q262 Lord Jopling:** I would like to go to a wider situation. Setting aside your EAS hat for a minute, how do you see Poland's membership of the European Union? There is a perception, which I know that you will understand, that when you joined the Union, Poland appeared to be more transatlantic-minded than it is now, that Poland has become much more Euro-enthusiast, perhaps, than it was when you joined. We understand that there is, if I can put it this way, a somewhat startling policy of still wishing to join the euro, which sounds a strange time to want to do it. I wonder whether you would just talk about this change that appears to have happened in Poland's attitude to the EU since you joined.

**Maciej Popowski:** Definitely the change has happened and it was quite a significant change. I would not say that Poland is less transatlantic now, but it is definitely more European. I do not see a major contradiction between the two. The change in attitude to the US was a result of a reality check. As it happened, Poland's accession to the EU coincided with the major engagement of Poland in American-led operations in Afghanistan and Iraq. For us, it basically started in Iraq, and Afghanistan followed. On top of that came the quite lively debate about missile defence, so the Polish political class was very much exposed to the realpolitik of American security policy. It had a major impact on our armed forces and our defence planning. It does not mean that Poland is less transatlantic now; it is a bit more realistic. Definitely this pro-European position is a result of a certain evolution in the

thinking of both the political class and public opinion. Polish public opinion is probably the most EU-friendly in Europe. We have a very high rate of support for the European Union.

If we want to speak about the CSDP as a project, again, the Polish evolution was quite remarkable. When I was the Polish representative in the Political Security Committee, I had to criticise the idea of a European headquarters and I did, because I was a good diplomat. It was quite interesting for me to watch this development. When I came back and was appointed in that position, one of my first assignments was to deal with the Weimar initiative, where Poland was a proponent of a European headquarters. It was not just a mood swing. It was the result of a certain evolution in Polish thinking about Europe, but also the EU as a security actor.

The euro goes beyond my remit, but there is one important feature that we should not forget. Poland is among those member states that are obliged by their accession treaty to join the euro. Of course, we negotiate the timing, but we do not have an opt-out. So that will come, some time, but our Government is very careful not to commit itself to any particular deadline, because of the circumstances.

**The Chairman:** That is very useful, so thank you for your insight. We have one other area that we have not tackled very much elsewhere.

**Q263 Baroness Bonham-Carter of Yarnbury:** Sorry. I did not have time to ask Mr Vimont this morning, so I thought I would ask you how the permanent structured co-operation set up by the Lisbon Treaty is working in practice.

**Maciej Popowski:** It is not working in practice, because nobody took the initiative to initiate it. There are many treaty instruments, both in the Lisbon Treaty and in the older preceding treaties, that have not been used extensively. This could just be another example. We have discussed it many times with our member states, starting in 2009, I think, and we continued this year. I do not see much eagerness to launch permanent structured co-operation any time soon.

Intellectually it is quite tempting. You could think of permanent structured co-operation as a way to take forward work on capabilities. If we cannot do it at 27, perhaps we can form a group of nine or 11 and take forward a particular project. But still it is perhaps a bit too early. I can draw a parallel. There is a similar or related mechanism—the so-called enhanced co-operation—in the treaty, which has been used, but the last time it was used was two or two and a half years ago. The Commission made a proposal at the request of member states to use this particular mechanism in the area of divorce law. It was the first time ever, but the mechanism was inscribed in the Treaty of Amsterdam in 1997. There is a certain psychological barrier to be crossed and I do not see a lot of willingness at this stage to engage in that kind of co-operation.

**Q264 Lord Radice:** I am just looking up your growth rates. They look better than most other European ones.

**Maciej Popowski:** You mean the EAS or Poland?

**Lord Radice:** Poland.

**Q265 The Chairman:** Going from zero to where you are, the EAS has obviously done quite well as well. We have a couple of minutes. I want to bring up a matter where I think we would be criticised by our own House if we did not ask a question about it at all. That is cyber defence. I do not want to get hugely into this area, but it is something that we want to

**Maciej Popowski:** I would rather speak about cybersecurity, because although there is a focus on cyber defence in NATO, which has just adopted the cyber defence concept following the NATO summit in Lisbon, we are not going to develop a cyber defence concept, because we are not a defence organisation, but we are very much working already on cybersecurity. We are very grateful for the lead of the United Kingdom. I have just been to the major and very interesting cybersecurity conference organised by the Foreign Office, on the invitation of William Hague, on 1 November. This has launched a process of wider reflection about setting standards in cyberspace, where the EU definitely needs to contribute. We are already working at the EAS, in different parts of the service, to think about how we can contribute to that. It goes beyond the area of external relations. The Commission has a huge sector. The issue of cyber criminality and prohibiting certain content on the internet is within the remit of the European Commission, so we are working with them. No, we do not want to propose a European regulation or rigid set of rules for cyberspace, but it is a new phenomenon, so there is a lot of potential and there is demand to develop certain standards. That was very much the message from many Europeans taking part in the London conference, but also from many operators, including the major internet providers or operators such as Google or Facebook.

**The Chairman:** I think that sums it up very well. Mr Popowski, thank you very much indeed. When we met in Warsaw about COFAC, that was very useful as well. I hope we manage to sort out a future for how COFAC and what used to be the Western European Union Assembly work as well. We will be delighted to send you a copy of the report when we publish it.

**Maciej Popowski:** I am looking forward to it. Thank you very much

**European External Action Service, Mr Walter Stevens, Director, Crisis Management & Planning Department – Oral evidence (QQ 132-154)**

*Evidence Session No. 6.*

*Heard in Public.*

*Questions 132 - 154*

**TUESDAY 15 NOVEMBER 2011**

Members present

Lord Teverson (Chairman)  
Baroness Bonham-Carter of Yarnbury  
Lord Jay of Ewelme  
Lord Jopling  
Lord Radice  
Lord Sewel  
Lord Trimble

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**Examination of Witnesses**

**Walter Stevens**, Director, Crisis Management and Planning Directorate, European External Action Service, **Andrea Papoukova**, Crisis Management and Planning Directorate, European External Action Service

**Q132 The Chairman:** This is a public meeting, although you might not recognise many members of the public here, but it will be transcribed and given as evidence and we will give you a copy of the transcript. If there are any factual errors in it, you are welcome to come back to tell us that we have recorded something wrongly. Perhaps you would like to introduce yourself so that we have that on the public record.

**Walter Stevens:** First of all, thank you very much. I very much welcome this opportunity to meet you all. I think that I am the first, apart from Robert, in another field, to kick off the series of meetings with Mr Vimont, Mr Popowski and others. I welcome also the great interest that you have in visiting Brussels to learn and discuss more about the European Union, the CSDP and everything that we are trying to do.

Perhaps I can say a couple of words on the CMPD, the Crisis Management Planning Department. What we do is strategic planning—early advance planning on how the European Union should address security crises. We try to do that with our friends in the military staff and the CPCC, the civilian missions, but also with our friends at the geographical desks. What we do is write a crisis management concept: that is, how you address a crisis with the CSDP instruments in relation to other instruments from the Commission, the instruments of stability, diplomacy and those of other international actors.



That is one of the new elements since Lisbon and it is one of the strengths of the European Union. It is not only military but has a wide range of instruments that can be deployed. We want to use them in the right mix, the right combination to make them more effective. We in the CMPD, from the CSDP angle, are in the middle of that. We plan. We also deal with bringing together military and civilian capabilities—basically, the military staff and our friends from the civil missions—for example, to see how we can use military means to help civilian missions and vice versa, how we can better integrate the use of both instruments.

We also work on partnerships in the CSDP field. That means countries who participate in our European missions. There are quite a few: Turkey is one; the United States is one; Bosnia is now asking to do that; Serbia is offering some capacities. We develop relationships with those countries to see how they can participate and conclude agreements with them, which are called framework participation agreements. Basically the CMPD works on three strands: integrated strategic planning; the partnerships linked to the CSDP; and the integrated capacity development—civilian and military.

Andrea has just joined us. I will let her introduce herself.

**Andrea Papouškova:** I am Andrea Papouškova. I have just joined the CMPD team. I am there to help with co-ordination and am trying to learn about the comprehensive approach towards crisis management. I am here to get the feel for some of the questions that you may have.

**Walter Stevens:** Before that she worked for the Ministry of Defence, so she has a military background.

**Andrea Papouškova:** Yes, before that I worked as an officer for Afghanistan in the NATO and European Union mission in Afghanistan, and in other NATO and EU missions, so that is my previous expertise.

**Walter Stevens:** The good thing about CSDP is that we have military planners but also civilian planners and they work together. They look at a crisis—for example, piracy—from a wider angle.

**Q133 The Chairman:** Thank you for that introduction. Perhaps I can just clarify a couple of issues which are important for our inquiry. Andrea, if you want to contribute, you are completely at liberty to do so.

You mention particularly the co-ordination of civilian and military. From my recollection, all missions are classified as either civilian or military, so why do we not have a combined classification—or do we? Does that nomenclature get in the way, institutionally, of what we want to do? I also just wanted to pick you up on one point in your answer. How do you get Member states or a broader number to participate? Do you get on the phone and ring up General So-and-So or Minister of Defence So-and-So to say “Could you provide this?” or do you have a queue at the door?

**Walter Stevens:** It is a little bit both ways. The steps are as follows. We as the CMDP come up with a crisis management concept. It must be approved by the Council. If the Council agrees on the approach, we develop a concept of operations—by civilians, the military, or both. That is the next step. Then it comes into the more operational aspect. We say how we should approach it. They are more the contractors. They say, “We need so many people. We need headquarters over there.” Then, when the CONOPS is approved—because it and the operational plan have to be approved by the Council—we launch a call for contributions to a mission.

When we develop a crisis management concept, we do that in dialogue with Member states. We listen to what they want, what they can bring and what is important to them. Of course, there is a huge gap between a theoretical solution of a crisis with whatever we could do and what is realistically possible, taking into account means. There has to be a dialogue so that what we develop is realistic and in line with what Member states could bring. Of course, there is no guarantee, but at least we get a feeling that there is an interest. We are now entering a period in which, in all states, budgets are very tight and it becomes more and more difficult to find enough capacity for our missions, even the existing ones, so for new ones it will not be easy.

In developing the mission, we get a feeling whether there is an appetite, if I may call it that, from Member states to contribute. This may be only partly an answer, but the formal call for contributions comes when the mission is to be launched, because then we know how many experts we need, how many judges, how many policemen, how many military, how many ships. That has to be precise, but sometimes there is a force sensing before which gives a general indication that Member states are willing to contribute to such a mission.

On your first question with regard to why a mission is civilian or military, there are a few missions that are civilian in nature but are using military means. One example is the mission in Congo, EUSEC, which is advising the Congolese authorities how to reform their army and which is doing a good job, I think, in making sure that payments are being made to the troops, which is important. That is a civilian mission, which means that the mission is paid for from the CFSP budget but it is carried out with military means. For the moment, a Portuguese general is the head of mission and all the Members are military. There are other missions, such as the one in Kosovo, that are civilian. There we have no military at all, but we have judges, policemen and customs officials, gendarmes and carabinieri. The distinction is important for the kind of financing that we get.

**Q134 The Chairman:** Are there situations where the finance motive decides what label you put on it, because it makes it possible?

**Walter Stevens:** No, I would not say so. It is mainly determined by the nature of the activity that you are going to develop. There are always some reasons, such as security sector reform or military reform, by which you could call it a military mission, but mostly a military mission is more when you have ships involved or boots on the ground. You probably know that the CFSP is for the civilian missions and then, for the military missions, the Member states pay, and there is the Athena mechanism where there may be prepayment for certain things.

**The Chairman:** I might come back on some of the broader things later.

**Q135 Lord Trimble:** Looking at the military capabilities available to the EU, are those capabilities effective? If they are not effective, what needs to be done and what role can the institutions of Europe—the High Representative and the military staff of the European Defence Agency—play in boosting those capabilities?

**Walter Stevens:** First of all, the European Union as such, has no military capabilities. We have to rely on Member states. Member states own those capabilities, so in CSDP we are always in a close relationship with the Member states. It is not as though we have a pool of military capability that we can command. That would be easier, but it is not the case. We always rely on Member states. There have been a lot of efforts to try to develop military capabilities over the years. But let us not forget that the CSDP is still quite a young boy; it is only 10 years old. If we look at what it has been doing over the past 10 to 12 years, it is

quite impressive. We have had something like 24 missions, both civilian and military. In total, some 80,000 people have been in the field, and not only military, although that has not been the most important part. There have also been judges, policemen, customs officials, border guards and so on, so it is quite a panoply. But on military capabilities the ambition has been set by the headline goal where Member states have committed to make available quite a substantial number of troops. I think it was around 60,000, making it possible to conduct two large operations in rapid reaction mode in the world, with a couple of other small operations. A sort of target was set, but the reality is that this target was a theoretical one. However, in practice, I do not think that we reach this target. There was also the issue of having battlegroups. NATO has its rapid response and we have battlegroups, which in a sense was a very good idea. I think it has also helped those countries, which participated in the battlegroup to sit down together and work on procedures, equipment and so on. It stimulated co-operation and a common spirit.

**The Chairman:** We will come on to battlegroups.

**Walter Stevens:** But the battlegroups were never used, so we are now looking into how we can increase the possibility of using them or elements of them, but perhaps we can come to that later. The other thing about military capabilities is that budgets are now tight everywhere. We can see how the defence budgets have been cut in Germany and the Netherlands, so it is difficult to achieve sufficient capabilities. Look at Atalanta, for example. By the end of the year, we will be down to three ships where now we have six or seven. Perhaps this is also linked to the situation in Libya and control of the arms embargo, but it is getting more difficult. We have difficulties even in getting basic things into our mission, training Somali soldiers. The idea would be that, in this difficult environment where everyone has tight budgets, we will work much more closely together and pool our efforts. There are many initiatives in that regard bilaterally. There are also many initiatives regionally. For example, I see that outside the European Union Croatia is working together with Poland and others, even on hard stuff. But it is not easy. I think it works well for training and logistics, and it works well for medical, but when it comes to hard stuff, it becomes more difficult. It also involves issues of trust and sovereignty. If you say, for example, that you are no longer investing in planes or your navy, you have to rely on your partners to ensure that, when you need these capacities, your partners are going to provide them. Developing that trust takes time.

There is a huge momentum at the political level among Ministers, but when it comes to the chiefs of staff, it is more complicated because they have to deal with the day-to-day realities. They have had cuts in their budgets, so they have to make sure that they meet their budgets. They are therefore very reluctant to engage in projects that do not contribute to savings.

I think that the momentum is there. The EDA is a key actor in this. The agency has come up with a lot of proposals which now have to be narrowed down to some more concrete ones, focusing especially on issues such as the enablers, those that were problematic in, for example, the Libyan crisis. I mention air-to-air refuelling and information. There will be proposals, and we hope that Member states will now buy into them. I must say that NATO has exactly the same issues. We are in constant talks with NATO, and I think that they are very fruitful in the sense that sometimes we intend to work on the same project, but in talks, we see for example that one is working on short-term aspects and others on the long term or vice versa. Pooling and sharing is a Member state-driven thing. The institutions help and support them with ideas and motivation, but after the last capabilities meeting with NATO I had the impression that some Member states were indicating that we should more clearly set out who is going to do what. There is a plan of maybe introducing into NATO

plans—for the NATO summit in Chicago—some elements of the European approach. It could specify what the European Union is doing this or the European Union is doing that. I regularly meet General Brauss, and Assistant Secretary-General Huseyin Dirioz of NATO on Pooling and Sharing. The talks are going well.

The advantages of the EDA is that also the military industrial element is taken into account. A huge amount of money is spent on defence in Europe, so maybe there is a way of improving its use by rationalisation, and cooperation. That is maybe one of the distinct elements of the European Union's approach.

**Q136 Lord Sewel:** I would like to talk about the capabilities of member states, both in terms of physical assets and human resources. On the physical assets side, the criticism is sometimes made that Europe has failed to modernise in that it still has assets which are more appropriate for the Cold War rather than the smart assets that are needed for today's conflicts. That is on one side. On the human resources side, there is an unwillingness to deploy among some member states, so there are large militaries with a reluctance to deploy. Is that your experience and do you agree with that criticism?

**Walter Stevens:** I am not an expert on this, but we can look at the figures. I do not know how many soldiers of members of the armed forces there are, but if I am not mistaken, there may be something like 2 million soldiers in the armed forces in Europe. The number of people being deployed in the field—it is a small percentage. I know that Belgium, for example, now has 37,000 soldiers or members of the military forces and we deploy something like 800 to 1,000 on military operations. I know that if you deploy 1,000 people on a yearly basis, you will need 3,000 because you have a rotation system. That costs a lot because of the materiel and so on. We have huge armies, but the elements that can be deployed are limited. From the European side, I would say that a mission such as Althea in Bosnia, where we still have a standing force in order to guarantee a safe and secure environment—although there was no real security threat, the politics are quite complicated and there is a danger of spillover—it is still extremely difficult to find enough capability to man that force. We have not scaled it down, but we have adapted it a little in the sense that we have kept the training component and what I would call the information component, and then a small foothold for an over-the-horizon force that could fly in. But here also we will have to see how much member states will be able to come up with. One idea was to use a battlegroup as an over-the-horizon force. The idea of using battlegroups as a form of support for missions and operations is there, but sometimes it is not that easy with Member states. There is also an issue of control and command because the battlegroups are under the control of the Member states, which form them. If you made them in support of Althea, then of course they should be under the command of the commander of Althea, being the NATO Deputy Supreme Commander, General Shirreff. He should be able to call them in when needed. So a couple of issues are involved there, but the idea is on the table: how can the battlegroup be better used as an element in support of operations and missions in the future?

**Q137 Lord Sewel:** This is almost the question that Lord Teverson asked, but when push comes to shove, what is the reaction of Member states when they are called upon to produce assets?

**Walter Stevens:** For the moment, it is very difficult. We lack capabilities in Atalanta, in Althea and in EUTM, and that has basically to do with the financial crisis. This also extends to civilian missions. In Kosovo, for example, two or three police units have been pulled back, which seriously hampers the way our mission can execute its mandate. That is because the

units are operating in the North, which is very important because we are the second security provider after the Kosovars. If there are no police units any more, we will lose that role.

**Q138 Lord Sewel:** You say that it is the product of the financial crisis, and understandably so, but to what extent are there political difficulties?

**Walter Stevens:** It is difficult to judge. Personally, I think it is the financial elements. Of course, we could go back to Libya. When there was a proposal to do certain things in Libya, there was no consensus among Member states to go forward. We all know which Member state was not very much in favour. In that respect, there was a political element involved. But when we look at the existing operations, it is especially the financial elements; that is playing.

**Q139 The Chairman:** Are there some Member states that you would not bother to pick up the phone to? I would love to ask you to name names, but I am sure you will not. Or are there certain Member states interested in certain missions where others are not? Is there an equality at the end of the day or are there some states where this just is not their thing?

**Walter Stevens:** It is clear that certain members are more interested in certain missions than others. France is more interested in Africa; Poland not so much. When we talk about the eastern neighbourhood, it will be the other way round. Of course, those countries who are interested are keener to participate. In our preliminary talks with them, we see whether there is an interest in doing something. Of course, there is a difference in the capabilities that Member states can bring forward.

**Q140 Lord Sewel:** If the problem is primarily financial, you have perverse incentives, because the costs lie where they fall. If anyone comes forward, they will get clobbered. Is there any chance of moving the financing arrangements to a different basis?

**Walter Stevens:** One issue in using a battlegroup is the huge cost of transporting the battlegroup. One proposal on the table during the Polish presidency, the transition presidency, or whatever you want to call it, is to help with the financing of the strategic airlift. That creates serious problems in discussion with Member states. I think that the UK, for example, is not very keen on doing that; neither is Germany, because it always carries the biggest burden. There are a couple of reasons for that, but I think that the financial element is certainly important for Member states now. For example, in Kosovo, some Member states have withdrawn police units for financial reasons. Sometimes it is also linked to an internal situation—they need those units for one big event or another—but there is also clearly a financial element. We were looking at using more of the CSFP budget to compensate part of the costs, to pay more allowances, part of the salaries and part of the equipment, but that is not so easy within the current regulations.

**Q141 Baroness Bonham-Carter of Yarnbury:** Picking up on the much talked about but never deployed battlegroups—

**Walter Stevens:** By the way, the Rapid Reaction Force in NATO has never been deployed either. Honestly speaking, these two instruments date from a certain period.

**Baroness Bonham-Carter of Yarnbury:** In what circumstances could you imagine them being deployed? Considering that there is no EU laid-down standard—they are self-certifying—does that not make for confusion when, or if, they are deployed because of the problem of uneven quality?

**Walter Stevens:** I think that sometimes they show an uneven quality. Maybe something can be done about that, but in general, everyone agrees that it is an instrument that pulls together efforts by Member states and pulls up those who are, if I may say so, lagging a little behind. They are dragged into this common effort, even if it is with only three or four countries. Sometimes there are partner countries, such as Ukraine being part of the HELBROC battlegroup. So it is a useful instrument to make countries aware of the necessary capabilities. They do not want to be blamed for not doing this or that, so they make an investment when they take up the role. The problem is that now there are two or three slots in the battlegroup roster where we do not find one to do the job.

**Q142 Baroness Bonham-Carter of Yarnbury:** But can you conceive of them being deployed?

**Walter Stevens:** Yes, I can.

**Baroness Bonham-Carter of Yarnbury:** In what circumstances?

**Walter Stevens:** In theory, for example, for EUFOR it could have been possible. For example, when in Mistrata things were really getting rough and OCHA was in real trouble, that is a theatre where we could have used them. They are a battlegroup. This is my personal feeling, but I do not like the term “battlegroup”, because if you go to protect a humanitarian operation and send a battlegroup, the image that you send out is not the right one. Maybe it is better, like in NATO, to call it a rapid reaction force, or whatever.

That may be one area where we could have used them. Of course, conditions were such that that would have been a little difficult. Another situation would be, as I explained, a standby force, an over-the-horizon force for a smaller military mission where we need some military forces that can be flown in. If you could do that, this battlegroup has to be ready to be deployed. Then you are in a real situation because they might be deployed. When they are an over-the-horizon force, it becomes real and they might have to be deployed to do an exercise, or whatever.

**Q143 Baroness Bonham-Carter of Yarnbury:** But what is needed for them to be deployed?

**Walter Stevens:** As I said, the financing would be helpful, and then the agreement by Member states. I always have the impression that those who are in the battlegroup are not very keen on being deployed.

**Q144 Baroness Bonham-Carter of Yarnbury:** But have they been asked and then refused?

**Walter Stevens:** I do not know. They have not been asked formally—there has not been a formal request—but that is the general feeling that you get. Everybody is very keen on using battlegroups, but once they are in a battlegroup, they are a little bit less keen. Again, it is linked to the financial burden. Some of the countries participate because they think that it is good, but they do not necessarily have the means for the strategic airlift and to sustain the battlegroup for quite a while in a foreign territory. You can complain about that but, on the other hand, it pulls some of the countries that do not have great capabilities a little up towards the others. It is a useful instrument but there is a lot of frustration that it has never been used and a huge expectation among Member states.

**Q145 Lord Jopling:** May I follow that up? You say that there has never been a formal proposal. Presumably, there have been informal soundings—where it might have been thought that this was an opportunity to use the battlegroup—of various members who might have contributed to it. Has that happened in the past and, because the informal soundings got a resounding or a half-hearted no, the thing was never moved to a formal proposition? It would be helpful to know whether they might have come into use but did not because they could not get the co-operation.

**Walter Stevens:** The only example that I know of is the one that we see now, which is for Bosnia. The battlegroup could be used as an over-the-horizon force there. I see the position of Member states who are now part of the battlegroup being a little more reluctant where they would usually be more open not being part of a battlegroup.

**Q146 Lord Jopling:** Are you saying that a battlegroup might have been already or on the point of being sent to Bosnia?

**Walter Stevens:** No, not sent to Bosnia but—

**Lord Jopling:** But that was my question. My question is: has there been a situation in the past where informal soundings have received a negative and that therefore the thing has not been moved on?

**Walter Stevens:** Not that I know of, no. I do not think that there have been soundings on whether we could use a battlegroup for one thing or another—not in Atalanta, not in Chad.

**Q147 Lord Radice:** That brings us on to another issue that has been debated recently, which is the case for an operational HQ. What is the case for an operational HQ? Could you perhaps put it to us and then tell us what you think of that case?

**Walter Stevens:** Let me make the case from my position. We do the strategic planning of a mission. We create a crisis management concept, the Council agrees on that, and then it comes to the nuts and bolts of how we are going to put that in place. On the civilian side, it is easy. We have the CPCC, the Civilian Planning and Conduct Capability, which has been with us in the field, because we take them with us when we develop a CMC, so they can take a look and give us their opinion, and they are basically already involved in the whole issue. When it has to devise the CONOPS and the OPLAN, it goes through a normal process.

On the military side, it becomes very complicated. We have the CMC and then the military has to decide on strategic military objectives and military directives. There are a couple of steps before the Council can take a decision to launch an operational headquarters. At operational headquarters, they have people from the UK, from Germany or wherever who have not been involved in the whole process before. They come in and discover the whole thing; maybe they have heard about it vaguely, but they have never been involved with us on a preparatory mission or had the feed-in. So you lose a lot of time and expertise. It is a complicated structure. If you would have a military HQ there, it would be much easier to take the same role as the civilian.

**Q148 Lord Radice:** Can you give us an example or examples of where the military action has been delayed because there was not an operational HQ?

**Walter Stevens:** It was the case on all military missions that we have had. In Chad, and now in Libya—

**Lord Radice:** I thought that Chad was very quick. That is what we have just been hearing from another witness.

**Walter Stevens:** Sorry, Chad is a bad example.

**Lord Radice:** So that shows that it can be done very quickly.

**Walter Stevens:** Yes, but that was a smaller mission. It was done quite quickly, yes. But in Libya it took a hell of a long time before the operational headquarters was launched, and in the meantime a lot of information was lost.

**Lord Radice:** I think that we are coming on to Libya as the next issue. Maybe Libya is not entirely appropriate.

**Walter Stevens:** It is true that Chad went quite quickly.

**Q149 Lord Radice:** Is there not a case for saying that it is possible to have an operational HQ on an ad hoc basis and you have to take into account what the issue is, what the crisis is and which troops are likely to be deployed, particularly as you have been saying that these theoretical battlegroups are actually quite useless? You do not deploy the groups; you have to use the countries that are prepared to get involved and that actually have the troops, which is not always the case.

**Walter Stevens:** That is true.

**Lord Radice:** If you have a big structure, as you would have to have, is it appropriate, given the way that things work in practice?

**Walter Stevens:** I do not think that you need a big structure. I know that that is what some Member states would like big structures. But it is a little illogical that for a smaller mission like the training mission in Somalia we had to set up a sort of cell that was attached to the military staff. EUSEC is a civilian mission but with military means. It is run by us with a couple of people, so there is some illogic in the system. If you had an operational headquarters with a minimum staff for this kind of smaller mission, that would be very helpful. Of course, there are the 2004 arrangements under which you could activate the operations centre on a case-by-case basis. That is possible but it is always a political decision by Member states. Indeed, in the military staff you could have a group of people—

**Lord Radice:** Seconded.

**Walter Stevens:** Seconded, who could be the link between the more strategic planning and the operational planning, so that the expertise does not get lost. If they could prepare part of the CONOPS and the OPLAN, that would be good. In the meantime, that would give time to nominate an operational commander. When he comes, at least the preparatory work would have been done. These are some of the elements that we can practically develop. Of course, if you want to conduct bigger operations linked to the objectives that were set out, that is something else. Then we need more people, that is for sure. For certain missions we can go quite quickly. It was the same for Georgia; the civilian mission was set up in 18 days. It can be done quickly.

**Q150 The Chairman:** You mentioned a body that was there but had not been used.

**Walter Stevens:** The Op Centre. It is not a body; it is a facility.

**The Chairman:** Tell us why that has never been used.



**Walter Stevens:** It has never been used. It was created in 2003-04 as a sort of facility, with 80 posts in the Kortenberg building, where we are also located. It can be activated for a mission, be it civilian, military or military-civilian, which is interesting, because you could have a sort of combined headquarters. It basically has a number of desks with a number of computers and telephone lines and certain security around it. When something comes up, people can go and sit there. Now there are some elements of the military staff sitting there.

It has never been used or activated for all kinds of political reasons, sometimes linked to the position of the UK. But we could have activated it for certain missions, yes, and we could still activate it now.

**The Chairman:** Is that a potential way forward that would solve some of the problems that you are talking about, or is that just a sideshow?

**Walter Stevens:** It is not a sideshow. It could be helpful in certain missions; for certain low-intensity missions it could be useful, and maybe for bigger missions also. But it needs a political decision and it does not have people permanently there.

**The Chairman:** I am going to be very naive here. There was agreement to set it up, so why is there a political difficulty when the political decision has already been made?

**Walter Stevens:** That was part of the compromise in those years. In those years, they wanted an operational headquarters, but that was not agreeable to all Member states, especially the UK, so the compromise was to create a civ-mil cell, which was a sort of planning thing, and to create an operations centre that could be activated on a case-by-case political decision by the Council. It has never been activated because the political decision was not taken—it was deemed to be a bit politically difficult. In the meantime, the planning developed a bit further with us.

**Q151 Lord Jopling:** You were helpful earlier in explaining to us the in-house operations, if I can call them those, between CSDP and CFSP, where there is a civilian and a military aspect, and how that works together, with, I imagine, some blurred edges—but it all seems to work. I would like to extend that to ask you about the relationship out of house between the EU and NATO. What lessons have come out of the Libyan affair in terms of who does what? The evidence that we have seen and the impression that we get is that it is becoming more and more established that the EU does the softer projects, whereas NATO does the harder combat operations. Do you think that the balance that now exists between softer operations and combat operations between NATO and the EU is now becoming set in stone, or is it moving? Is there an ambition on the EU side of things to extend more towards the combat operations? It would be helpful if you could talk about the EU-NATO balance and tension. This Committee has been involved in this for many years now, complaining about the lack of co-operation between the EU and NATO. We all understand the Cyprus element, and there is no need to go into that, but it would be helpful if you could talk to us about that, again, blurred edge between who does what and between the softer and the combat operations and whether there is a mission creep either way.

**Walter Stevens:** First, I would say that the co-operation between NATO and the EU, certainly at the staff level, is excellent. We meet each other regularly. There have also been a meeting on Libya between the PSC and the NAC—an informal one, which was excellent. We have exchanged planning documents. That is on the staff level.

The previous, and what I would call religious, discussion about the European Union being involved in military operations, I think that is a little bit behind us. It is now widely accepted that the European Union can also do military operations and has actually been doing.

Atalanta is a military operation and it is a combat operation in the sense that, although it is not waging war, it is fighting against piracy. It is maybe true that when it comes to real fighting operations, like you had in Libya, the natural tendency seems to be a bit more towards NATO and it is a bit more difficult in the European Union. But I think that the European Union has one big advantage: it is not a military operation, while NATO is a military operation. The big advantage of the European Union, as we see in the fight against piracy, is that it can put a whole range of instruments together. The thing is that we cannot line them up very well now, because there is still the Commission, but there is a huge possibility. If you look at what we do on piracy, we have Operation Atalanta, which is fighting the symptoms—the pirates. Fighting symptoms is not enough; you also need to do some things on land. That is why we have a mission called EUTM; we support the training of Somali forces for the TFG. We help them to bring a little bit more security in Mogadishu. As a matter of fact, I have been at the United Nations, where the Assistant Secretary-General, Lynn Pascoe, told me that indeed EUTM contributed seriously to that increased security in Mogadishu. A couple of months ago, TFS controlled only a couple of streets in Mogadishu with the army and now they have almost total control of it, so there is a serious impact there. We also work for the mission very much together with the Americans and the African Union in order to make sure that the people whom we train do not become better pirates afterwards.

We have to do also something about the capacity of the countries in the region to control their own territorial waters and their own economic zones. We also need to do something about the capacity on the Somali lands to set up coastal police capabilities to judge, apprehend and incarcerate the coast's pirates. This is now a new mission that we are developing. It will become for the Council—we had a discussion with the PSC. It is called regional maritime capacity building, with two work strands. We have different instruments, and that is something that the European Union can do.

You have to add the fact that the European Union is giving a lot of development aid and that it is contributing a lot in the humanitarian field. It is the biggest donor. The EU can line up a whole range of instruments. NATO has its Operation Ocean Shield. I think that they are now down to one ship. They have their asset, in the sense that they have a lot of technology on their ship, which is very useful, but you see that the EU offers a more comprehensive approach to the problem. The tendency is that—as you see also in Afghanistan—with military means alone, but you cannot solve the issue. More and more it becomes clear that you need this comprehensive approach and that you also need civilian tools in order to create stability and security, and that is a real value of the European Union.

We are not there yet. We are still building and still trying to put our act together a bit more, but that is the strength of the European Union. Anyway, I do not think that there should be a clear division of labour between NATO and the EU. It depends on the circumstances of the issue. It could be that NATO is sometimes much better placed and we should leave it to NATO. It could be that the European Union, for example, is better placed and then we should leave it to the European Union and have NATO in support. The security challenges worldwide are increasing very much and our world is becoming much more insecure, so we have to address that. There is certainly room for both NATO and the EU to address these issues. It is a pity that, because of the sometime political situation between Cyprus and Turkey, we cannot on the political level have that same co-operation.

**Q152 Lord Jopling:** But when this European operation was set up at St Malo, there was a very clear understanding that Europe would do only things that NATO did not wish to do. Is that still the basic philosophy?

**Walter Stevens:** I do not think so, no. I do not think that is the basic philosophy for Europe, no. Because you see, for example, on Libya—

**Lord Jopling:** We have had other witnesses who told us that it is.

**Walter Stevens:** Well, I do not have the impression that there is a sort of rule that Europe takes up what NATO does not want to do. It is clear that our involvement in Afghanistan is limited because NATO is there. We have a small training mission, which is now co-operating much better with the NTM-A efforts. We are not going to launch a huge operation. On the other hand, for example, on piracy the European Union more or less has the lead. It is looked at as that by China and India because we have all these instruments and because we developed at one point a certain approach. In certain African theatres, I do not think that NATO is very interested in, but the European Union is present. I think there is a sort of division of labour but, as for saying that the EU is doing only what NATO does not want to do, there are many things that NATO cannot do, to be honest, because it has only military means.

**Q153 Lord Jopling:** I understand that because there are things that NATO cannot do, the Europeans might do them—that is possible—but that comes under the heading of the original philosophy, that the Europeans would only do what NATO did not wish to do itself.

**Walter Stevens:** I do not know. NATO was involved in piracy as well as the European Union. I think we have to look at this situation differently: what is the best solution? In Libya, it is the same thing. We will both be offering to help the Libyans in order to reform their security sector. The challenge is huge. On border management, we have been appointed to have the lead on the needs assessment. If you look at the borders in Libya, there are huge challenges there. I think there is enough for everybody. NATO can offer certain things in the framework of their partnership for peace and mediatory dialogue with the Mediterranean countries. We have our neighbourhood policies, so we have to complement each other and work together.

**Q154 Lord Radice:** In a sense, this is a slightly semantic argument because, if you are saying that it is complementary, that to me is really just a different way of saying it.

**The Chairman:** What you are saying is that from your point of view there is not a no-go area, as such, for either organisation.

**Walter Stevens:** No. Not at all.

**The Chairman:** Time goes on and I think at that point we need to bring in the next witness. Thank you very much indeed. I hope that you did not find that too gruelling.

**Walter Stevens:** Not at all. I hope that it was helpful, even if I contradicted some other witnesses.

**The Chairman:** No. We like that.

**The Chairman:** Thank you very much and thank you, Andrea, as well. Your presence will be noted and this was part of your induction. Anyway, thank you very much indeed.

**European External Action Service, Mr Pierre Vimont, Executive Secretary-General – Oral Evidence (QQ 176-196)**

*Evidence Session No. 8.*

*Heard in Public.*

*Questions 176 - 196*

WEDNESDAY 16 NOVEMBER 2011

Members present

Lord Teverson (Chairman)  
Baroness Bonham-Carter of Yarnbury  
Lord Jopling  
Lord Radice  
Lord Sewel  
Lord Trimble

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**Examination of Witness**

**Pierre Vimont**, Executive Secretary-General of the European External Action Service

**Q176 The Chairman:** Mr Vimont, thank you very much indeed for giving us time during this inquiry; we very much appreciate the hour that we have. Before we start, would it be useful for me to give a bit of context about this study? As a Committee, we look at European foreign affairs, defence and development policy. We have recently undertaken inquiries on South Sudan, the Atalanta operation, EUPOL's civil mission in Afghanistan and, before that, EU/China, which was a much larger study. We particularly wanted to look at the EU's military capabilities within a broader European security context. That is the investigation and inquiry that we are undertaking at the moment.

**Pierre Vimont:** Good luck for what is a very impressive task.

**The Chairman:** Not that Europe's attention is particularly focused on defence policy just at the moment, but by the time we have finished that might have changed. We have undertaken a number of interviews with witnesses in the United Kingdom—government staff, think tank people—and have looked at the American perspective as well. Yesterday and today we are looking very much at the view of Brussels and other member states, which is clearly very important. That is the background. I think that you have an idea of the sort of questions that we are going to ask.

This is technically a public meeting. As you will be aware, we are taking a transcript, which we will provide you a copy of so that if there are any errors you are able to correct them. If you feel at any time that it would be useful to go off the record, that is possible. Clearly, as

much as we can have on the record would be best. Perhaps for the public transcription it would be useful if you introduced yourself; we know you, obviously. I do not know whether you would like to make a short introductory statement or go straight into questions.

**Pierre Vimont:** I am Pierre Vimont, the Executive Secretary-General of the European External Action Service, where we are at the moment. Like everybody else in this service, I am the first in this job because we have just launched the External Action Service, formally in December 2010 but in fact on 1 January 2011. We are a very young child still, learning as we move on. With regard to the issue that you are dealing with, you have come at a good moment. We are working very seriously on this issue, and have been doing so for some months. We are trying to reach some conclusions at the level of Defence and Foreign Affairs Ministers before the end of the year. This is an ongoing process, of course, and there will be, even after those conclusions, much more to do. You have definitely come at a very crucial juncture in the whole defence and security field in the European Union. I am open to all your questions.

**Q177 The Chairman:** Thank you for that introduction. Perhaps I could ask first of all what you see as the challenges of European security, and what role the EU's common security and defence policy should play in addressing them. What were the early expectations of what CSDP would achieve, and how effective has it been at fulfilling them? If they have not been fulfilled—or, indeed, if they have—what should be done to remedy this and move forward, or should those aims be revised? That is a very general introductory question, around where the CSDP has been and where it should go.

**Pierre Vimont:** If you look at CSDP from the beginning, when it was launched after the Maastricht Treaty, it was mostly the St Malo summit between Great Britain and France which gave a push to the whole thing at the end of 1998. Many of us were present at that time, and could understand that we were going through a very important moment. If you look at what has been happening for the last 10 to 15 years, there has been more than 20 operations on the ground. You definitely have a CSDP that is part of our global foreign policy, is interacting very much jointly with what we are trying to do in our diplomatic and external action.

What has been very interesting in the past year is that, without any new operation being started—we may come back to that if you wish—we are trying to get the different CSDP elements and entities more involved in our whole external action. They are part of the External Action Service, we are working very closely with them. As you know, we are trying to give a more comprehensive approach to our external action, where we intend to have the defence and security components very much part of our everyday work. But this will take time. We are only starting. But in the whole field of crisis management, it is important to be able to join military resources and civilian instruments, for instance the programmes managed by the Commission in the field of development assistance, so as to have a comprehensive approach that is very useful as we try to find our way in the middle all the events we have been witnessing for the past year.

If you look at what has been happening recently in North Africa, for instance, it is worth noting that, even if the European Union has not been involved in the military operations in Libya, we have started discussion with the new Libyan leadership about security sector reform and also assistance in the field of border control or setting up national police, it is very interesting. Hence the need for us to be able to use all the different instruments now at our disposal in order to promote a pragmatic approach that can be as efficient as possible. So we are going into new ground there, a new field that will maybe be somewhat different from what we were doing in the past.

We still have, as you know, existing military operational and civil missions going on. But as we move on, we may face a new reality. Where future missions will have increasingly a strong civilian component. This will entail the need to adapt our actions and the way we define them to these new developments. I think that that is the challenge and it is a rather interesting one.

There are shortcomings, of course. There are still many improvements to implement as the EEAS seeks to promote this comprehensive approach as part of its foreign policy. The Horn of Africa,—notably the situation in Somalia is a very good example of what we are looking for. The EU started with the Atalanta operation. Then it added the training in Uganda of the security forces for the benefit of the transitional Somalian Government. Now we are starting to talk about building maritime capacity for the countries in the region. We are therefore adding one block on top of the others which, in the end, will help us to set up a holistic action, which I hope will be as efficient as possible.

**Q178 The Chairman:** Certainly in our last inquiry as a scrutiny Committee, we looked at an overall strategy for the Horn of Africa which had been published. Do you see that broad movement forward, with a number of instruments, as being the way in which the European Union should move ahead in this area? Does the External Action Service make that more possible?

**Pierre Vimont:** That is the whole purpose of the Lisbon Treaty: changing the institutions as they existed in the field of CFSP and replacing the three different personalities of the High Representative, the Commissioner for External Relations and the rotating presidency with only one person—the High Representative, which is the task take over by Cathy Ashton. Lady Ashton is also Vice-President of the Commission and chairs the Foreign Affairs Council, the meetings of the Defence Ministers and the meetings of the Development Ministers. By having all this within one personality supported by one administration, the External Action Service, we are implementing a much more simplified process.

As to whether we have succeeded already, once again I think that this is an ongoing process and we will need much more time. We have to work very closely with the Commission services in order to have a comprehensive and coherent approach. We also have to work very closely with member states, which, of course, still keep their sovereignty as regards their foreign policy. However, as we move on, the idea is that, rather than have the external action of the European Union split between different persons and different groups, we should try to have it all together. That is at the heart of the Lisbon Treaty and constitutes the essence of what we are trying to do. Needless to say that this change may face some misunderstanding here and there and we still find some Member States having problems coping without some hesitation with this new way of proceeding, but if you read the Lisbon Treaty you will see that that is what it is all about.

**Q179 The Chairman:** Lord Sewel will come on to this area, but it is interesting that you said that the member states should understand what we are trying to do. Do you think that the rest of the world understands that? Does it understand what the EU and its member states and nation states do in this area?

**Pierre Vimont:** That may take some time, I agree, if only because our institutions are rather complicated, but there is one thing that they understand very well—indeed, they have been our staunchest supporters in this regard up to now—and that is that instead of having to go to three different persons to be informed on what we are doing in the external action field, there is only one person involved now, Cathy Ashton. I think that they are rather pleased with that.

**The Chairman:** Henry Kissinger is at least happy about that, no doubt.

**Q180 Lord Jopling:** I do not think that we will ask you any questions about the relationship between the ESDP and NATO, but in the general context of what you have been talking about, when the ESDP was first set up, it was widely said that it would swing into action in military situations only where NATO did not wish to be involved. Is that still the philosophy?

**Pierre Vimont:** I would not call this a philosophy but, more of pragmatic approach; we have seen with the Libyan operation that NATO has capacities that the EU does not have. On other aspects civilian missions for instance, the EU has capacities that NATO does not have, so there is a sort of complementarity which can be useful. However, whether that means that when NATO intervenes, we do not intervene, or the other way round, is pushing this logic a bit too far. If you look at Kosovo or Afghanistan, we are both there on the ground and being as complementary as possible. In the future, we could face other events or other operational missions where we may have to operate side by side. One cannot rule out that possibility. If you look at the reality on the ground, you will get a rather complex picture. We have been going to places – Africa for example, in Chad or DRC – where NATO was not present. Kosovo and Afghanistan are clear examples of places where we are both there, playing our different parts and making contributions which are complementary but not exactly the same.

**Q181 Lord Sewel:** I am tempted to follow that, but I will not. What is your evaluation of the crisis management structures? Are you happy with the way they are working or is there room for improvement?

**Pierre Vimont:** What has been very interesting with the setting up of the EAS is that we have decided to go further than strictly the field of defence and security in terms of crisis management. We have set up new working methods that did not exist before. By the simple fact of joining together staff coming from the Commission, the Council and the member states, we have brought in a new culture of crisis management that did not exist before. I will not go into too much detail, but we have for instance set up a crisis platform and a crisis management board where we bring together all services concerned when a crisis erupts, as it happened for instance in Ivory Coast at the beginning of the year and afterwards in Libya, Tunisia or Egypt. We have now a setting where we bring everyone together, not only the entities working inside the CSDP field, whether it be CMPD, CPCC or the military staff, but also the new crisis response team that we have set up inside the EEAS and other departments of our new administration. We bring also ECHO from the Commission and other services from the Commission like the DG in charge of development assistance. If necessary, we bring in other services from the Commission when we need them—for example, the one dealing with immigration. We now have all these people gathered together.

It was not easy at the beginning, this was not the usual way of doing things, but after eight or nine months it is working rather well. During the summer when we had to deal with the events that were unfolding in Syria, all services involved in that crisis came together. There was no difficulty and we worked together in a very good and constructive spirit. What came out of those meetings were decisions about draft statements and also very concrete steps like sanctions. We issued a strong statement on the Assad regime. On the humanitarian side, we discussed whether we could offer help to the camps which were starting to appear on the border between Turkey and Syria. I think, and hope, that bringing services concerned together has made a valuable contribution in this area. Once again, this was not done in the past when the Commission and the Council respectively acted alone. As the EEAS, we are

today somewhere in the middle of these two institutions. It has been able to make a useful contribution in bringing all concerned together. So I think it has added value in that sense.

**Q182 Lord Sewel:** Do you see any further stage of development arising?

**Pierre Vimont:** First, we need to make this new way of working together a natural one. We have to do this not only in Brussels but on the ground in our new EU delegations that are gaining a new momentum. Our delegations represent not only Commission services but also the EAS with its diplomatic culture. They have to make a synthesis of all these different components. We have to make them adapt to the reality of the new mission that they now fulfil. Before these delegations emerged, the Commission delegations dealt mostly with trade and development assistance. And, for instance, when a major political crisis with a security component erupted, those delegations were not very much involved because of their limited field of action. In fact, they often left the place for security reasons, and understandably so. Nowadays, they remain on the ground and undertake a task very similar to those of Member States' embassies. This is totally new, so we have to adapt our rules and our way of working. These delegations have become the focal point for co-ordinating the work of the Member States embassies. For instance, when you need to evacuate Member States' citizens, the EU delegation is often the place where all diplomats from the Member States present on the ground meet to see how they are going to act in a co-ordinated way.

**Q183 The Chairman:** Let me just pick up on one small point. One of the threats of an uncontrolled situation in north Africa would be migration issues. The EU has its own agency in Frontex, which has responsibility in that area. Does the EAS tie up with Frontex on those issues? Do you talk to each other?

**Pierre Vimont:** Yes, of course, we are involved and are in touch with Frontex, but we are not the ones directly in charge, as we are not responsible for Frontex. That is for DG Home. However, we have been working very closely with DG Home since the launching of the EEAS. It has asked for our advice and assistance. I mentioned briefly a few moments ago that one of the responsibilities for Lady Ashton and the team who is working with her is to bring as much coherence as possible to European Union external action. When we are dealing with events taking place in north Africa, the whole issue of immigration, is not a matter that the EEAS can leave aside; it is part of our global strategy. Therefore, we work very closely with DG Home. We have regular meetings. We invite them to our crisis platform meetings. What I have found interesting is that they themselves have asked for those meetings because they need the political input that we can bring to them—the sort of global view on what is going on and the strategic vision about what we are trying to do. If you go back to the first joint communication by the High Representative and the Commission, which was issued on the southern neighbourhood on, 8th March this year, you will see that we deal with all the different dimensions of the events in North Africa: foreign policy, immigration, trade, development assistance etc. This communication was precisely prepared and drafted between the EAS and all different services from the Commission involved in these matters. Today, we are all working together on the follow-up to that communication. We have joint meetings on a regular basis. We work first of all with Cathy Ashton, but we also work with Commissioner Füle, who is in charge of the neighbourhood policy, Mrs Malmström, who is in charge of immigration, Commissioner De Gucht, who is in charge of trade, Commissioner Piebalgs who is competent for development. It is, once again, another way of promoting a comprehensive approach to our external action.

**Q184 Baroness Bonham-Carter of Yarnbury:** How does the EEAS fit into the structures for planning and executing military operations?



**Pierre Vimont:** Through our different military components. When we set up the EAS, it was decided after much discussion with member states that all the military units in charge of CSDP would be part of the EEAS but at the same time would retain a certain degree of autonomy. Our work today, as we move ahead with the EEAS, is to find the right balance between the need to preserve the specificity of these services and the fact that at the same time they have to work more closely with the rest of this new administration.

From there on, when we set up military operations, we still go along the lines of what has been the working method so far. So for each operation with a military dimension, notably, for the planning and conduct of such operations, we set up a specific headquarters chosen among the five headquarters that five Member States put at our disposal. That is the military dimension of action. If we go for more civilian missions, we have the planning and conduct capacity inside the EEAS, through the CPCC which is in charge of such a task.

On the whole question about the conduct and planning of military operations, as we have in the past, has been at the heart of a long protracted controversy between the Member States who want a full fledged European headquarters and those who refuse such a prospect. In the EEAS we try to be honest brokers and to look at the most realistic solution, through a cost-efficiency approach, to see where we could improve the system as it is working at the moment.

One of the shortcomings that we find in the present system is the loss of previous experience gathered in former military operations. If we go from one headquarters to another every time we set up a new military operation, we have to start from scratch and we run the risk of being forced to reinvent what has already been done. We think that this in the end can be a little bit of a shortcoming in terms of efficiency. So one of the ideas could be to think all together, Member States and the EEAS, about how, inside our present operational system, we could set up a small staff who would be there on a permanent basis—and who would therefore keep the memory of what has been done, and protect the experience and expertise of previous military operations and whether that might not be an interesting and pragmatic way of moving ahead. In fact, these planners are there already in the EU military staff. This whole issue is at the moment being discussed between member states and we will see whether we can go along with that.

But if you take, for instance, the last operation that was set up by the Europeans with regard to Libya, namely EUFOR Libya, which was mostly an operation dedicated to bringing military assistance to humanitarian missions, an operation was launched but humanitarian Agencies didn't ask for our help. At no time did the humanitarian operation that took place under UN auspices require and request military support from the EU. So we did set up a headquarters and dedicated to that operation, prepare a fully fledged planning for that purpose but there was no operation on the ground in the end. Therefore, we spent a lot of energy and financial resources on an operation that the kind of small planning group I was talking about would not have allowed us to go into. A fully fledged headquarters needed to be set up and implemented, as we have done with previous military operations. We could have avoided that, I think, which could have helped us to save human and financial resources. We could have managed in a lower profile and less expensive way. It is very much along those lines that we are thinking, at the moment. If there is a way of being more efficient and less costly, it could be interesting to see if such a process can be implemented.

**Q185 Baroness Bonham-Carter of Yarnbury:** Yesterday, we heard about something called an Operations Centre.

**Pierre Vimont:** Yes. This centre exists inside the military staff, but it is not activated for the moment, precisely because the planning and conduct of military operations is devolved every time we set up a military operation to a national headquarters—one of the five that exist at the moment. So the Operations Centre is there but not working.

**Baroness Bonham-Carter of Yarnbury:** Is that something you would like to develop?

**Pierre Vimont:** We could think about developing such a practice strictly, for the time being, for small or low intensity operations that do not need fully fledged headquarters, to see if this works and if Member States are comfortable with it.

**Q186 The Chairman:** Can I just get some clarification of that, Mr Vimont? It has come up a number of times. I was not aware of its existence before we came out here. What is stopping that being used now? Can you just decide that you will give it a trial? Does it require the member states and the Council to give it the go-ahead, or is it too politically difficult?

**Pierre Vimont:** From a legal point of view, we could go ahead as the Council in 2004 agreed on the principle of such activation. But there are other problems: we need additional resources for the management of the Centre itself and we still have to decide on ad hoc basis for each operation. From a realistic point of view, and for obvious political reasons, it would be much preferable to have agreement among all the Member States to go ahead.

**The Chairman:** I understand that.

**Q187 Lord Trimble:** What you are identifying as the immediate need is partly to make sure that there is an institutional memory of previous operations and that expertise flowing from that is not lost. Another factor in my mind is that a criticism that we have heard of the way in which you are proceeding is that, before the detailed planning for an operation takes place, there has first to be a political decision to have an operation. There is a suggestion that that is probably the wrong way round: before the political decision to launch an operation is taken, there should be advice coming from planners or people familiar with the institutional memory of what has happened in other operations. Could it be that what you need, rather than a headquarters to run an operation, is a planning staff familiar with previous operations who can give advice about the options if you are deciding whether to make a political commitment? That is something of a slightly different character from an executive operation headquarters.

**Pierre Vimont:** Not exactly, my Lord, there needs to be a distinction here between strategic and operational planning. We have already a strategic planning unit, which is called CMPD and which is in charge of planning strategy—the first step, if you want. They deal firstly with what we call “prudent planning”, looking ahead at what could happen and starting to look at different options and different scenarios. This is the first step that we usually take.

**Lord Trimble:** Surely that group should be keeping the institutional memory from previous operations.

**Pierre Vimont:** They do. They have the memory, but once again they are in charge of the strategic dimension of what could become an operation. In other words, they deal with planning that goes into the military dimension and the civilian dimension. They are there before there has been any political decision; they are precisely the ones who prepare political decisions; they are the ones who do conceptual policy papers, strategic planning, at a very high level, because they have been tasked by us or even, sometimes, by Member

States who think that events are unfolding in such and such a country, through prudent planning and military concept for the whole operation. All this is at the strategic level.

**Q188 Lord Trimble:** If you have that overall planning capability, where is there then a gap?

**Pierre Vimont:** Yes, as we need to go afterwards to the operational level. Prudent planning and crisis management concept are a first step. We then have discussion with the ambassadors at the PSC, it moves along and at one point, there has to be a political decision by Ministers who agree to launch an operation. Then we still, at the level of the EAS, have the comprehensive concept for that operation. In other words, we are still at the strategic level.

Then, once you have the political decision taken there, if it is a civilian mission, it goes to the CPCC, which is also part of the EEAS. CPCC are the ones in charge at the operational level, of planning and conducting the mission. But, if ministers decide to go for a military operation, we do not have the tools and instruments in the EEAS for that purpose. That is why we need a headquarters plan and conduct the operation, because there we are at the operational level.

My point is the following: if we have temporary headquarters, when the operation is finished, very little is left of that experience for the EEAS. But if, tomorrow, thanks to an agreement at the political level which would agree to give some capacities to the military staff for planning small military operations, often called low-intensity operations, rather than setting up an autonomous headquarters, for an operation that would be very limited in size, we would then have the resources inside the service that could at least do that planning. And this should avoid too much cost in setting up a fully fledged headquarters.

**Q189 Lord Trimble:** I have a feeling that it is not so much a question of size as it is a question of character between purely civilian operations, purely military operations and something involving elements of both. One criticism we hear from other studies of operations is that there is far too much micromanagement of operations from here in Brussels. We came across this particularly with our study into EUPOL in Afghanistan, where there were complaints that they are hampered too much because so many things have to be cleared in Brussels and it takes so long. You could not possibly run a military operation in that way, because you have to delegate actual control to the soldiers who are carrying out the operation. So there would then be a serious danger if you had an operational headquarters within EEAS: the tendency to micromanage the operation to its great detriment would occur. Might it not be more appropriate to think not so much in terms of size but as to whether the mix is primarily civil or military, bearing in mind that there will always be areas which are difficult and involve a mixture of these?

**The Chairman:** We need a very brief answer to that, because we need to move on.

**Pierre Vimont:** Your point is right but it is a somewhat different one. It is the relation between what is happening in Brussels and what is happening on the ground. There, I totally agree with you: we have to delegate more to the ground. A lot of the commanders of our civilian missions, in Kosovo, for example, have complained time and again that they were too much micromanaged by Brussels—by the CPCC, because the headquarters are there for the conduct and planning of the civilian operation—and that they need more flexibility. There it is a question of flexibility, and I totally agree with you. Of course, if ever we manage to agree on having a staff who deals with planning of small military operations, we will also have to look at flexibility. For an operation with a military dimension, it is even more important for those operating on the ground to have enough flexibility and room for manoeuvre.

**Q190 Lord Trimble:** Shifting to military capabilities, which are the core of our inquiry, what capabilities do you think Europe will need in the immediate future, looking at the experience of recent operations? Has the development of CSDP led to any development in capabilities? Likewise, has the EDA helped in development of capabilities? Primarily, what additional capabilities or improvement in capabilities do you think are necessary?

**Pierre Vimont:** Perhaps I could start by making a preliminary remark on our existing operations and missions. The first capability that we need is human and material resources to just allow these operations to go on. The real problem that we are facing now with some of our more important missions is that they are understaffed or underresourced. It is the case for instance in Kosovo, with Atalanta, in Somalia and in Georgia. This could also happen in Afghanistan as we move along. We are facing a situation whereby, for many different reasons, the first being financial and budgetary, Member States are being more and more cautious in the contribution they bring to those operations. That is the biggest challenge that we are facing at the moment.

With regard to capabilities, I think that we need to work more in that field. You will meet Claude-France Arnould today and she will tell you much more about that. It has to do with pooling and sharing and putting together existing resources. We have different ideas about the way to do that.

But it is also—this is a much more global and general issue—about procurement and the armament industry inside our different countries: how can we try to co-ordinate and co-operate in a much stronger way? We have seen that through the recent operation in Libya, which was not an EU operation, but where European Member States were involved. There are well known shortcomings that we face at the moment: drones other intelligent equipment that we may need in future. It is very much one of the major issues that we have to face in the future, whether we are ready or not. We are at a crucial moment. Last Monday, Foreign Affairs Ministers had a discussion precisely on that issue. Several of them observed that we are at a moment when we are all facing budgetary constraints in our Member States and when the need to pool, share and work together through improved co-operation in the industrial field may be useful and helpful for all of us.

**Q191 Lord Sewel:** We have problems with financial constraints. That throws into relief the vital need to work on opportunity costs, because you cannot have everything. Where do you put the balance on spending the next euro? Is it on the operational headquarters or is it to deal with some of the shortfalls in the system in human resources?

**Pierre Vimont:** I think that it should be on the second one, because this is where we need to make an effort and because the activation of the planning call related to the operational centre could be done to a large extent with present resources available. The interesting thing is that if you add the present financial resources that each Member State spends in the security and defence sector, the total amounts between €200 billion and €300 billion. That sum is not a ridiculous figure compared to what the Americans spend. The only problem is that we are adding up financial resources that at the moment are divided between 27 Member States.

So the question is how, while retaining the right for each Member State to go on its own, we can try to use some of those financial resources in joint co-operation so as to overcome some of our shortcomings in military capabilities in order to have our own instruments in that field. If tomorrow we should launch more operations of the kind that took place in Libya and if we were facing a situation where we would have to rely entirely on our own military resources, we would face an impossible task as we don't have these resources.

Therefore, that is definitely the most important issue: taking into account our constraints on budgetary resources, how can we use European cooperation for the best purpose and the most cost-efficient approach?

**Q192 Lord Radice:** You have partially answered the question that I was about to ask. I hope that this is not telling tales out of school, but last night at our dinner we were discussing some of the lessons to be learnt from the Libyan war, if I may put it like that. What are the lessons, do you think? Is it a useful model or will it be a one-off? What does it tell us about the United States? What does it tell us about the Europeans? Can you give us some reflections on the Libyan incident?

**Pierre Vimont:** There are different levels of answers. If you start from the strictly military point of view, it was an interesting operation because it was an original one where the Americans, as some observers said, “led from behind”.

**Lord Radice:** The Plaza-Toro approach, we might call it.

**Pierre Vimont:** Could we see other operations of the same kind in the future? Is this the way that NATO operations are going to be handled in the future? It is difficult to foresee. At the moment what will happen which will very much depend, on whether the American Administration will want to repeat that experience and work along those lines.

I have one additional observation. It will be interesting to observe what will be the outcome of the ad hoc committee of the Congress in Washington dealing with the issue of the budgetary cuts. If you listen carefully to the public debate in Washington at the moment, one of the few items on which Republicans and Democrats seem to agree is cutting military expenditure in Europe and transferring eventually some of this effort towards Asia. This may have to be taken into account, because in the near future the whole picture of the transatlantic relationship in the military field may be moving in a quite new direction if this were to be the outcome of on-going discussion in the US Congress, this could have major impact on the transatlantic partnership. So this is something that we have to watch very carefully.

Still restricting myself for the moment to the military aspect, I would make two other observations. First, there has been some shortcomings in terms of intelligence gathering, for instance that need to be mended, drones, and some other technological issues that we have to work on. The second one, with regard to European security and defence, is to admit that we have not performed as well as we would have wished because Europe did not know exactly where it should fit.

Once it was admitted that the implementation of the no-fly zone would be left to NATO, the European Union looked at two other possibilities. One was the maritime surveillance of the embargo but quite a large majority of Member States decided that Europe would not go into that. There was, maybe, a lack of motivation, or maybe, a lack of capacity, but a large amount of what was done in the end the end by NATO in the field of maritime surveillance was done with Navy vessels from European Member States. In the end, the political decision was to keep this part of the operation inside the NATO operation. Maybe it was the most efficient way of doing it.

Therefore, Europe was left with only the last leg of possible operations, which was military assistance to humanitarian operations. We prepared our capacities for that, but it was never called upon. Humanitarian agencies did not ask for it, following their permanent principle of avoiding any military assistance so as to protect their non-partisan stance.

I would like to add two more observations. One is about the whole process of crisis management. There, the European Union behaved rather well. We were on the ground quite early, setting up an office in Benghazi. Lady Ashton went there. We provided the people in Benghazi with assistance, helping them to build their civilian society capacities and starting very concrete programmes there, notably on electoral process and women's rights. Then, when we were able to go to Tripoli, we moved swiftly and opened another office there. So we have been there on the ground much more in our civilian, diplomatic and development assistance capacity than on the military side.

Lastly, although this is a more general observation, there is the diplomatic and political dimension of this whole military operation. There we must learn some lessons from what has happened. The downside is the way, many of our partners in the international community, including the emerging countries such as Brazil, India and South Africa, have looked at this whole operation, with mixed feelings about it. Those are lessons that we have to take into account now that we are facing the present events in Syria. We have to be aware that Libya has left some strong reservations among some of our Arab partners and we will have to deal with this in the future.

**Q193 Lord Radice:** How do we deal with it?

**Pierre Vimont:** Well, by explaining why we undertook the Libyan operation, dispelling any misunderstanding and looking to the future to see how we are going to work with them. In other words, we must be aware that with regard to Syria, for instance, we cannot go for another Resolution 1973 in the Security Council, as Brazil, India and other members of the Security Council would not be able to go along this path any more.

It is very interesting when, for instance, you observe what the Arab League said on Sunday. They have been talking about trying to find ways of protecting the civilian population in Syria. The way discussions are going on either in New York, in the Security Council, or in Geneva, in the Human Rights Council, is about trying to set up an observation mission of 500 staff or more to go to Syria. I do not know whether this will succeed, but this is being looked at in a totally different way from what happened in Libya. Interestingly, the goal is the same—responsibility to protect the civilian population—but the end result may be totally different. That may be because, the Libyan operation brought some strong reservation among many of our partners in the international community and such reactions cannot be disregarded.

**Q194 Lord Jopling:** You talked a few moments ago about pooling and sharing but we did not go very deeply into it. One of the easiest speeches to make with regard to both to the CSDP and NATO is on the hopeless lack of co-ordination, particularly in Europe, with half a million more men than the United States but only a fraction of the capability, three different battle tanks and a very small percentage of men and women in uniform who are deployable. That is always a very easy speech to make. How concerned are you about trying to encourage pooling and sharing in an effective way, bearing in mind the political problems of asking states to give up sovereignty, protection of defence industries and so on? Do you see this as a major problem and do you see any way of dealing with it? I have known this problem now for 25 years—in particular, since Sam Nunn started talking about it years ago.

**Pierre Vimont:** You are absolutely right, my Lord; this argument has been going on for a very long time. I do think therefore that we should look at this from a practical point of view. If Member States want, as they say quite often, to retain their sovereignty and refuse anything that could deal with pooling and sharing, at the end of the day they will not have pooling and sharing but they may not have any more sovereignty either. The way things are moving today, if you are not able to join your forces together in Europe to try to have a

strong military industry, it will be our competitors who will win over. So it is all about Member States retaining their sovereignty but at the same time to go on building at the European level aircraft, vessels, armaments that we need. I totally agree with you about our experience over the past 20 or 25 years: once that has been said, and even if everybody agrees on it, it is still very difficult to be able to launch joint partnerships. We have had here and there some successes in the past—between Britain and France, between France and Germany, between France, Germany and Italy—but we have not seen many.

What we are talking about is how we can improve our co-operation. At the moment we are starting with some concrete objectives, not over ambitious ones but still interesting ones that can be useful, pragmatic and practical as we move on. It is about medical field hospitals, training helicopter pilots; it is about how to improve the gathering of intelligence. It is a step-by-step approach that we will see more and more as we move along—small steps at the beginning—but I think this may be the best way to get used to working together and to get used to pooling and sharing as we move along. We have here and there some more ambitious goals, ones which are somewhat difficult. We have the A 400M, which has now being going on for many years. It is not a great success, but we have to go on and hope that we succeed, because, in the end, these are the kind of projects that we should try to launch as much as we can in the future.

**Q195 The Chairman:** We are nearly at the end of our time, but I am very keen to take you up on one theme that we came across yesterday, which is the problem that we all know about of defence cuts which are part of larger national budget cuts. You said that this was already affecting a number of existing operations, such as Atalanta and the one in Georgia. In something like the Libya operation, which was so high profile and about saving the people of Benghazi, suddenly nations are motivated and go to do something. But the standard crisis, the standard EU military operation, does not have that pull in terms of European public opinion, or whatever. Are we stuck now, for the next five or 10 years, in a position where in everything that Europe tries to do as a military mission we are trying to persuade member states to provide something that they are not going to do? Are we—as we saw in EUPOL Afghanistan, as a civilian mission—always in a situation where we just about manage to agree to do something, we start it but never manage to do it properly, so that the image that we portray is one of half-hearted failure? That is a real challenge in this area. What you have said about the budgetary and other problems that you have seems to reinforce that view.

**Pierre Vimont:** First of all, if you take a broad, comprehensive look at the different operations that we have launched since the beginning of CSDP, they are not failures.

**The Chairman:** I am not suggesting that they were.

**Pierre Vimont:** The first one, by the way, was an operation, where the UN came in and asked the Europeans whether they were ready to go and protect the airports in the eastern part of the Democratic Republic of Congo. So this is a good example of complementarity between the UN and EU

**The Chairman:** I want to put it on the record that I am not suggesting that everything was a failure in the past. I am just saying that the future budgets make everything much more difficult to succeed.

**Pierre Vimont:** You are right and this is why it is a moment of truth for European Member States. On one side, we see some of the existing operations, having difficulty being provided with the necessary contributions from Member States. At the same time, when we talk with Member States about possible new operations, about building regional maritime capacities

around the Indian Ocean, about setting up a mission in the Sahel region because of the many terrorist threats we are facing there; maybe in Libya, where the Libyan authorities are asking us for support in security sector reform—all European members more or less agree on the fact that these are positive and useful operations that should move along. Hence this contradiction between these new missions which seem interesting for European interests and where Member States seem ready to go along and the reality of today where. We have this difficulty in getting the means and the necessary resources for that.

So we need to solve this contradiction and we will have to do it in a realistic way, because if we move along and launch new missions, we need to know and assess right from the beginning—this is one of the High Representative's main concerns, what the mission is about, what are the resources and what is the deadline, which means having an exit strategy. If we do not have all this, then we face the danger of launching an operation that will not be satisfactory as we move along. We must have those concerns in mind, but that does not mean that, having that in mind, we should not do anything, because it would be rather damaging for the future of the European Union not to be able to respond to the requests made by countries in the Sahel region, by Libya or by Somalia and other countries around the Indian Ocean.

**The Chairman:** I have a question for Lord Jopling to ask. Can we make it one sentence, Lord Jopling, and then a one-sentence reply?

**Q196 Lord Jopling:** Yes. Can you tell us how far you are getting with making contingency plans to live in a world where Iran is a nuclear power?

**Pierre Vimont:** The only thing that I can say, to put it in a short word, is that we are thinking about the Iran issue every day.

**The Chairman:** Mr Vimont, thank you very much indeed for that comprehensive review, which is an excellent foundation for the rest of our meetings today. Thank you very much indeed.

**Pierre Vimont:** I hope so. Thank you, it was an honour.



**European Union Military Committee, General Syrén, Chairman – Oral Evidence (QQ 155-175)**

*Evidence Session No. 7.*

*Heard in Public.*

*Questions 155 - 175*

**TUESDAY 15 NOVEMBER 2011**

Witnesses: General Syrén

Members present

Lord Teverson (Chairman)  
Baroness Bonham-Carter of Yarnbury  
Lord Jay of Ewelme  
Lord Jopling  
Lord Radice  
Lord Sewel  
Lord Trimble

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**Examination of Witness**

**General Syrén**, Chairman of the European Union Military Committee

**Q155 The Chairman:** General, I welcome you very warmly. We met when you came before this Committee informally—I think it was just over a year ago—when we were over in Westminster. We went through a number of issues then, which I know we found very helpful indeed. As you will be aware, this is a recorded, public session this time on our inquiry into EU military capabilities. We are taking a transcription, which you will get a copy of. You can correct any factual errors that are made there. I think that you have had an indication of the sort of questions which we want to discuss and we will take it in turns to go through those subjects. One facility we have here is that if at any point you would wish to go off the record about something, then you have that opportunity, as long as you tell us first of all.

**General Syrén:** And that is not in the script afterwards?

**The Chairman:** No. If you wish to go off the record on something, perhaps to give us a different view on it, then you are welcome to do that. Clearly we are most interested in evidence that we can use, but that facility is open. For the purposes of the transcript and any members of the public who might read it, I do not know whether you might like to introduce yourself quickly or make a short opening statement of any sort. That is entirely up to you, or else we can go straight into questions.

**General Syrén:** I can make a very short presentation on myself and then we can go for the questions.

**The Chairman:** Yes, that would work very well.

**General Syrén:** My name is Håkan Syrén. I have been an officer in the Swedish navy since 1973. I had some part of my education in the US Naval War College. Before I took up this position two years ago as Chairman of the Military Committee, I spent five and a half years as Chief of Defence in Sweden and, before that, four years as head of intelligence in Sweden. I was selected by my colleagues—the other 26 chiefs of defence—for a three-year period. That is me.

**Q156 The Chairman:** Thank you very much. Perhaps we can start on the more general side and ask how you evaluate the EU's crisis management structures. How well were they set up and how well are they working in practice, for example, in co-operating with each other? How might they be organised differently, or to make them more effective? Perhaps you could give us some examples of your experience in post, if it would be useful.

**General Syrén:** It is two years since we had the Lisbon Treaty and it has been quite a long process, even though I think it is going in the right direction right now. We have to be careful about criticising too much because there is an ongoing job right now for Pierre Vimont who, with de Kermabon, is looking at these specific questions. The step that was taken by the Lisbon Treaty towards this new organisation is very interesting because, to me at least, it is the first time that we tried to materialise the “comprehensive approach”.

I have found in my previous jobs that there are also difficulties between the civilian side and the military side of the house. When we discuss this, we are very much focusing on the structure, as such, but the processes in that structure are very important to keep in mind. What is really going on there? My experience from my job as Chief of Defence is that you must also look at what kind of values the personnel have in that organisation. It also needs very strong leadership to overcome these barriers between, once again, the civilian and military parts. To me, the clear message—I am responsible for this—is really to try to help the implementation to achieve the comprehensive approach. I do not want to relate to conflict theory or things like that, but we all know that the first part of a conflict is the conflict prevention and I think that this part, which is extremely important in order to avoid escalation, is now quite well in place in the new organisation and the new structure. It is also manned.

The second part, if conflict prevention fails, is when we go up to a higher conflict level with the separation of parties by force. Here, I hope that with the military staff and the different elements, at least—supported by the five OHQs—that can also be quite a good solution. Then after the peak in a conflict, when we come to the reconstruction of a society, here I think we have the really important job. I want to emphasise the importance of the CMPD and its role in the strategic planning of both the civil and military parts. To me, it is the External Action Service, with a strong CMPD supported by the civilian and military parts—the military staff and the CPCC—that would be and is appropriate.

Then, over time in this conflict curve or discussion, we also have humanitarian aid, disaster relief and evacuation operations, which are also clearly stated in the Lisbon Treaty. With the lessons learnt from Haiti, for example, we also have the staff elements in order to take care of that kind of situation. The management structures are in place and there is real awareness in the top level of management that we have to do some fine-tuning. Monsieur de Kermabon is in place, helping Pierre Vimont with different amendments in order to be more effective.

It has some use but it is a difficult situation because the comprehensive approach is something new and the military and civilian parts have to be placed together. It is two different cultures. There is a need for strong leadership to co-ordinate this, but all in all the things are there and we have tried to make improvements. I am rather positive but at the same time it has taken two years, which is a long time, so of course there is some room for criticism.

**Q157 Baroness Bonham-Carter of Yarnbury:** What has been the value of the EU's military missions? Which ones have been particularly successful and which less so, and what lessons have been learnt from them?

**General Syrén:** In order to have an idea about this, we have to look at the first decade that we have been in place. For me, an important starting point here is the European security strategy from 2003, in order to try to relate those missions or operations to something. In the Former Yugoslav Republic of Macedonia, we had Operation Concordia; in the Democratic Republic of Congo, we had Artemis; now, we still have Althea in Bosnia, Atalanta outside Somalia and the EU training mission in Somalia. Those are the military-related activities.

Have they been successful? Well, I think so. For example, with Operation Artemis, which I followed very closely as head of intelligence—Sweden had a substantial contribution there—you cannot measure this exactly, but I believe that we prevented a genocide. It was quickly in place, it was short and we had a very clear aim. I think that we succeeded, so that is an example of a successful operation.

Take then the EUTM Somalia, which is running right now. I was very doubtful up to April or May, but now we have investigated what they have been doing and we can see that the first 1,800 trainers, or soldiers that we have educated and trained, are in place in Mogadishu. They make a difference. We have control over the payments system and the biometrics. A number of those are not with us anymore because of the fights in Mogadishu. That is a completely different character of operation but it has also been successful.

When it comes to Operation Atalanta, the ongoing operation off the coast of Somalia, we have just made a number of changes in the operational plan. There are a lot of hostages and captured ships, but now we have some small indications that things are about to change. It is important to keep in mind that all ships working for the World Food Programme have reached their destination. Those were some comments; I can continue with others, if you want, as well.

**Baroness Bonham-Carter of Yarnbury:** As you say, they are all quite different but I am interested in what the key elements were in the successful missions.

**General Syrén:** Be quickly in place. Have a clear aim. For example, in the operation that we did in Chad, there was a clear aim and end date; also, there was a clear handover in that case. Those are the classical, key elements for success.

**Q158 The Chairman:** What enabled it to be quick? That is one issue that we have certainly come across as a Committee with civilian missions, where everything is urgent. You need to go but then you have to go out to public tender for six months to buy the vehicles or something like that.

**General Syrén:** The easy answer is that this is part of the conflict prevention. The earlier you can come in, the earlier you can calm down the situation. There is a tendency for it to be a long, long process, then the conflict escalates and you are late in place. That is also in

the nature of a conflict: if you are in as soon as possible, you can make a difference. Of course, it is politically difficult to come in too early, before there is a conflict and if there is no commitment from the supporter state.

**Q159 Baroness Bonham-Carter of Yarnbury:** I am interested in this final point. Picking up on what Lord Teverson asked about quickness, in the Chad case how did you manage to get off the mark so swiftly? Was it because of French interest or because of a structure that existed at the EU level?

**General Syrén:** It is not a big secret that it was a strong French wish. On the timing, if I may use my experience as Chief of Defence in Sweden, I think Chad was in 2006—exactly the time when we set up the battlegroups. We were very much influenced by the structure and character of the work in the battlegroups: having the ability to be far away and to have a readiness of 10 days. There was quite a limited time—a couple of months, although I do not remember exactly—I think there was some sort of new mindset for that time. We were prepared to do that. Before this operation was launched in Chad, there was also a long discussion of whether the battlegroup could be the solution of the problem. For various reasons it was not, so another structure was chosen but, for that time, that was the thinking—we were ready to do that. I can assure you, from the Swedish perspective at that time, that to go to Chad with an amphibious company or a reduced battalion in the middle of a desert in a very short time was a challenge, but we had learnt all that from the battlegroup concept.

**Q160 Lord Sewel:** The interesting question is: if you learnt from the battlegroup concept, why was the battlegroup not deployed in Chad?

**General Syrén:** That is a question I ask myself as well, but this was a purely political decision.

**The Chairman:** Perhaps we will come on to battlegroups in the next question. Sorry—please continue.

**General Syrén:** No.

**Q161 Lord Radice:** We have not quite got to the bottom of this. You say that the battlegroup was not deployed. Is the truth not that the French actually wanted to do it? They were in the lead—that is true, as you just said. Therefore, they were really taking the initiative and the French army can be pretty good, when it is deployed quickly and they have the capacity to do it. That is why it was so quick and effective. I am just putting that case to you.

**General Syrén:** That is probably the answer to the earlier question. At that time, the brand-new battlegroup concept was not combat-proven. Maybe it was some sort of risk assessment not to do it. We all know that there are other elements in that decision-making as well, when it comes to funding and other things.

**Q162 The Chairman:** Just as a postscript on success or not, can I just ask whether you are satisfied, as head of the EU military, if you like, that once operations are in the field, the local commander has sufficient authority to do what needs doing without too much political interference from Brussels or having to refer back too often? Are you happy with the balance now? Have we got it right?

**General Syrén:** I am the point of contact for the operation and the training mission today. I discuss with them on a weekly basis. We bring them here to Brussels every second month,

or something like that, and have our discussions. They are very much related to how to improve the character of the operation, to make changes in the operational plans. We are not in the detailed execution of the operation. Sometimes, when we have the discussions in the Military Committee and the PSC, they can be very detailed, but that is nothing that interferes with operational commanders. I try to make them stay outside those kinds of discussion. To me, this is fundamental in leadership. Those who are on the tactical and operational level are doing the business, while we are on the strategic and political level. That is very different. The linkage is my responsibility to clear that language and this bridge between them.

Sometimes, it is not a contradiction, but then we bring the political level out to the field so that they can see with their own eyes how it works. I think that that is a necessity in order to make the right decisions. It does not mean going into detail, but they must have knowledge about the environment. From a military professional level, I have answered many detailed questions on the strategic and political level, but that has not interfered with execution in the field.

**Q163 Lord Jay of Ewelme:** Could I return to the battlegroup question, on which we have had quite a lot of evidence? There are two sets of questions. The first is as things are now. What are the circumstances in which you would see battlegroups as they now are being used? Are there any circumstances in which you could see them being used? Do you think that the fact that they exist and the concept has existed has led to improved capabilities in different nation states over the years? Is there an unevenness in them and is that being addressed? That is one set of questions. Another question that I have is whether the whole concept of battlegroups is still relevant. If we did not have it now, would we need to invent it, or would we be thinking of other ways in which we could use EU military capabilities around the world? Are we all getting fixated on something that is no longer as relevant as it seemed at the time? That is the point I am interested in as well.

**General Syrén:** The first part of your question was about how it is right now. I am confident with the status of our different battlegroups. They are different but they are in line with the concept. You cannot find two that are exactly the same, but they are good enough. My belief is that they are useable; you can really use them. We touched on another factor, which is how they are paid. Here I am quite critical. With the financial system that we have today, I know that some member states feel reluctant both to organise the groups, which is expensive, and then come into a situation where they have to pay for their use. Work is going on right now to find new ways for this.

The second part of the first question concerned capability development. Sometimes I have read articles about this that are very theoretical, but if I may use my experience for the third time here, when I was Chief of Defence we had a huge transformation of the Swedish armed forces. I really saw the opportunity to use the battlegroup as a tool for that transformation. One can say that this is a misuse of the tool, because first it is the operational effect that counts, but this was the starting point for a completely different personnel manning system with the new demands on readiness and so on. It was the start of the discussion to abolish the conscription system, which had existed since 1902. It was the first step to changing the procurement process, which had been very slow. We bought things and they took one year or two years and then we put them in storage. Now we have to buy it at short notice and use it, instead of putting it into storage. And we got a completely different awareness and understanding of the operational demands. Instead of sitting waiting for a threat, now we were ready to go out there and do something. This is not just nice words. It has really been an efficient tool for the transformation of armed forces.

**Q164 Lord Jay of Ewelme:** That is from your own experience in Sweden. Would you expect that that has been the case more widely in the European Union?

**General Syrén:** Not consequently, but I think there are many good examples. Having said that, it is important once again to keep in mind that this is not what they are meant for primarily, but I think it is a bonus.

**Q165 Lord Jay of Ewelme:** That is a very interesting and persuasive argument, but can I go back to the first point? Can you ever see circumstances in which they would be used for the purposes for which they were originally intended?

**General Syrén:** To a certain degree I have already answered that question in relation to the situation in Chad. You remember the elections in 2006 in Kinshasa. Then we discussed using elements to come in at short notice and stay for up to 120 days. I think that the concept would have been appropriate. I know that there were discussions about using a battlegroup in South Sudan during the election period, to calm down the situation and help with control, or being an entry force for a continuation of something else.

I think that we can find more situations like that. We probably need some other precedents where this has worked for it to have better flexibility. One example of flexibility is what happened with the second Nordic battlegroup. The air element was used as a surveillance force in Libya. Sometimes the discussions are extremely faithful to the concept as such. If we think that we should find a conflict where you need 1,800 men for 120 days with 10 days' readiness, I think we will sit here for quite a long time. Maybe you have to be a bit more flexible and try to discuss in modules instead of the whole thing.

**Q166 The Chairman:** You mentioned, General, the way that the military side of missions might be financed, or that something was being looked into on that. What is happening there at the moment? I do not think we are aware of that.

**General Syrén:** I just know that there is work going on. I cannot answer that question.

**The Chairman:** That is to try to get round this issue of unbalanced commitment.

**General Syrén:** Yes, to find new ways to finance the use of battlegroups.

**Q167 Lord Jopling:** General, perhaps we could go on to the issue, on which we have had a good deal of comment already, with regard to pooling and sharing. I am old enough to remember, years ago, Senator Sam Nunn getting very excited about the lack of co-operation in capabilities throughout NATO. We still have three different European battle tanks, and the Europeans have half a million more men under arms than the United States, which does not make it sound as though much progress has been made on pooling and sharing. I wonder whether you could just talk about what you think are the main obstacles for improving these things and how one might get over the problems of individual states retaining sovereignty where they have agreed to doing that. Also, perhaps you could say a word about the problems that states have with regard to domestic armaments businesses. I remember a heated argument in our Parliament, for instance, about whether the British should buy their own Challenger battle tank rather than the end-of-the-run Abrams American ones, which could have been bought very cheaply. The local employment in a northern city prevailed and we bought a British one. Can you talk about that?

**General Syrén:** I am totally convinced that something has to be done when I count on my fingers and see all the budget cuts. That is one factor. The second factor is that the former Defense Secretary Robert Gates said in his farewell speech that Europe has to take greater

responsibility for its defence. The third one is that it was shown in Libya that in the European Union we are not capable of solving that kind of conflict on our own. We are still dependent on the United States when it comes to special ammunition, ISR and a number of different capabilities that are quite difficult and expensive. It is obvious to me that something has to be done. Pooling and sharing is one way of doing it. More than a year ago, we were tasked, together with the EDA, with trying to exhaust all the possibilities. In May, we had 300 proposals and now they have been refined and boiled down to 15 areas where we can pool and share. Depending on how you count, that covers at least six or nine new areas where we can do something. These will be presented to the Defence Ministers at the end of this month. So this is the work we have done. This is from the bottom up; it is what the Chief of Defence thinks that they can do. The important thing now is that we also have the political blessing for engagement in this.

Now I am coming to answer your question. When I visit member states and discuss these kinds of issues, there are immediately some red lines relating to sovereignty. They say that if we do more than that, we are playing with their sovereignty. Then I ask them: 17 out of 27 have a currency in common and we have the Schengen Treaty and so on, so where did that sovereignty go? We have to be careful with that. If you do not share anything here, you will be out of capabilities if you are alone. If you are working together with someone else, you have at least something. Sovereignty is a hurdle or obstacle that has to be solved. We military people cannot do this. It is a political question and a problem at the highest level.

The second thing is a visible and invisible hurdle. The defence industry is extremely strong. Thirdly, we are just talking about things that we do not have, but we must start talking about things that we do have—overcapacities. There is some extremely nice, top-of-the-line, state-of-the-art equipment, but we are very reluctant to discuss that. That is a sort of inverted pooling and sharing. This has to be taken into account as well.

When we are talking about efficiency, we have 27 headquarters and all the different logistical concepts. The NATO Secretary-General used to say that before the NATO strategic concept was launched, we had 16 major naval shipyards and 12 manufacturers of armoured personnel vehicles. Right now we are developing and paying for four combat aircraft—JSF, Eurofighter, Rafale and Gripen. Who is paying for that? It is us.

The last question that I want to use is about efficiency. We have about 1.7 million people in uniform in Europe. We have about 60,000 deployed, which is about 4%. Is that efficient? I do not know, but we have to discuss it. These to me are some sorts of triggers in order to understand that we cannot continue the way we have done so far. We must do it completely differently.

When we have taken the first step, the question is what we do now. It is a continuation of pooling and sharing on a completely different level with political engagement. You heard of the obstacles that I have mentioned. It is not to be managed by the military people. We have to present the problems and some sort of solutions and we have to discuss this. What level am I talking about? In my world, in five, six or seven years' time there will be several member states that are not able to manage their own air forces, for example. We cannot continue with this wide variety of different materiel systems in different areas. I do not understand how it can be cost-efficient to have up to—I do not know exactly—about 20 colleges. We must think differently, with pooling and sharing, with more political engagement for sound discussion and an understanding at the highest political level that sovereignty has to be discussed. If that is not discussed, member states just lean back and say, "Sorry, I have my sovereignty and independence." I am sorry that it was quite lengthy, but this really engaged me.

**Q168 The Chairman:** Just for the record, in terms of a battlegroup deployment or something that you had to do fairly quickly, what capabilities do the European Union armed forces lack? I do not think that we have this on record anywhere. What do we not have that we need? Is it heavy lift that we have to borrow from Ukraine or helicopters from America? I do not know.

**General Syrén:** Now there is a lessons-learned process going on from Libya, so we have to wait for that, but it was obvious during the Arab spring and the conflict in Libya that we in the European Union were lacking the complete set-up of ISR—intelligence, surveillance and reconnaissance. Then we have the more classic things such as air-to-air refuelling and transport capacity both on a strategic and a tactical level.

**The Chairman:** In our report on Atalanta, we identified UAVs in terms of aerial surveillance. I suppose that comes back to what you were saying.

**General Syrén:** That is the S in ISR.

**Lord Sewel:** Heavy lift?

**General Syrén:** Heavy lift. That is strategic lift.

**Q169 Lord Radice:** This question leads on from that. How do you rate the European Defence Agency and its efforts on capability development? Do you think it is doing a good job and can it be improved?

**General Syrén:** I have to be very careful if I start to judge different parts of the organisation or other authorities. I can do that, but I might want to have others in the room, otherwise it is not fair. There is a change going on, which is also closely connected with the pooling and sharing initiative. The Military Committee and the EDA have close co-operation. Things are going absolutely in the right direction. There is a lot of understanding and some very good co-operation. It is still a small organisation, but to answer your question about the political top-down approach, I can foresee that when that day comes and we have that support, the role for the EDA, more or less naturally, will be more important. We have close co-operation. For example, the NATO ACT arranged a capability conference, which you are probably aware of, in Belgrade this year. There were keynote speakers from the EU Military Committee, the EDA, NATO and so on. We had not co-ordinated our keynote speeches, but it was amazing how similar the messages were and are. I think that there has been a lot of unfair criticism against the EDA. You must bear in mind that they are just 120 people. It is a small organisation and they cannot do everything. They are very much dependent on member states' willingness to pay. It is a difficult task.

**Lord Radice:** You do not want to say anything off the record?

**General Syrén:** No. I am very open. I can say this because my view of the EDA is positive, but at the same time I am not here to judge other parts of the organisation. If, as in this case, you are positive, it is not difficult to answer the question. This is really what I think.

**Q170 The Chairman:** Could I pursue one thing on joint development, or member states coming together to develop particular capabilities? Lord Sewel and I are on the parliamentary dimension of the UK-French defence agreement. One thing that is sometimes said within that context is that two nations can maybe successfully develop weapons systems or assets of whatever description, but once you get to three or four it becomes impossible, because of the different things that people want. The budgets go up and the timescales double. Is there a truth in that? If that is the case, does it not make the EDA's mission impossible, however good it is?



**General Syrén:** Sometimes I hear that people are waiting for the common denominator for all 27. I say we should forget that. That will take time. I do not have the exact figures here, but I was talking about the 15 different proposals. There are at least seven or eight member states in some of them.

There is a lot of psychology in this. We have to start with two or three as good examples. Once again, in my experience with the Nordic defence co-operation that I and the Norwegian Chief of Defence took the initiative on, we started with two. Then Finland thought that this was probably a good idea. Now there is a memorandum between Norway, Sweden, Finland, the Baltic states and Iceland. I am not sure about Denmark, but this is an example where it is expanding. You can find clusters like that of five or six nations who have the same culture and have some similarities in language and some history in common. You can find them round the Mediterranean Sea or in central Europe. If we can find those geographical areas with these kinds of clusters, this is the way to start. Of course, we can find problems in everything, but now we have to think differently.

**Q171 Lord Trimble:** General, you mentioned a few moments ago that there is a lessons-learned process going on looking at Libya. You have mentioned a number of things where it is clear from the experience in Libya that there are things we need to do, such as air-to-air refuelling, transport, UAVs, the more elaborate munitions and all the rest of it. One thing that we were struck by in evidence that we took earlier was with regard to operational headquarters. The operation was run out of the NATO headquarters at Naples, but they discovered that the European countries did not have the capacity to run it themselves. There was a tremendous shortage of planners. Apparently, we would have been in great difficulty if the US had not moved in very large numbers of planners to help that operation. Is there any lesson coming out from that for the proposal to have an EU operational headquarters?

**General Syrén:** This is one of the burning issues right now—the conduct and planning capacity. There is also an ambition to have some Council conclusions on that during the Polish presidency. I understand that there is a lot of work going on not only here in Brussels but among member states. It is a very political question. I have had informal discussions in the Military Committee, with the purpose of having a better conversation at a political level. When I took these initiatives, I understood how difficult it is. In the case of Libya, it is important to bear in mind that the EU military contribution was extremely limited. There was no request from the UN to support the missions, in line with the resolution. Much of the military operation was brought into Libya by air, and the NATO command and control structure was appropriate.

While we are developing this, I have said many times that if I gave one euro or the equivalent to each of the Chiefs of Defence and said, “You can spend this on whatever you want”, no one would buy anything for a command and control structure, because we have enough good headquarters in Europe. This is on record, but I am not representing the Military Committee when I say this. We have to be very careful these days. When we are lacking strike capability, air-to-air refuelling and transport capacity, we must be extremely careful about inventing any new command and control structure. We can use different elements that we already have to make something more appropriate.

**Q172 Lord Sewel:** Let us go on to the thorny problem of NATO-EU relationships. In the position you occupy, how do you interact with NATO colleagues? Are there any ways of getting over the difficulties caused by the Cyprus problem, considering that Cyprus makes zero contribution to European defence?

**General Syrén:** I can make it very easy for myself by saying that this is a purely political question. I have been in Afghanistan many times and I have seen the co-operation between the EU and NATO in the field. I have seen that co-operation in Kosovo. I spent quite a time in a German frigate in the Gulf of Aden looking at the screens and asking about the NATO ships, what kind of communication we had and what the situation awareness was. They said that it was exactly the same picture. What works in the field or on board is something else. I am very grateful for that, because then we really can deliver and you also feel that 21 of the 27 member states are members of both organisations. The unique Berlin-plus arrangement in Bosnia is also working in the field. This is the delivery and this is how it worked on the tactical and operational level. That is the good part of the answer. Then, you know as well as I do the reasons and the difficulties when you come to the Brussels level, but it is also extremely clear from Lady Ashton and Secretary-General Rasmussen that they openly discuss how to improve relations between the organisations. What happened between their statements and what I see in the field is a purely political question.

**Q173 Lord Sewel:** Can I ask a very practical question? In terms of operational effectiveness, does the arrangement in Bosnia, where you have Berlin-plus, give you something where you do not have to have the issues between NATO and EU in the field? Is Berlin-plus significant?

**General Syrén:** It is significant and it is related to the mission in Bosnia. I am very doubtful whether it is possible to duplicate it for anything else, but that is also political.

**Lord Sewel:** Would you like it?

**General Syrén:** I am here to deliver something. If that is the key, then fine.

**Q174 The Chairman:** General, perhaps I can briefly tidy up some other areas that would be useful to us, as we come to the end of the session. We have talked to some of our witnesses about civilian and military combined operations. That may be something that Europe in particular can do differently from NATO or other organisations. Do the structures for co-ordination work naturally between the military and the civil side? Is that something that works well within the European Union?

**General Syrén:** We have something to do here. One example is that we have different decision-making processes and we have different ways of funding. In our mindset we are bit difficult, because the military operations are often long term and extremely dangerous, while the civilians are probably more short term and have other funding. You do not necessarily have to pay with your life. There are different characters in what we are doing. Having said that, we military people will not solve the situations ourselves without civilians, nor will the civilians solve the problems without us. Coming back to this conflict curve, when we are restoring society after high levels of conflict, as in Kosovo, Afghanistan, Iraq or Bosnia, we must work together and we must have one clear aim and it has to be co-ordinated between civilian and military people.

**The Chairman:** Is the structure there to do that effectively at the moment, or is that something we need to improve on?

**General Syrén:** I think that that was the first question and this is exactly what is being worked on now within the External Action Service, under the CMPD, to have this co-ordination, understanding and respect.

**Q175 The Chairman:** Lastly, on the big question, what do you see as the boundaries of EU military missions? What are they politically and militarily capable of at the largest end? What is the limit of what Europe is able to do, as an EU military mission?

**General Syrén:** I can give you a very formal and unusable answer. It was the ambition from the beginning to have 60,000 troops, et cetera. Right now I think it is about 60,000 troops deployed from the European states. From 2014, when most of the ambition in Afghanistan is taken away, I do not know. You have to be very careful, but if there is the political will then in the long-term perspective it could be half that number. Having said that, and if you keep in mind what I said about how many of us are in uniform, I do not think this is satisfactory. That is a possible answer to your question, but having presented that, we all understand that we have to do something dramatic.

To come back to ambitions, we need completely different ambitions within the area of pooling and sharing. I said earlier that, in my world at least, it is completely impossible to continue in the way that we are now. There have to be dramatic changes. When it comes to questions such as sovereignty, I believe that it is for heads of state. We have said, “Doing more with less,” so many times now that it is not credible any more. I am normally a very optimistic and positive person, but I understand that I am here to give honest answers.

**The Chairman:** General, I thank you for those honest answers, which we certainly appreciate. You have a big mission, but we thank you very much indeed for your evidence. We will send you a copy of the transcript immediately. Again, whenever you are in London, we would be very pleased to host you again at any point.

**General Syrén:** At any point? Do not say too much.

**European Union Military Staff, Lieutenant General Ton van Osch,  
Director-General – Oral evidence (QQ 221-234)**

*Evidence Session No. 10.*

*Heard in Public.*

*Questions 221 - 234*

WEDNESDAY 16 NOVEMBER 2011

Members present

Lord Teverson (Chairman)  
Baroness Bonham-Carter of Yarnbury  
Lord Jopling  
Lord Radice  
Lord Trimble

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**Examination of Witnesses**

**Lieutenant General Ton van Osch**, Director-General of the European Union Military Staff, and **Commander Snowy Lintern**, European Union Military Staff

**Q221 The Chairman:** This is a public meeting, technically, and there will be a transcript. We will send you a copy, so if there is anything inaccurate in it, you are able to correct it. Commander Lintern, you are also very welcome to make comments as well. It is very much up to you to decide who speaks on any question. It would probably be useful to us, as a public record, if you briefly introduced yourself. I do not know whether you want to make a short opening statement, but otherwise we will just go straight to questions. If at any point you feel that it would be useful to go off the record to give us a greater insight into something, that would be possible, but you need to let us know. We are keen to keep as much on the record as we can.

**Lieutenant General Ton van Osch:** Thank you very much for this opportunity. For me, it is an honour to speak to this Committee. It also gives me the opportunity to give some messages that might be useful. My name is Lieutenant General Ton van Osch. I am the Director-General of the EU Military Staff. For those who know NATO, my counterpart is General Bornemann, who is the Director-General of NATO's international military staff. We have a very close co-operation. I have been working within NATO in coalitions of the willing most of my life. This is my first position within the EU. It is very exciting as a military man to work within the EU at this moment, because for a very long time we have been talking within NATO and in my capital about a comprehensive approach, and I now work in an organisation where maybe the focus on the military is less, because it is generally agreed

that the military focus is on NATO for common defence and higher intensity, but the common strength of the EU is that we have the comprehensive approach.

Since 1 January this year, when there is a crisis we are called around a table by Baroness Ashton, or by Secretary-General Vimont on her behalf if she is out. There are only two military people around the table—me and General Syrén, the Chairman of the European Union Military Committee, who talks on behalf of the Member States. I serve the Military Committee, but I also have to make sure that my military input goes into the comprehensive documents. If there is a crisis, all the instruments of the EU sit around the table, which can be used to solve the crisis. That is not only the military, but also my civilian counterpart, Ambassador Hansjörg Haber, who is the operational commander for civilian missions—it could be police missions, civilian training missions, et cetera—and the Director-General of ECHO, the humanitarian assistance organisation within the European Commission, which has a large budget. In many cases we have to work together. Development has a very large budget and is already there in many crisis areas, or can go there. That gives us the opportunity, in concert with all the instruments that we have, to find solutions. That is a strength and I am happy to be part of it.

**Q222 The Chairman:** Thank you very much for that introduction, General. Perhaps we could get to the nub of the area round the operational headquarters. The whole of the report does not centre around this, but clearly you are in a particular position where you can talk to us about it. We have heard various views about the need for an EU operational headquarters. Perhaps you could explain to us, from your practical point of view at the centre of things, what added value would come from an EU operational headquarters and what that would allow, provide or improve that we do not have at the moment. What possible failings are there now because we do not have one?

**Lieutenant General Ton van Osch:** I would rephrase your question, because I think that we have OHQs. As you know, we have three different options. One is to activate an operations centre that can do only small missions, up to the level of Artemis, which is up to 1,800 people and one-dimensional, not joint. That is already in my building. It has the infrastructure to be used, but we have yet to activate it. You can see it as a kind of mobilisable quality. The other option is the Berlin-plus arrangement, where the EU could use NATO capabilities and then DSACEUR will use his European head and will be the operational commander. We do so for the operation in Bosnia-Herzegovina. The third option is one of the five national OHQs, where we have the infrastructure, but also where we first need a decision of the Council to activate this OHQ for a certain operation.

**Q223 Lord Radice:** Could you just remind us what the five HQs are, please?

**Lieutenant General Ton van Osch:** There is Northwood, which we use for Atalanta. There is one in Paris, which we used for Chad. We used Rome at least to prepare humanitarian assistance operations for Libya. We have Larissa in Greece and we have Potsdam in Germany. For bigger operations, those headquarters are quite suited. With Chad, we proved it was a possibility and with Northwood we proved it once again.

This is a very efficient way to use capacity, because you only invest once, and then you have at least the infrastructure, and you use augmentees of Member States to run an operation. There are some clear disadvantages in this. For me, the biggest disadvantage is that, while we have all those instruments in the EU and the military are organised in such a way that we can very quickly react, we cannot join the operational planning with the civilian counterparts. I am policy staff. I do not have the mandate to plan operations at a concept of operations and

operation plan level. My civilian counterpart has both the capacity and the mandate. The instruments within the Commission have different procedures, but the mandate to act within the mandate already given by the European Parliament. ECHO can decide at the table whether they want to take part, and then they have the mechanism to be used.

In my experience, I think that the key weakness that we have is that, at the time when planning starts, it is already in the phase where political discussions start and then we start to do prudent advance planning. You lose weeks in most cases in my experience before the military can join that civilian-military planning. We have to wait until there is a Council decision to activate an OHQ, and then it takes formally five—in reality, up to 10—days before you can really start using that headquarters. In times of crisis, that is really a weakness. The military slow down the process, not because the military are slow but just because the part in Brussels is slow.

Other weaknesses of using the OHQs when they need to be augmented include that they sometimes come together for training, and we try to have trained officers in a database, but in a particular crisis they come together for the first time. The military are good and fast in their work because we train ourselves in working together. Another weakness is that they will rotate every six months, because they have their own job at home. I would say that another weakness that we saw in the Libya crisis was that, with those countries that have to deliver the augmentees and have been trained, there is high pressure from those commanders who have to deliver the augmentees. They would rather use them themselves if their headquarters is playing a role as a national basis for the same crisis.

Most of us are well trained in NATO procedures and at the strategic military planning level that the OHQs have to work we use exactly the same procedures as NATO. We do not duplicate anything as a matter of policy. But to understand the decision-making going up, you have to understand a bit about how the EU works. That part has to be explained, and the knowledge disappears each time that people rotate.

The biggest disadvantage for me is the fact that even for smaller military operations, which are more the focus of the EU, even formally — if we look at the EU strategy, we are not going into the business of common defence and higher intensity — we just expect that NATO will take the job. I have several examples where it would be very useful from the beginning to do civ-mil co-ordination at all levels and find civ-mil synergies. I will give the example of Somalia. I think that the Horn of Africa is going to be an excellent example where the EU can play a very good role in bringing all the different instruments together. That was also the reason why it was decided between NATO and the EU that the EU would take counter-piracy. I can give you the history and the logic of who does what. The reason was that everybody understood from the beginning that the problem was not only at sea; that is just an effect of it. The problem is on land. The EU was already on land in Somalia with several development projects. To be honest, as a military person, I did not even know, but last year development already had more than €200 million in projects in Somalia.

The EU also decided to support TFG in Mogadishu. That is a Government that the EU countries support, but they can only be successful if we support them in the creation of security capacity. We train soldiers for Somalia. As a next step, they also need police. We could do a training mission for police. We are co-located—we are in the same building—and we both need medical support, logistic support, transport et cetera. You can find civ-mil synergies in doing those missions together. If it is mainly military, it will be a military mission and the civilian commander can be the supporting commander. Or it can be the other way round. For that it is necessary that the military also have a permanent capacity at the same level as my civilian counterpart. If the director of the Civilian Planning and Conduct

Capability makes his concept of operations, in which he decides how it is going to work, he should be able to talk to me. I also make a concept of operations. We are in the same building. Our staff are completely co-located. We could then decide how to co-operate as well as possible. At the moment this is not possible because we first need to have a decision to activate an OHQ. It could even be an OHQ that is not in Brussels, so co-ordination is still difficult.

I am not looking for an operational headquarters. At the moment, that is not the political issue. The issue is only that the military in Brussels also need a mandate to make concepts of operations and plans, and therefore also the people to do so. That involves relatively small numbers.

**Q224 Lord Radice:** How many?

**Lieutenant General Ton van Osch:** If I stick to what has been said up to now, there could be consensus. Some countries have given the example that we have to build on common structures. If I translate that and I have a joint operations centre that is already there with its infrastructure for only small military operations, it needs 50 augmentees from outside to do an operation up to Artemis level. That gives you an idea. Then it depends on the ambition of Member States. Are they willing to give 50 officers to do that kind of operation or do they want to start even smaller? We asked Spain the EU training mission (EUTM Somalia) as a lead nation, and they used capacity at home and we only used five people. You need 15 to 20 people for the planning phase.

**The Chairman:** Thank you, General. That is very useful.

**Q225 Lord Jopling:** May I ask a question following that? As you know, the UK is very strongly opposed to a central headquarters, and therefore one is looking for a compromise. Is it possible that that compromise could be structured in a way that was not a sort of Trojan horse for evolving step by step and becoming a command headquarters of the sort that certainly our Government are not prepared to accept? Is it possible to avoid that Trojan horse, step-by-step subsequent progress?

**Lieutenant General Ton van Osch:** The easiest answer is to say that each time you need consensus to take the next step. If the UK does not want to, you just stop. I think that you will have many supporters if we are talking about the fully fledged operational headquarters being able to do the same as NATO can already do, because that would be duplication. If you go into the capacity that NATO already has, it does not have the capacity for missions where the focus within the EU is much more. Several of the crises have not even been on the agenda for NATO, such as Sudan, Ivory Coast or Somalia.

For me, there are two key aspects. By the way, I am not pleading for a fully fledged centre, because we can use those five very efficiently to do it. At best, I can solve part of the disadvantage that I explained. We can do prudent planning for those OHQs, as we also had with Atalanta. It took time, because we first had to activate Northwood. The planning capacity that we would have in Brussels can be used to partly solve that problem as well. If the UK demands that you will not accept duplication of NATO and do not want an OHQ because it would be duplication, the only thing that you could accept is that, while understanding that the strength of the EU is the comprehensive approach, for smaller military options within that comprehensive approach, the only thing you accept is that there needs to be a planning and very modest conduct capability in Brussels, where you can have that benefit, which I think is very cost-efficient, first because we can have better use of all our instruments, which all cost money, and not have the civilians doing everything for what

they need in logistic support, including medical, et cetera. So the EU as a whole becomes more efficient. You also have a much more efficient solution if you want to do a small military operation, where it would be ridiculous to activate an OHQ, because the activation of an OHQ costs a lot of money. If you are going to do a training mission, such as EUTM Somalia, you will not activate an OHQ, but you will just have a small capacity where you can do the planning from Brussels and have the advantage that it can be done comprehensively. If you word it like this, every next step does not fit this idea and you can relate to what has been agreed, which is not to have the fully fledged OHQ. There might be Member States who will come back wanting a big OHQ. That is not what I am asking for.

**Q226 The Chairman:** What would happen to the operations centre under that plan?

**Lieutenant General Ton van Osch:** In that plan, I would use the infrastructure of the operations centre for this aim. It is clear that it has to be a cheap solution. This is not the time to come with new investment, so we should use the infrastructure that we already have. For me it also means that if, say, the compromise is less than 50, I will not use the whole infrastructure, but we should still keep the possibility to fully augment it if the situation is there. I hope that at least I get enough planners to find civ-mil synergies with my civilian counterpart.

**The Chairman:** That is very useful to us.

**Q227 Lord Trimble:** To change the subject slightly, looking at the EU's military missions, which ones have been successful, which ones have been disappointing, and what are the lessons and the elements for success?

**Lieutenant General Ton van Osch:** Let me start with the last part. The elements of success for the EU are going to be this comprehensive approach—in some cases, it already is. I do not want to use it as a buzz word each time, but I really see that as a strength. I have never seen it in NATO. Every week I am in contact with my counterpart. They also talk about the comprehensive approach, but NATO is still for military security and defence. I am very glad that they are there. The only reason I can do military operations is that we have NATO, because they take care of interoperability, et cetera, but the one thing that NATO does not have is all those instruments under one roof. That is going to be the determining factor for success.

If you look at how we resolve the whole problem, take the Horn of Africa. We do the military mission at sea, we do the training on land and we are likely to be part of regional maritime capacity building. If you want to develop civilian coastguards, you can have navies doing part of the maritime training, but nobody is willing, from defence budgets, to buy ships to help them to build a school and to have a simulator to do it efficiently. But it is within the remit of development to help them to do so. If you can co-ordinate around the same table, that is going to determine the success of a lot of military missions as well within the EU.

Have the operations until now been successful? My answer is yes, but we had to learn step by step. Artemis was the first one. That was also to improve and start working in the EU. Under my responsibility as a military representative of the Netherlands both in NATO and the EU, I think that Chad has been a very successful operation, but it could not yet prove all the benefits of the comprehensive approach, because it had a very clear focus on a military safe and secure environment around the refugee camp. It certainly helped in our military context to show key players in the region that the EU was a huge provider of humanitarian assistance to the refugees.



Another example is Atalanta. It is part of the whole comprehensive approach, but also, because we have all those instruments within the EU, I dare to say that Atalanta is more attractive than the other missions because our legal framework is better. With countries in the region, we now have an agreement that if we catch pirates, they prosecute and imprison. NATO tried to get the same agreements, so why was this possible? It is because we do much more in the region. We give humanitarian assistance and development aid, so if they talk to representatives of Ambassador Walter Stevens (CMPD), who I think was here yesterday and who does the negotiating part on that kind of thing, he talks to people who know that he is not talking only about military problems, because these are the same people who give development aid and so on. It is not a deal, but I can tell you that it certainly eases negotiations.

**Q228 Lord Trimble:** On Atalanta, is it not now suffering problems of sustainability? We are hearing that the forces available to deploy there are dropping quite significantly.

**Lieutenant General Ton van Osch:** I think that that has to do with the financial crisis, as it costs a lot. Therefore I think it is so important that the EU focuses on how we solve the problem at the end and not only fight piracy at sea; also, we have to have a kind of exit strategy, which is to develop the naval and coastguard capacities in the region and find alternative livelihoods for those who are now pirates only because of economic reasons. We have people round the table doing that. Also, we can help from the military side to identify who the key leaders are, but we also have around the table people who can say, "Okay, if that is the key leader, we can block his bank account." That is the kind of discussion that I mean. I think it is very exciting to have everything together.

Let me make two other comments about Atalanta. For the reasons that I have explained, Norway, which is only a member of NATO, chose to have its frigate under Atalanta, because no one wants to catch pirates and then take them home. Sometimes we do, because we did not find another solution. If you catch pirates under NATO, it is the only option you have. Because there was pressure from NATO, Norway has now tried to divide and to go to one and then to the other. It is a pity that there is a bit of that kind of tension, because I find it easy to explain that there is no duplication. For good, historic reasons, we have three operations going on. First it was agreed between NATO and the EU that the EU would do it. Then we were quite slow in the beginning, because we had to activate and then start planning. NATO had the standing maritime groups and covered the gap for two months. Then the EU took the whole job. Although many other arguments are sometimes used, I have been in the middle of this discussion. While we first talked about piracy off the coast of Somalia, it then grew and grew and we did not have enough capabilities as the EU only. Then more and more countries started to take away ships from the standing NATO maritime groups and gave them to the EU because they thought at that moment that it was more important to counter piracy than to be in standing NATO maritime groups, which were only exercising. I was very much of the opinion that it is better to not take ships out of the standing NATO maritime groups, because we have them for good reasons, and you have to train them, but while you do so, why not also use them on a rotational basis for counter-piracy? That is exactly what NATO is doing, in very close co-operation with us and in close co-operation with CTF 151, the American-led coalition. They are there for a good reason as well, which started with Enduring Freedom. They want to check for terrorists or linked material. While you are there, why not also do counter-piracy? While we all three for different, good reasons do counter-piracy, why not co-ordinate very closely, as we do?

**Q229 Baroness Bonham-Carter of Yarnbury:** We have heard from various people that the existence of battlegroups has been very useful in developing military capabilities within Member States, but we have also heard that they have never been employed by the EU. Are they still relevant, do you think?

**Lieutenant General Ton van Osch:** From a military point of view, they are very relevant. Basically, all the problems that we have with the NRF we also have with battlegroups. The first part of your question was whether they help to bring countries to a higher military level. From my experience in the Netherlands and from visiting battlegroups in my current position, my answer is a fully fledged yes. They get a task and the military want to be fully prepared. They have to do exercises anyway, but if you do an exercise knowing that there is a much higher probability that you will be used and people come and see whether you will be at the agreed norms and standards, there is much higher pressure. Very importantly, many of our colleagues have no experience yet in expeditionary missions. That is not the case for the UK, but it is for other partners who are important for the EU as well. The battlegroups, like the NRF, put pressure on to become expeditionary. We force them through this model and we see that they get a high level.

Why have they never been used? That is a pity. I see it as a political problem, but not only that. I think that I can say that even in my year and a half as a Director-General of the EU Military Staff, I have had three clear scenarios where a battlegroup would have been excellent to use. On the record, it is always a bit difficult to give examples because this has been within a prudent planning phase, where I sometimes borrowed capacity from other Member States. I did not have the mandate myself.

**The Chairman:** General, no one has ever made any suggestion of a practical thing that has been used. Can I suggest that we would like to go off record so that you can tell us what those are, because we have been grasping for this. It would be very useful to us if we could understand that. We would appreciate your candid comments on that.

**The Chairman:** If we are talking about Libya, we can go back on the record. If we need to come out again, then tell us.

**Lieutenant General Ton van Osch:** One possible scenario where, from a military point of view, it would have been useful to use a battlegroup was in Libya where, as you know, NATO was doing the intervention and the EU was the third involvement militarily. I can come back on the first two. It was decided that, while NATO was doing the intervention, the EU would be prepared to do a military operation in support of humanitarian assistance. It was called EUFOR Libya. We activated the OHQ Rome for that. There were three possible scenarios, on the request of OCHA, in prudent planning to prepare. Of course, OCHA ask for military support only if they have no civilian means to do so. The military was a last resort, like our plans. They saw three scenarios where they would not have civilian capabilities quickly enough. One was if there is a humanitarian drama and we need a harbour, but the harbour is destroyed or mined. We need people to clear, repair and run that harbour. It was exactly the same for an airport. If we need an airport for humanitarian assistance, but it has been destroyed, we need people who can repair and run that airport. The third request was about a huge shortfall in fuel. If they needed fuel, also for humanitarian assistance, they wanted us to help out with bulk fuel distribution.

These are three scenarios. Of course, this was only a be-prepared mission. We closely followed how the intervention was going and where the fighting was. When Misrata was developing as one of the cities where there was quite some fighting, there was a risk of humanitarian suffering and a risk that the harbour could not be used. We had military possibilities to use it anyway, but if the fighting is still on you also need security for that part of the humanitarian assistance. That was an ideal to use a battlegroup. We went quite far in preparation of that. It is also an example where sometimes you need some flexibility in the concept. It is within the concept of the battlegroup to do humanitarian assistance, but in some cases it is better for it to be tailor-made for that specific mission. You may take out a module that you do not need and put another module in. In this case, you should have added people who can repair and run a harbour.

**The Chairman:** And 50 tanks landing would probably have sent out the wrong messages.

**Lieutenant General Ton van Osch:** That would absolutely not have been necessary, because NATO was there as well. The EU was the only organisation—I think that it was a political success for Baroness Ashton—that was willing. That was a big step, knowing all the different opinions that we had at the beginning. We were willing, with the military operation on land, be it only for humanitarian assistance. But that was fine for me, because you have to have a division of roles between the different organisations. This was well co-ordinated with NATO.

**Q230 Baroness Bonham-Carter of Yarnbury:** Does the fact that there are no laid-down standards for training concern you? Does this lead to confusion and uneven quality? Would it be better to do as NATO does and have laid-down standards, or do you think that that would stop certain Member States wanting to participate?

**Lieutenant General Ton van Osch:** No. I do not think so. May I come back to that question, as I want to say one thing about useability? I gave the military useability, which is a full yes. What is my experience now? Why did we not use them in these scenarios?

**The Chairman:** You are okay on record with this?

**Lieutenant General Ton van Osch:** Yes, I am okay with being on the record, although I would like to say on the record that I have been able to give you several scenarios and that my experience up to now, including when I was a military representative, but in more detail in the position I have now, is that one of the key reasons, and maybe the most important

reason, why it is so difficult to use a battlegroup, and the NRF, is that we do not have common funding for deployability and for redeployment. That is a lot of money. The problem is that we still have a system of cost labour. I will give the current system. We have Greece as a lead nation and Portugal as a lead nation. I am not here to give you a lecture on the financial crisis, but is it reasonable to expect that those two countries should take the bulk of the costs if all 27 decide that it is so important to use this EU instrument? I have said more in public. My experience now is that Member States do not like to say, “I do not want to use the battlegroup because it will cost me too much money.” So you will hear a lot of other reasons around the table why they do not think the battlegroup should be used. So they say, “It doesn’t fit the concept.” Well, we make the concept, and it never says that it is a delimitating list.

I hear a lot of arguments, but my experience is that if I start prudent planning and the military see it as a good option, the Ministry of Defence might see it as a good option, but none of us fully plans a budget for deployment. Why? I have made the calculation that for the smaller countries it would mean at least 5% of their complete defence budget, but then you cannot use that 5% for investment or whatever you need to improve your structure. So most of our countries do not plan a budget for deployment and redeployment. If they do want to use it, it is not the Minister of Defence who decides. He has to go to the Minister of Finance, who will bring it to the Government. The Minister for Defence will not have many friends in the Government. They will find reasons not to use the battlegroups. It is in the mechanism. That is a waste, because we spend money on battlegroups and there are good military reasons for having them, but we do not solve this problem. I wanted to mention this point because the UK is one of the countries that does not want common funding. I never understand the reason. Each time I hear, “We don’t want to pay twice. We already use our own troops and then somebody else uses troops and we are going to pay for it.” Well, you regularly have a battlegroup as well—you often do it with the Dutch, by the way. If we used that battlegroup, we would have common funding as well. The last argument that is sometimes used is, “Yes, but in the end we want to have control over whether we spend.” Well, you have, because you are round the table and if you do not want to use it, you block. If it is for financial reasons, you block. But if you think this is so important because EU interests are involved, this is also important for the UK. If you then deliver the battlegroup yourself, be happy that others will pay as well. It is just easier to decide if we share the costs.

**Q231 The Chairman:** I think that the Polish presidency wants to change this at the moment. Has that gone into the sand because of countries such as the United Kingdom? How is that worked out and what are the obstacles?

**Lieutenant General Ton van Osch:** I can tell you that I was today in a very big dilemma, because I promised to talk to you and I had an invitation to talk to the Council, but it was at exactly this time as well, so my deputy is explaining this to the Council now. I hope that we can convince not only the UK. There are two other countries that have the same doubts. For those two countries it has more to do with them saying, “We want to decide ourselves how we spend our money.” There I would say, “You have, because it is always consensus decision-making.”

**The Chairman:** That is really very useful, which is why we have taken the extra time. We are running over. I hope that is possible. We are delighted that you have come to us rather than the Council. Perhaps we could tie up a couple of other things in just five minutes.

**Q232 Lord Radice:** We have heard a lot about pooling and sharing and it all sounds very good, but it is clearly very difficult to do in practice. Could you say something about the

Dutch-Belgian naval co-ordination or co-operation, or whatever? Presumably you know a lot about it.

**Lieutenant General Ton van Osch:** I will be pleased to do so, because I often use it as a good example of pooling and sharing. I will mention two others, because sometimes it is easier to explain why some are good examples and others are not. Another good one is Strategic Air Lift Interim Solution (SALIS), where 12 countries—NATO and EU countries—bought only three C17s, and then they decide themselves how to use their flying hours. The European Air Traffic Command (EATC) is another example. It is a capability that Member States create, but Member States decide how to use it. It can be on a national basis, it can be under NATO, it can be under the UN, the EU or whoever—a coalition of the willing.

The same applies with the example of the Dutch-Belgian co-operation. It is not linked to an organisation, but it is co-operation between countries that often have the same political line. Why is it such a good example? They optimised and found efficiencies in everything that has to do with the preparation of capacities. On training and education, they decided to do one part in one school and stop with the other, and the other way round. On training and education, they found the optimum balance. On logistic support, they went to industry and found better prices because they were doing things together. The only thing on which they did not integrate was their operational capabilities. The ships are either Belgian or Dutch. If they are going to work together, they have a very small headquarters, but I think it is only 25 people altogether. If the Netherlands wanted to work under Atalanta but Belgium wanted to work with NATO, or the other way round, you will not have discussions in such a way that you cannot find consensus and then cannot use the capabilities at all. The Netherlands decides how it wants to use the frigate, and the Belgians do.

This is a very important point about how we should continue with pooling and sharing, but it has to do with sovereignty. For me, there are three issues on pooling and sharing and sovereignty. For me, sovereignty is freedom for the sovereign Member State to decide for itself and to have the ability to act. It is no use if I can decide but I cannot do anything, so I influence nothing. Sovereignty for me is the freedom to decide yourself and the ability to act. As long as you can solve those crises where only your country has an interest, you do not make yourself dependent on others if you have the capabilities. But if there are national interests linked to a crisis, you want to decide for yourself but you also need the capability to act. If you cannot act yourself any more because you cannot afford to pay for certain capabilities yourself, you have to work with others. For me, even from a European point of view, the co-operation between the UK and France is an excellent example. If you want to be able to act in many crises, you need battlegroup carriers. If it is the only way to continue to have the battlegroup carriers, you should do it with others if you cannot afford it yourself. I would say that that even increases your sovereignty, because you are then able to act and to influence the decisions of others. Your influence increases, as a general statement.

The second aspect of sovereignty in pooling and sharing is that, if you want as much as possible to decide yourself how to use the operational capability, you should try to find as much the pooling and sharing efficiency as possible in training, education and procurement, because you do not lose sovereignty but you can gain a lot of cost and technological development. These are quite big areas, which is why I have so many initiatives coming in those areas.

Try to avoid having too many countries able to decide over your operational capabilities. The more Member States can decide over the usage of your operational capability, the higher the risk that you cannot use it, because of political reasons. I know that I am on the record and it does not sound very political, but I am not asking for EU capabilities. I also

think that NATO should not ask for NATO capabilities. We should facilitate Member States in the creation of Member State capabilities, so that we have the highest possibility to use them, also from a political point of view, be it in NATO, in the EU, in the UN or in a coalition of the willing.

The third one is that, if it is unavoidable to work together on operational capabilities, you should balance the benefits and disadvantages of pooling and sharing. The benefit, of course, is especially because you will most likely do it if it is the only way to get that capability. The disadvantage is that it becomes more complex in decision-making. Try to find partners that you feel most comfortable with, or those that are the only ones who also want that capability. There will be some capabilities where we will not have a choice to make, even EU-wide, also from a burden-sharing point of view. Then we go into space, cyber defence and that kind of thing, where all countries need to be involved because, if we do not involve them, either they will be a free rider or it will be a weakness if we do not take everybody with us—in cyber defence, if there is one weak spot, we all have a weak spot. So I am not saying that we should not, but everything should be focused on the useability of the capabilities that we create. I could give you several examples where the creation of capability only costs money but we have never used it, or will never use it, because the principles that I have just explained to you were not taken into account.

**The Chairman:** An example?

**Lieutenant General Ton van Osch:** Not on the record.

**Q233 The Chairman:** Can we go back on the record on that?

**Lieutenant General Ton van Osch:** On the record, I already gave the criteria to follow. This was an example where there were two reasons. A very good example for me of international co-operation that fits the criteria is the UK-Dutch battlegroup. Why is it a good example? The first reason is that we want battlegroups to be multinational, because it is not showing the flag of one Member State; it shows an international flag. Especially for smaller countries, who cannot afford to have a battlegroup alone, they have to do it with

others. If you do it with others, you always run the risk that you can use it only if all the participants decide to use it. In general terms, it is wise if one of the many criteria for creating multinational capabilities is to do it with countries that usually follow the same political line. Then it is easier to come to a common decision to use that capability.

**Q234 Lord Jopling:** General, this Committee over the years has expressed its exasperation many times about the lack of co-operation between NATO and the EU. I was very glad to hear you say early on that you have a very good relationship with NATO. Maybe that is partly because you have long personal experience in NATO. We had one witness who talked to us about the great frustration coming from the Cyprus-Turkey-Greece situation, where the Cypriots come in and block anything all the time, saying that this is all very difficult. When we had Mme Arnould here, just before you, she said that she gets no interference from the Cypriots over this blocking. Could you tell us the extent to which your relationships with NATO are hampered by the Cyprus situation? Also, what do you think might be done to get over that and ways in which you are all, maybe like Mme Arnould, able to skirt round the back of it and not involve the Cypriots?

**Lieutenant General Ton van Osch:** Thank you for the question. There is a policy within the EU and within NATO that we do not mention Member States. I think that that is fine. We cannot point a finger at single Member States. NATO has the principle of consensus decision-making and inclusiveness of all its allies. The EU has the principle of all-inclusiveness. Also, the UK voted to have the Member States who are members of the EU. So the UK also has to stick to the principle.

We have a political problem that I really think should be solved. On the one hand, we have NATO, which does not allow it, because one Member State does not want a security agreement with the EU, or they would accept under the condition that the EU excludes one member. Legally, it is not possible. I think also from a moral point of view it is not possible, because the UK also voted to have all the members that we have.

So it is not possible to get a security agreement between the two organisations. I think that that is terrible. There is formally no possibility for me to overcome this problem. I think that I can state that we waste money because of it and we sometimes bring people into harm's way because of it. It has to be solved, but it cannot be solved by the military; it has to be solved at a political level. A lot of people have already thought about trying to solve the problem.

How do we cope? We accept that at a formal level it cannot be raised, so we do not. All countries involved—all 28 of NATO and all 27 on the EU side—accept that the military have to find practical ways to co-operate as well as possible. I am allowed to have informal staff-to-staff co-ordination. There we try to co-ordinate as well as possible, and we do. So, I dare to say that there is no duplication in capability development or in operations between the organisations, because we co-ordinate. But sometimes, because of different political opinions of Member States, we are forced to duplicate. But then it should not be said that NATO and the EU duplicate, other than it being the choice of the Member States. If a Member State comes with an initiative to pool and share and they ask both NATO and the EU to facilitate, it is not those two organisations that are duplicating; it is the Member State that has offered to both sides.

At the end, if you follow the principles that I have just explained about pooling and sharing, it is not a problem, because in the end a lead nation will do the pooling and sharing with those who want to join. It is fine with me if there are NATO and EU members, and many of them will be both anyway.

On operations, we at least tell each other the political aims and the discussion. Then we discuss what would be best for NATO to do and what would be best for the EU to do. At the same time, it happens that sometimes some Member States want the EU to do it and others would rather have NATO do it, but between the organisations there is good co-operation informally.

Is the problem solved with that? No. I would really wish that we solved the political problem, because if you cannot formally create co-operation it always takes more time to get co-operation. If I am formally not allowed to exchange classified documents or integrate my forward air controllers if I do something on land and NATO owns the air, everybody understands that there needs to be very close co-operation. But it is much more difficult to create it only informally rather than formally.

**The Chairman:** General, we have overrun our time with you by about three-quarters of an hour, but it has been most useful and we thank you very much for the very practical approach that you have taken, which is exactly what the Committee needs. We wish you every success in your role. Thank you very much indeed for giving us your time and for forsaking the Council meeting to come and talk to us. It has been a very good session.



**Finmeccanica UK – Oral Evidence (QQ 314-344)**

[Transcript to be found under BAE Systems](#)

Foreign and Commonwealth Office – Oral evidence (QQ 35-70)

**Foreign and Commonwealth Office – Oral evidence (QQ 35-70)**

[Transcript to be found under Ministry of Defence – Oral evidence \(QQ 35-70\)](#)

Foreign and Commonwealth Office – Oral evidence (QQ 345-368)

**Foreign and Commonwealth Office – Oral evidence (QQ 345-368)**

[Transcript to be found under Ministry of Defence – Oral evidence \(QQ 345-368\)](#)

## **Memorandum by Dr Bastian Giegerich, Bundeswehr Institute for Social Sciences and International Institute for Strategic Studies**

This memorandum was written by Dr Bastian Giegerich in response to a request for written evidence by the House of Lords EU Sub-Committee for Foreign Affairs, Defence and Development. Dr Giegerich is a Senior Researcher at the Bundeswehr Institute for Social Sciences (Strausberg, Germany) and a Consulting Senior Fellow for European Security at the International Institute for Strategic Studies (IISS) in London. The memorandum was prepared in a personal capacity.

### **I. Military capabilities and the economic crisis**

The armed forces of EU member states are still only partially adapted to the operations – be they EU-led, NATO-led or conducted in the framework of a coalition of the willing – they are asked to participate in. Multinational capability goals defined within the EU and NATO frameworks only have a limited impact on national decisions. Multinational defence planning and capability development processes remain too cumbersome and too focused on the short- and medium-term to truly penetrate national planning assumptions.

Defence spending by EU member states has fallen by approximately 7% in real terms between 2006 and 2010, the last year for which comparable data is available. The situation varies considerably from country to country though, with some EU members enacting cuts of up to 50% over this period while others managed to increase spending by up to 20%.

European armed forces are able to sustain a broad range of missions but only a percentage of active service personnel is available for deployment. According to data provided by the European Defence Agency, and based on information provided by national governments, the number of land forces available for sustainable deployments (including rotation) by EU member states has decreased from 125,000 in 2008 to 106,000 in 2010. According to IISS data, in 2006, the EU-27 had 3.7% of their active-duty forces deployed on crisis management operations which corresponded to some 68,000 troops at the time. By 2011, this number has dropped to 2.9% or some 49,000 troops. While EU member states are reducing the manpower of their militaries, and have shed some 400,000 troops between 2002 and 2011, the number of troops deployed on operations is decreasing faster than the total number of active service personnel.

Reasons for this development could in theory be located on both the demand and supply side. For example, if the need for crisis management operations is declining, lower levels of deployment would follow logically from such a development. The withdrawal of troops from Iraq and the much reduced presence of EU member state forces in operations on the Balkans support the hypothesis of reduced demand. On the other hand, the NATO-led ISAF operation in Afghanistan expanded significantly after 2006 and a drawdown there will only take a gradual effect from 2012 on. Data on UN peacekeeping operations furthermore shows that the number of deployed military personnel on such operations has risen from some 48,000 in 2001 to some 99,000 at the end of 2011. Thus, global demand for military crisis management operations does not seem to decline.

Hence, further arguments for the decline in deployments of European armed forces have to be identified on the supply side. Governments and electorates in the EU might suffer from intervention fatigue, unwilling to commit more capabilities to operations which by and large

remain discretionary as the crises they seek to address threaten European security in an indirect and non-existential way. Furthermore, structural underfunding of the armed forces, now magnified by the economic crisis, is delaying, and in some cases preventing, the modernization of the armed forces. Several countries, including the UK and Germany, have recently lowered their level of ambition regarding the number of forces they aim to be able to sustain concurrently on operations. France seems destined to follow suit after its 2012 election.

The mounting pressure on defence budgets and the on-going demand for operational deployments also means a real danger to force readiness overall. While deployments provide vital operational experience and urgent operational requirements might sometimes accelerate modernization, they can also drain resources from the rest of the force with reduced training and maintenance the result. Long-term modernization plans might become unbalanced as a result.

A development with the potential to do significant damage to the capabilities available to the EU and NATO is the lack of coordination between the governments of EU member states when it comes to implementing defence cuts. If national capability degrades, governments still have the option to design cuts in a fashion that ensures whatever capability remains does complement that of partners in the EU and NATO. The multinational setting could therefore still provide a balanced capability despite cuts, thereby enabling the EU and NATO to do its job. In the absence of coordination the likely result is reduced capability at both the country level and the aggregate, multinational level.

## **2. The UK's policy on CSDP and cooperation with France**

Whereas the green paper on defence published by the previous government instilled some hope that the UK might be amenable to a stronger EU component in its own security and defence policy, the current British government has not been willing to pursue such a course. In the run up to the 2010 SDSR neither NATO nor the EU's CSDP seemed to have played a crucial role in the British debate.

Member governments have agreed a European Security Strategy, have set up dense and complex institutional arrangements, have defined capability targets and conducted some two dozen civilian and military crisis management missions under the CSDP banner. The UK has found support for its position to adopt a more robust mandate for the EU's counter piracy operation ATALANTA off the coast of Somalia, for example regarding the need to engage pirate vessels pulled ashore in Somalia.

But generating improved capabilities is where CSDP's track record is less than impressive. Therefore, British disillusionment with CSDP regarding capabilities is now somewhat more widely understood in many continental European defence establishments. A fundamental disagreement, however, which pitted the UK against most if not all other EU member states during much of 2011, was the question of an EU military headquarters. France, Germany and Poland, later joined by Italy and Spain, promoted such a move, arguing that it would be more economical and would create less friction than continuing to rely on the five national headquarters currently available for EU-led operations, which have to be multinationalised every time they are called upon for operations.

If the plans agreed between France and the UK on 2 November 2010 in the Defence and Security Cooperation Treaties were to be implemented fully, they would represent a

significant step towards more effective defence cooperation. The core driver from the perspective of other European countries seems to be the desire to maintain a capacity for demanding operational engagement despite undeniable financial pressure. Cooperation thus serves to retain influence. Bilateral cooperation is a pragmatic means to this end, acceptable to both London and Paris because British and French defence policies and national levels of ambition are judged to be compatible.

This compatibility cannot be replicated across the EU and is therefore questionable whether the Franco-British agreement can serve as a model for wider multinational cooperation. It might, however, spark similar bilateral – or perhaps minilateral – efforts among other EU member states where such compatibility can be found. If such a process were to unfold over the coming years, it will be vital to make sure these multiple bilateralisms are working towards similar overarching goals.

While there is widespread scepticism in other EU member states regarding the ability of London and Paris to implement the plans agreed in November 2010, the agreement itself is interpreted by some observers as Britain and France, the two most capable military powers in the EU, turning their back on CSDP. Ironically, some of the provisions entailed in the Franco-British agreement duplicate ideas of projects underway in the European Defence Agency. Franco-British leadership in the NATO-led Operation Unified Protector in Libya was further seen as underpinning the newfound bilateralism across the Channel at the expense of coordination with other European capitals.

Furthermore, partner governments wonder in how far the bilateral agreement between France and the UK can be opened to others on a selective basis. Despite encouraging rhetoric from London and Paris on this matter, the record so far does not suggest this will be easy. Multinational logistical support and maintenance for the A400M transport plane between the European customers could be a good test case.

### **3. Pooling and sharing military capabilities**

In the wake of the economic crisis, both policy-makers and scholars have stressed a new defence policy paradigm in which countries have to cooperate more and in more flexible ways in order to protect capability. The pooling and sharing of military assets, by itself not a new idea, has quickly developed into a buzzword in the EU defence establishment and has found its equivalent in NATO's smart defence initiative launched by secretary general Anders Fogh Rasmussen at the beginning of 2011. Cooperation and specialization are likely to yield benefits in terms of savings and capability gains, but only at the price of reduced national autonomy. As a general rule, it can be assumed that there is an inverse relationship between the financial and military benefits of pooling and sharing and national political autonomy.

For example, if national assets are pooled on a temporary basis without a common framework for their use, participating countries will retain full autonomy. They will, however, also generate rather limited savings or capability improvements. If, on the other hand, countries were to agree to specialize on certain capabilities and give up others in the understanding that partners will provide complementary capabilities to fill the gap, the savings potential is much greater. But national autonomy would suffer severely, quite likely to such a degree that governments will not tolerate such role specialisation. Governments are likely to object to limits on their autonomy in this case, because they quite rightly fear two possibilities: either to be entrapped into actions they would not deem appropriate from

the perspective of their national interest, or to be abandoned by partners on whom they depend for the successful conduct of operations as a result of specialisation.

To strike an acceptable balance between these potential costs (less autonomy) and benefits (more efficiency) of pooling and sharing is an unavoidable political task. Many areas for closer cooperation thus far identified by European government therefore cover the fields of military education, training, maintenance, and logistics. Given that these are not front-line capabilities, the political and military impact of increasing dependency on partners is limited and hence more acceptable to leaders. If pooled and shared support capabilities still allow for separate national deployments, such flexibility will also help. Concentrating on the low-hanging fruits will be important to build trust among governments and militaries and is thus a good way to start, even though pooling and sharing is in need of a long-term narrative if it is to succeed.

Many factors have to align for successful pooling and sharing. Crucial is that participating governments have to trust each other, which is more likely under a couple of conditions. Countries will find it easier to work together if they have similar strategic cultures. A compatible understanding of the role a country seeks to play in international affairs and the place its military is meant to take within the spectrum of available means enables governments to accept greater degrees of mutual dependency. Second, pooling and sharing will be easier among countries whose forces are roughly similar in quantity and quality. Otherwise, larger and/or capable countries are likely to worry they provide but do not receive much in return, and smaller and/or less capable countries will spend their time agonising about being a junior partner whose interests might be ignored. Third, the defence industrial policies of states who want to cooperate need to be compatible and the risks need to be shared.

The process needs to be member state driven and the role for the EU and NATO as such will remain limited. They provide services to member governments by reducing the transaction costs of cooperation. Mechanisms to achieve this are, for example, information exchange and the identification of best practices and workable models. Pooling and sharing, smart defence, on its own will not be enough to avoid difficult political choices about capabilities; this is understood by some but not all leaders. If pooling and sharing is misrepresented as the ultimate answer to the defence budget crunch, hopes will be dashed quickly. Both the EU and NATO should pay greater attention to building a narrative that makes clear to member governments why pooling and sharing is in their interest. Saving money obviously goes a long way in this regard – but it won't be enough if governments do not have a clear and shared sense of what they are building capabilities for.

Professor Anand Menon, University of Birmingham – Oral evidence (QQ 91-115)

**Professor Anand Menon, University of Birmingham – Oral evidence (QQ 91-115)**

[Transcript to be found under Professor Malcolm Chalmers, Royal United Services Institute](#)



**Ministry of Defence – Oral evidence (QQ 35-70)**

*Evidence Session No. 2.*

*Heard in Public.*

*Questions 35 - 70*

THURSDAY 20 OCTOBER 2011

Members present

Lord Teverson (Chairman)  
Baroness Bonham-Carter of Yarnbury  
Lord Inge  
Lord Jones  
Lord Jopling  
Lord Selkirk of Douglas  
Lord Sewel  
Lord Trimble  
Lord Williams of Elvel

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**Examination of Witnesses**

*Witnesses:* **Alison Stevenson**, Head of NATO and Europe Policy Department, Ministry of Defence, and **Nick Pickard**, Head of Security Policy Department, Foreign and Commonwealth Office.

**Q35 The Chairman:** Good morning and welcome to the second session of our inquiry about military capabilities available to the European Union. In fact, the longer title is “Lessons Learnt and Signposts to the Future”, so it would be quite useful also to see this within the context of the past and looking to the future. I remind you that this is a public session. We are taking a transcript, which will be sent to you so that you can correct it if there are factual errors in it. That will happen within the next week.

We have a number of questions. I know that you are aware of the sort of areas that we are going to ask about, but it is very much up to you whether you both answer or just one of you does. I will leave that up to you. I wanted to make it clear that it is not compulsory for both of you to answer all the questions, but if you believe that it would be useful then we would encourage that. I believe, Alison, that you would like to make a short introductory statement. Before that, for our benefit and that of the general public, could you say who you are and which departments you are from?

**Alison Stevenson:** I am Alison Stevenson. I work for the Ministry of Defence and I head up the NATO in Europe policy team.

**Nick Pickard:** I am Nick Pickard. I head up the security policy department in the FCO, which looks at all defence and security issues.

**The Chairman:** Thank you. Alison, could you give us your statement?

**Alison Stevenson:** I have a very short opening statement. I welcome the opportunity to give evidence to the Committee today. Although we are here to talk about EU military capabilities, I should start by stating that obviously NATO remains the cornerstone of our common defence and security, both as our national insurance policy of last resort and through its unique ability to conduct high-end war fighting, peace enforcement and stabilisation operations. The Government have been quite clear that the EU should act militarily only where NATO cannot or chooses not to act, or where added benefit can be achieved—for example, in Operation Atalanta, where the EU brings a wider range of economic and legal tools to bear. We believe that an effective common security and defence policy is in all our interests. As well as the opportunity better to integrate civilian, military, development and governance instruments, CSDP provides an opportunity to provide the defence capabilities for the benefit of both NATO and the EU. Finally, I should just mention the emphasis in the SDSR on the importance of working more closely with allies. As an example of that, the UK-French treaty is designed to make our forces more capable and effective but without detriment to our multilateral engagement. We hope that this example will encourage our European allies and partners to seek better value for money and improve capability through closer co-operation with each other.

**The Chairman:** That is a very concise statement. It is very useful and provides a very strong context. I will not ask the Foreign Office whether it agrees; we will carry on.

**Nick Pickard:** We always speak with one voice.

**Alison Stevenson:** You will not see the join.

**Q36 The Chairman:** The first question starts to open up the point you raised in your statement. We are trying to get to the heart of what role the EU common security and defence policy should play in addressing the challenges to European security. How effective is that policy, particularly in the context of declining defence budgets?

**Nick Pickard:** The EU's clear unique selling point is its ability to bring a wide range of security tools to bear on security issues. It is different from NATO in that respect, in that it is able to combine political, economic, development and civilian tools with military action as part of what we call a comprehensive approach to security. It is not the right vehicle for hard-end military fighting or indeed for military operations in which the United States wants to get involved, but there are a number of cases where this broader civil-military perspective on security is what is required in crisis management, and the EU should have an important role to play in that. In terms of how effective the policy is, we have seen a number of successful operations that the EU has been able to conduct, but there have not been as many of those as we would have liked. Certainly, the use of the EU as a political lever to develop defence capabilities has had more disappointing results than we would have envisaged when the CSDP was created. The particular challenge that we will face in a time of declining defence budgets is how we use the EU as a lever to encourage countries to share defence capability and work together to build a new deployable capability that can be useful, not just in an EU context but whenever EU Member States are operating in support of security threats, whether that is through the EU, through NATO, through the UN or indeed for their national purposes.

**The Chairman:** Do you wish to add anything?

**Alison Stevenson:** No. we are probably going to start by answering one each. I am happy with that.

**Q37 The Chairman:** Perhaps we could come back on a couple of those things. I am particularly interested in the fact that there is disappointment that this has not been more active or used more, as was originally envisaged. I would like to explore what you think the missed opportunities were, because that is useful to understand for the future. You say that the EU side should not be hard-edged because that, if you like, is the NATO role. Practically, that has turned out to be the case, but was that always the view? I know that perhaps we are going back to previous Governments as opposed to the present one, but do you think that that is something that has evolved or have the British Government sometimes thought that it should be more hard-edged? I would like to understand where you think that stands within the mutual defence context of the Lisbon treaty as well.

**Nick Pickard:** The EU has always been at the softer end. By “soft” I do not mean no military action; the Petersberg tasks, which were agreed in a WEU context 20 years ago, talk about peacekeeping, but that is the highest end that they talk about. In terms of the most kinetic military action, there has never been any intention that that would be the EU’s role.

**The Chairman:** The Petersberg tasks talk about peacemaking as well as peacekeeping, don’t they?

**Nick Pickard:** They do. The original level of ambition was 60,000 troops within 60 days. I still think people recognise that when it came to fighting wars, NATO was the alliance of choice. The EU could involve itself in military action, as it did in Bosnia, but it would not be looking to undertake the most kinetic operations.

You said that we were disappointed at the EU’s activity. My disappointment was at the EU’s use as a political lever to generate new capability. In terms of activity, the EU has been active on three or four continents in a wide range of types of operation. Particularly in the period from about 2004 to 2007 or 2008, when it was running about 20 operations around the world, it was very active, largely in small-scale civilian or civil-military operations. It has shown quite a lot of flexibility in developing that side of its capability over the past few years. That has not been the disappointment; it has been much more about developing its role as a political lever to develop new defence capability.

**The Chairman:** What about mutual defence and the Lisbon treaty? Do you think that is of any significance, or is that just a nice thing to have?

**Nick Pickard:** The CSDP is part of the EU’s common foreign and security policy. It is an external tool so it does not have a locus in the collective defence of Europe.

**Q38 Lord Inge:** You talked about NATO and war and then you talked about hard-edged military capabilities for the EU. What were you thinking about? Could you say something about what capabilities you were talking about and about how to sustain them, possibly over a long period?

**Nick Pickard:** Europe faces a large number of capability gaps, Lord Inge, which are well known. The EU and NATO have spent a lot of time reinvestigating what those capability gaps are and coming up with the same answers. We know that they are in strategic lift, key enablers, helicopters, ISTAR—that is, intelligence, surveillance, target acquisition and reconnaissance—and rapid deployment capability that is sustainable over long distances. We

had hoped since St Malo that some countries would see the EU as a political lever that would sustain or encourage them to develop and focus on that type of capability within their defence budgets and to co-operate through institutions such as the European Defence Agency to that end. The results of that have been disappointing so far.

**Lord Inge:** What about command and control?

**Nick Pickard:** I think there is ample command and control capability within Europe. That is not one of the capability gaps that we have identified.

**Lord Inge:** But it has not really been tested, has it?

**Nick Pickard:** Within an EU context?

**Lord Inge:** Yes.

**Nick Pickard:** The EU has undertaken a number of different command and control mechanisms for its different operations. It has used SHAPE—

**Lord Inge:** But NATO, for example, practises its command and control.

**The Chairman:** I think that we will come on to that question later on, Lord Inge. Perhaps we can explore that in greater detail.

**Q39 Lord Sewel:** Could I just clarify one thing before I ask my question? When you said that the EU has no role in collective defence, is that really saying that it is NATO Article 5 that is the collective defence mechanism?

**Nick Pickard:** For those countries that are members of NATO, yes.

**Lord Sewel:** We have a problem with those that are not, then, haven't we? What do they have? My question is really to focus on the UK/EU interface. How do we see the EU fitting in with our own national security and defence strategies?

**Nick Pickard:** As Alison said in her opening statement, NATO remains the cornerstone of our vision for European security and defence and is our first choice for how we respond to collective security challenges. None the less, we recognise that there are occasions when the United States or NATO will not want to engage—we have seen that in previous operations—and there are types of operations where NATO is not the right vehicle for dealing with security threats. An example would be the action that the EU took in Aceh in Indonesia; because of its members, there was no other international organisation that was appropriate to conduct that operation other than the EU. There are areas of the world or particular crises where the EU has a stronger interest than NATO or where the tools that are needed for that particular security issue are those that are available to the EU rather than to NATO—for example, police training or rule of law experts. We see the EU as playing an important role in developing a collective response and generating an increased response among EU Member States to be able to support UK national interests in that sort of scenario.

**Q40 Lord Sewel:** Could I take you on a little bit? In answer to the first question, you talked about a contribution to predominantly civilian operations but also having a military component as well—a military capability, really. Have I read you right on that and, if so, could you be a bit more specific about the military contribution and its potential?

**Nick Pickard:** There are two types of military contribution. Alison may want to come in on this as well. The first is where a largely civilian operation requires military logistic support or

protection in order to operate effectively or sustain itself in theatre. That is where you are bringing together the EU's civil and military tools or where you require the military to provide the security in a particular area, which allows the EU to undertake development or training: it creates the conditions within which the EU is able to operate. It is very important in such circumstances that the military and civilian planning is undertaken very closely together, and that is a role that the EU can play very effectively. The other area is a purely military operation but where the United States or NATO does not want to engage. That, for example, is what the battlegroups capability—which I am sure we will go on to talk about—is aimed at providing, and the EU has undertaken this in Bosnia and the Democratic Republic of Congo. However, the types of military operations that the EU can contribute to are relatively short in duration or small in scale.

**Alison Stevenson:** We would see this as a firm complementary military role to NATO's role. If I take Atalanta as an example, the EU can draw in third parties that potentially would not be prepared to work with NATO. The EU can integrate the military and civilian instruments together in a way that NATO cannot always do, and we see that as a key role.

**Q41 Lord Jopling:** I just want to follow that up. I got the impression from an earlier statement that EU operations and CSDP operations by their nature could not include the Americans. Perhaps I got the wrong impression, but I would have thought that a European operation could conceivably include American participation.

**Nick Pickard:** The Americans have participated in a couple of civilian CSDP missions as third parties. What I meant by my earlier statement was that if there were a military operation in which the United States was engaged, NATO would be the obvious vehicle because it is the vehicle in which the Americans and Europeans sit around the same table and operate command and control together. The way that third parties are included in EU operations, they do not participate in the decision-making or the command and control of those operations very effectively, so that would not be a viable vehicle for a military operation where the United States was providing key capabilities.

**Q42 Lord Williams of Elvel:** We are all enthusiastic for reform of the European military and bringing them up to date and doing all sorts of exciting things, but how does the EU fit in to this? What sort of tools are available for the EU? Do we say, "Well, it's actually NATO's job rather than the EU's"? Do we say, "Well, we give up", and just go along, as with these two treaties that we have just signed with France, and hope that other people will join? What is the mechanism for all this?

**Alison Stevenson:** The EU has its own capability planning process aimed towards the objectives that were set out in the original headline goal. What we are trying to do is to make sure that the NATO defence planning processes and the EU defence planning processes are more coherent and work more closely together so that they do not duplicate. As you are no doubt aware, a NATO/EU capability group was established in 2003 to try to ensure the coherence of this working together. The trouble is that progress is made difficult by the Turkey/Cyprus dispute and the exchange of information problems that that relates to. Still, they have this meeting, which happens in two formats—at working group level and at policy director level—to try to compare notes and combine capability planning. Member states and allies have one set of forces and, as Nick said, capability gaps are the same for both, so it is important that they try to work together. The EDA has a key role to play in trying to work through the capability gaps, bringing the nations together. Also, at the moment, Secretary-General Rasmussen and the EU High Representative, Baroness Ashton, are working very hard to try to ensure that there is that linkage.

**Q43 Lord Williams of Elvel:** Do you see the UK-France treaties as a model for the rest of Europe or as something reserved entirely for two countries that happen to work quite closely together? Do you see other countries, for instance Germany, being rather offended by what is going on between the UK and France?

**Alison Stevenson:** We see the UK-France treaty and what has flowed from it as an example that we would recommend others to follow. We see that there is a lot of merit in working together, either bilaterally or in small groups, where there are capabilities that people wish to develop together. We do not see the Anglo-French treaty and the work being done as something that should be so exclusive as to exclude others from getting engaged and us from working with them, but at the moment we are partnering with France because it is a similarly capable nation with high spending on defence and it is prepared to deploy its forces. We are also, although not at the same level, working with Germany through a process called the structured dialogue, where we are exchanging ideas and information about how we could work together with that country in future, but there is nothing on the same scale as the Anglo-French treaty.

**Lord Williams of Elvel:** What about other countries—Poland, Italy or Spain?

**Alison Stevenson:** We are prepared to work with all nations that have common interests and are keen to develop their capabilities. Obviously we have to try to prioritise where we believe we are going to get the maximum benefit, but we are not trying to be completely exclusive in working only with France and never with others.

**Lord Williams of Elvel:** It seems to some of us that the UK-France arrangements just may be an impediment to more co-operative arrangements inside the EU. Would you agree with that?

**Alison Stevenson:** We know that people are concerned about that but we do not see it as such. We see it more as a positive thing that we are trying to work with another country to develop our capabilities. That does not mean that we will not work in wider groupings. We have the NATO smart defence initiative at the moment, we are looking at a wide range of projects within NATO and we have the EU's pooling and sharing initiative, so we are still open to those opportunities that we think will add value.

**Nick Pickard:** I just wanted to add that history tells us that most European initiatives in defence and elsewhere have been most successful if they are formed around a small group of core Member States. That is where St Malo came from in the first place. Most of the initiatives that have been pursued in European defence have started with a small core of Member States, and it has been the sponsorship of those states and the model that they have developed that has enabled them to grow within an EU context. That is the heart of the UK-France treaty, which explicitly commits us to developing these ideas within NATO and the CSDP.

**Q44 Lord Jopling:** Can I come back to the question that Lord Inge asked a little earlier about capability development? You have the three strands—the EU, NATO and the UK—all concerned with capability development. Can you give us some sort of a picture of how effectively those three strands can run together? You were talking about capability gaps. To what extent are the capability development programmes of the three strands leaving gaps? How effective are they? If you could try to elaborate on that, I think that we would be grateful. Also, to come back to an issue that this Committee has been concerned with for a long time, the old problem of NATO/EU relationships, we are familiar with the reasons for the Turkish blocking and all that, but surely there must be many more ways in which one can

sidestep the Turkish objections and at long last make positive moves in improving NATO/EU relationships. So much of the stand-off is really petty; I think I quoted last week an example of officials from NATO and the EU, of whom I was aware in Brussels, who neither spoke to each other nor knew each other when they were carrying out overlapping responsibilities. It all seemed so totally unnecessary. I wonder whether you could just give us your impressions of that problem.

**Alison Stevenson:** I shall start with capability development. You are right; it is a rather complicated picture. We in the UK try to take the approach of being institution-blind in terms of the various initiatives that are taking place. We try to start from a UK perspective: what capabilities do we wish to develop and where is the best forum within which to develop them? We are doing certain things individually, certain things bilaterally, including with the French, and certain things with NATO and the EU. As I said, the NATO-EU capability group is the formal mechanism that has been set up to try to compare notes and ensure that we are informed about what the different institutions are doing. Obviously, we have 21 Member States that are members of both, and that is one set of forces and one set of capabilities. My answer is: it is not going to be perfect when you have different organisations but we try to have the best approach that we can to co-ordinate and keep them together.

**Nick Pickard:** I would just add, on the capability side, that our model of capability development is that capability should be owned by Member States, whether they are groups of Member States or individual Member States. That provides the flexibility by which capabilities can be used through any different institution. On NATO/EU, you are right, Lord Jopling, that the Turkey/Cyprus issue remains a political bugbear for us all. It is surprising how deep it runs and it is a measure of the priority that the Turkish and Cypriot Governments place on this—or perhaps that they recognise their domestic electorates' place in this—that they rank that issue over some of the quite small advances that we might otherwise have been able to make. We work hard to try to overcome those. I think that, whereas in the past, when there was a more ideological divide between Member States in the EU and NATO and some countries used Turkey/Cyprus as a curtain or an excuse, that is much less the case now. The relationship between the Secretary-General of NATO and the High Representative of the EU is much stronger than it has been in the past, and they are working much more effectively together. It helps, for example, that Allied Command Transformation in NATO and the European Defence Agency are both run by French people, so naturally they talk to each other. I think that they have encouraged much more of a culture than you would have come across in the past of the members of those agencies co-operating with each other to try to get around some of the political logjams.

**Q45 Lord Jones:** We have already heard about Germany—you have given an answer—but, given the Anglo-French link-up, have the Germans expressed any reservations or any regret formally and diplomatically to us? Have they indicated that they would perhaps like to have some link-up with us in parallel with our link-up to France? Have they in any way indicated their disappointment?

**Nick Pickard:** Yes, they have made it clear that they would like to work with us on European capability issues. They have made it very clear to the French that, as you can understand, the sort of relationship that France has developed with the UK is one that Germany would love to be able to develop with France. That is one of the reasons for the structured dialogue that Alison mentioned and for our trying to broaden out some of this engagement to other European countries. However, we have made it equally clear to Germany that what we are interested in are practical, effective results from that co-

operation. We are going to do it not for purely political reasons but only provided that both parties can bring something to the table. That is an important part of any future UK-German or UK-Franco-German co-operation.

**Q46 Lord Sewel:** Can I ask you to talk about pooling and sharing? I can see its attractiveness when we have declining national defence budgets throughout the world. Do you see any difficulties or dangers?

**Alison Stevenson:** Being able to work more closely with other Member States is a critical approach that we are taking at the moment and we support the principle of increased pooling and sharing, partly for some of the smaller EU Member States so that they can develop their military capabilities in alliance through increased burden-sharing and interoperability. The issue that we have to be clear about is making the decision on which capabilities we pool and share for matters of national sovereignty, so we are continuing to make those choices on a case-by-case basis. We fully support the European Defence Agency—

**The Chairman:** I think that we will come on to the EDA aspect in the next question.

**Lord Sewel:** But we do have problems, don't we? Pooling and sharing is good but we have to do it in the context of recognising our national sovereignty issues. Is there not a problem, if we go down the pooling and sharing route and that makes a real impact, that we might become dependent on the countries that we have pooled and shared with? You may get a situation where we wish to deploy a whole range of assets, some of which are pooled and shared, and the country that we are pooling and sharing with says, "No, we don't actually agree with what you're doing there and our electorate is very hostile. Sorry, we just can't make X, Y and Z available to you." That is not fanciful, is it?

**Alison Stevenson:** It is a very fair point and it is why we have to go into all pooling and sharing opportunities with our eyes open. With regard to the Anglo-French defence treaty, a lot of work has been done already in the initial thinking about what this would mean for us in practice and, if we wanted to deploy, how we would go about doing it. But I still think that you can go a certain way; there is an element of interdependence. However, we are now in the situation of declining defence budgets, as I know I need not say, and we cannot develop everything on our own. There are benefits, and we can get more, through pooling and sharing.

**Q47 The Chairman:** Lord Inge wants to come in, but perhaps I could follow something up. For pooling and sharing to work, there has to be interoperability of some sort, doesn't there? I get the distinct impression that even NATO, after I forget how many decades, has not really got this right yet. What chance is there that we can operate that on a European level, or is the news better on NATO? I get the impression that it is not.

**Alison Stevenson:** I think that there are some emerging lessons learnt coming through from Libya, which we will no doubt go on to, around the importance of interoperability and how we do not always get it right. It can be one thing that is rather overlooked. In a sense, it is not a shiny new aeroplane or other kit, but it is vitally important. All I can say is that we have it firmly in our sights—the ability to be interoperable is one of the most important things.

**The Chairman:** It is a bit late after 60 years of NATO, though.

**Alison Stevenson:** On NATO, as always, we have to be self-critical and see the areas where we can improve, but I suggest that on the whole there is a very good story to tell about our interoperability.



**Q48 Lord Inge:** I can understand why you have multinational forces, but you have not said down to what level you can take that multinationality. It is different for air forces, different for navies and certainly different for the armies on the ground. Take that multinationality down to too low a level when you are in a complex, dangerous, awkward situation, and you are going to get into a real muddle. At the back of your mind, what is the lowest level at which you believe you can have multinational armies before they get mixed up?

**Alison Stevenson:** To start with, I would go back to Nick's point that we are retaining sovereignty over our Armed Forces and their capabilities. We are not thinking of this going down the line to European armies—

**Lord Inge:** I am not suggesting that. I am talking about the practicalities. Say that a division is going to Libya to help to keep the peace or whatever. How far can that multinational force be broken down into different components?

**Alison Stevenson:** I would have to refer to my military colleagues for the details of how far down—

**Lord Inge:** It is a big issue.

**Alison Stevenson:** Yes, it is, and it is an issue that we have been looking at in the context of the Anglo-French and the combined—

**Lord Inge:** It is more applicable to armies than it is to navies or air forces.

**Nick Pickard:** Certainly, the UK military has talked in the past about brigades—

**Lord Inge:** National brigades?

**Nick Pickard:** But it depends on the extent to which you do joint training and develop a joint doctrine, and that depends on the countries concerned. For example, if you are Estonia and you regularly exercise your army with the other Baltic states and create Baltic groups, you can probably develop that multinationality down to a lower level than perhaps you would in the UK. With pooling and sharing, it is important to recognise that this is not just about the UK pooling and sharing with other countries; it is about getting groups of smaller countries to work together. We have SEEBRIG and various demonstrations of where this has worked. Because they have built those armies up, exercised them and trained them from the beginning as one collective unit—

**Lord Inge:** When you say “army”, you do not really mean an army. What are you talking about? What levels?

**Nick Pickard:** SEEBRIG is a brigade, for example.

**Lord Inge:** A multinational brigade?

**Nick Pickard:** A multinational brigade involving south-eastern—

**Lord Inge:** And what sort of operations is it prepared for?

**Nick Pickard:** The countries involved do not necessarily undertake the highest end of military operations, but then the EU is not aimed at undertaking the higher end of military operations.

**Lord Inge:** What level are we talking about? You have high-intensity, middle-intensity and low-intensity conflict. Which are you talking about?

**Nick Pickard:** We are talking about low intensity, essentially, but, as I say, it is not the multinationality per se but the doctrine and how those units have been trained. Countries that are used to exercising together from the beginning will naturally work much more effectively. There is nothing about nationality in itself that makes it difficult to operate together.

**Lord Inge:** I do not totally agree with that.

**Q49 The Chairman:** Before we move on, I would like to come back to the heart of the matter, in a certain way: the discussion about the Anglo-French defence treaty. Although it is not competitive, there is an attempt to play another game at the same time—the Weimar triangle, if you like, has come rather alive again, with Germany, Poland and France. How do you view that? Is that positive? Is it competitive? Is it just a waste of time?

**Nick Pickard:** The Weimar triangle is three important EU Member States looking to work together and show leadership in the European context. That is a positive thing. We support a large degree of their agenda and we think the importance that they have placed on capacity development and EU/NATO as key issues that the EU has to take forward is helpful. As is well known, we do not support a particular political initiative that they have pushed hard for in recent weeks.

**The Chairman:** We will come on to that.

**Nick Pickard:** But as a concept, groups of countries working together is a good thing. The important thing about interdependency is that the threats that we face are not ones that we can control on our own. We are naturally dependent on other countries because we live in a global world and the threats that we face are global. We already have dependencies because of the nature of the world in which we operate and it makes sense for us to work collectively to meet those threats.

**Lord Jopling:** Lord Inge has asked some rather important questions and Alison Stevenson said that she might have to consult military people in the MoD. Might it be helpful if we got a further paper on this?

**The Chairman:** By all means. I felt that perhaps the Foreign Office had taken that question on but I am sure it would be useful if we could have further written evidence from the MoD on that.

**Q50 Lord Jones:** The agency wants pooling and sharing; that is what it is seeking. The question really is: how good is the agency? Is it doing the job? Is it successful? Is it strengthening our allies' military capacity? If it is not, what do you think should be done? Is the agency prospering? Is it on top of its aims and objectives?

**Alison Stevenson:** I think that that is one for me. The short answer to the question is that the EDA has clear potential but we believe it is not performing and delivering as well as it could. We think that it could do a number of things to improve its performance. One of those is prioritisation. The agency takes on a lot of tasks and activities and as a result the output can be somewhat diluted, so we believe that it should have more prioritisation in what it does. We are working hard with the agency to help with that because we think that it has a key role to play in bringing nations together and discussing capability gaps. As you are aware, following our review of the agency last year, the Secretary of State for Defence decided that we would stay in the agency for a further two years and then review, but we believe that there is a real role for it to play and we are keen to work with the agency to improve performance.

**Lord Jones:** Can you tell us about the agency's leadership? Are there personalities that you can tell us of? Can you inform us further? What is this agency?

**Alison Stevenson:** The head of the agency is obviously Baroness Ashton, the EU High Representative, but Claude-France Arnould is the French Chief Executive of the EDA. She has come in with a clear remit to improve the capabilities of the agency and is working hard with the Member States, with NATO, with ACT, with General Abrial and with Secretary-General Rasmussen, so she is bringing a very strong team around her to work with nations and government institutions to try to improve the agency, and we support her in that.

**Q51 Lord Williams of Elvel:** You concentrated very much on the possible future of the EDA. Does this mean that you think that to date the EDA has been something of a waste of space?

**Alison Stevenson:** I did not say that it was a waste of space. I just said that we believe that there is more that it could achieve. It has done some good work in terms of the code of conduct on European procurement, in working with the Commission and in terms of starting on nascent European capabilities. It is just that there is the potential for it to do more and deliver.

**Q52 The Chairman:** One thing that the Committee has struggled with in the past is that there is an equivalent NATO organisation as well. How will those two work together, or is there complete duplication on this side of the Atlantic?

**Alison Stevenson:** There is not really anything that is completely equivalent to the EDA in NATO. There are different agencies working on various parts of capability development but the EDA is the only one set up in that format to do that work.

**The Chairman:** That is very useful. Thank you.

**Q53 Baroness Bonham-Carter of Yarnbury:** My main question is about battlegroups but, before I ask that, we heard in an earlier briefing that Italy would have been particularly concerned or upset about the Anglo-French co-operation. Is that the case?

**Nick Pickard:** Yes.

**Baroness Bonham-Carter of Yarnbury:** And is that something that worries you?

**Nick Pickard:** In the same way as we are working with Germany, we are also looking to expand some of that co-operation with Italy, with the same sorts of criteria and caveats in place—that Italy needs to bring capability and political will to the table. There are opportunities, though, and we are looking at how to exploit those. Clearly, Italy played a not insignificant part in the Libyan operation, which we should be able to build on. We have quite strong UK-Italian business links in the defence field, which we should also be able to exploit.

**Baroness Bonham-Carter of Yarnbury:** I suppose that I am thinking that they maybe have more right to be concerned. I will move on to battlegroups now.

**Lord Williams of Elvel:** Why were the Italians so upset?

**Baroness Bonham-Carter of Yarnbury:** Because they—

**The Chairman:** I think we will let our witnesses answer the questions rather than discussing them ourselves. Let us leave it to the people who are here to answer.

**Nick Pickard:** I cannot speak for the Italian Government, of course, but I think they see opportunities in working with the UK. We have done this in the past through, for example, developing the Typhoon and other equipment programmes, and they want to continue that.

**Q54 Baroness Bonham-Carter of Yarnbury:** On battlegroups, I was going to ask what they were for if no one ever had to use them, but I think you said that they had been used in Bosnia and Congo.

**Nick Pickard:** No, sorry. I meant that the EU had undertaken military operations in those places. The EU has never used its battlegroups, but it did undertake a prototype battlegroup operation, Operation Artemis, in the Democratic Republic of Congo, which was essentially a type of operation that, while it predated the battlegroups concept, used a battlegroup. It was that operation on which the battlegroup concept was founded.

**Baroness Bonham-Carter of Yarnbury:** As I understand it, battlegroups are groups of different EU countries coming together, but these groups change—it is not a set group, which seems a rather odd and inefficient way to group.

**Alison Stevenson:** The concept behind the battlegroup is to try to improve capability between Member States. They can be made up of troops from one single nation but according to the battlegroup concept, as you say, they should come from a number of Member States. At any one time, there should be two battlegroups on standby. We are supportive of them because we think they drive activity to get Member States to contribute more to CSDP and to transformation, and it is a method of transforming some Member States. We think that there is a good example with Sweden, which was involved in a battlegroup in 2011. It reformed its armed forces, making them more interoperable. The UK's approach is that we think that, on the concept, you should pair a militarily capable nation with a nation striving to improve and increase its military capabilities so that, if the two are working together, the one nation is mentoring the other, trying to bring it along and helping to increase its capability.

**Q55 Baroness Bonham-Carter of Yarnbury:** As I understood it, they are not constant groups, so different countries are having to learn to work with each other. It just seems to me a little impractical.

**The Chairman:** I think that what we are trying to get at is that, yes, nations are paired—or there may be more than two on occasion—but the next time around, they are not necessarily with the same countries again, are they? Is that a recipe for something that is practical?

**Alison Stevenson:** What we would probably see is that this gives lots of different opportunities for interoperability between different nations. Potentially, you are not ending up with a small number of other nations that can operate together but, rather, they can operate in different formations and with different groups.

**Baroness Bonham-Carter of Yarnbury:** It goes back to what Lord Inge was asking.

**Q56 Lord Sewel:** May I put the question somewhat more brutally, in the way that I tried to get Peter Ricketts to answer last week and he studiously avoided answering? In terms of actually being capable of delivery on the ground, battlegroups are a fiction, aren't they?

**Alison Stevenson:** I think that it is more about the political will to deploy the battlegroup. We would argue that those ones that are on the roster make sure that they are properly

trained and equipped to do whatever they are asked to do. The issue is more around the willingness on the part of nation states to deploy them.

**Lord Sewel:** In other words, you have a nice structure that brings battlegroups together but at the back of our minds we think, “No one’s ever going to actually deploy them because the political will isn’t there.”

**Nick Pickard:** We have deployed battlegroups in the sense that, as I said, an EU battlegroup was deployed on Operation Artemis to the DRC. It was not part of the battlegroups concept because it predated it, but it was essentially the same military formation. The French deployed a battlegroup into Côte d’Ivoire and we deployed one into Sierra Leone. The Nordic battlegroup was ready to go in 2007 but there was not an appropriate crisis. To pick up on Alison’s point about political will, when the EU decided to conduct an operation in the Democratic Republic of Congo, while the Germans did not actually send their battlegroup, the fact that they were on the battlegroup roster put significant pressure on them to lead the EU operation. It was not the battlegroup itself because the operation was not ideally suited to the particular capabilities in the battlegroup, but none the less they drew from that battlegroup in order to lead that operation.

**Q57 The Chairman:** Forgive me, but I do not know which battlegroups are currently on call—perhaps you could tell us; that would be useful to know—but if something happened within the timescale, is the view that the current groups could be deployed?

**Alison Stevenson:** The view is that yes, they could.

**The Chairman:** Do we know which ones they are?

**Nick Pickard:** We have a battlegroup based in Portugal with Spain, France and Italy, which would be run from the French headquarters at Mont Valérien. We have a south-eastern Europe battlegroup—Greece, Bulgaria, Romania, Cyprus and Ukraine—which to an extent is based on some of these multinational brigades I mentioned before. The strategic capabilities that Ukraine brings, for example, have been very effective in previous operations, and that country will provide strategic lift for this particular group, which is based on the formation that I described earlier to Lord Inge. Quite a lot of the battlegroups are based on multinational formations that have existed for some time—training formations—and we have been trying to turn those into real, deployable capability. The battlegroups concept has been one way of doing that. That Greek battlegroup would be run from the Greek OHQ, which is in Larissa.

**Q58 Lord Inge:** I made some rather sceptical remarks about battlegroups, but they are fairly limited in what they can do militarily and I think we have to be very careful that we do not exaggerate what they are capable of. Is there any thought being given to building up in time a bigger formation that could be deployed?

**Nick Pickard:** You are right. There are only 1,500 troops and they are seen very much as a rapid insertion capability along the lines of Operation Artemis. The group is sustainable for 60 days, I think, so it is a short-term force. The NATO response force is much bigger and is able to deal with rapid response, but that is of such a size that a number of the smaller nations were not able to directly contribute forces to it. One of the original ideas behind the battlegroups is that it would encourage the groups of countries to get together into small multilateral battlegroup-sized formations that could then plug into a larger NATO response force formation, because they would have developed the sort of multinational interoperability that would allow them to operate within the bigger force.

**Alison Stevenson:** I would just add that there is some discussion at the moment about including more of a civilian element in battlegroups as well, such that if they are deployed they can interact better with civilian actors in the field. Within the existing battlegroup concept, the idea is to include more of a civilian element.

**The Chairman:** That would more align itself to the concept of what European security policy should be around more generally so it is broadening it out to that civilian element.

**Alison Stevenson:** It is making the most of the options that are open.

**Nick Pickard:** I just wanted to add that the other battlegroup, the Portuguese-Spanish-French one, is based also on an existing multinational formation called EUROFOR, so again it is about using a formation that has existed in the long term where there has been a lot of interoperability and getting people to put it forward as a deployable force.

**Q59 Lord Jopling:** I must say that a civilian battlegroup seems to be a contradiction in terms. To pursue this a little further, the NATO rapid reaction arrangements exercise and prepare for situations together. You mentioned the two southern European battlegroups. How much training are they doing? To what extent are they likely within 60 days to go into a situation cold? Are they preparing? Are they exercising together and to what extent? How does that compare with NATO, for instance?

**Alison Stevenson:** I do not know the details of how much they are preparing or working together but—and this is the point that Nick was making—they are often based on existing formations so they would be doing that sort of preparatory work.

**Nick Pickard:** I think that we would have to give you a note on specifics but, as I say, part of the aim in winding up for the battlegroup concept in the certification process is that they exercise and train together. As I said, many of these groups are of long-standing formations that regularly work together and have exercise and training programmes. We have been trying to turn that regular interoperability into something that is actually deployable rather than simply trains and exercises.

**Lord Jopling:** I think that a paper would be helpful.

**The Chairman:** That is a great suggestion. We would like to understand how much capability there is and—this is perhaps the wrong phrase—what standards the military council will have tried to lay down to ensure that some sort of training goes on or whatever. Some extra evidence on that would be useful.

**Q60 Lord Selkirk of Douglas:** As you are aware, some of the EU countries suggest that a permanent operational HQ capability is necessary to avoid delays and the loss of up-to-date knowledge when EU planners hand on to one of the national headquarters that the EU uses for command military operations. Do you share this analysis? Would a new permanent EU headquarters resolve them in whole or in part? Could more be done without acting as a hindrance to NATO?

**Nick Pickard:** No – and no.

**Lord Selkirk of Douglas:** If the answer is no, may I ask a supplementary question? How strong is the support for the calls for a permanent operational EU headquarter capability? Could anything be done that would not impede NATO?

**Nick Pickard:** We agree that the EU needs to be better at its strategic planning—that is, bringing civilians, the military, people in the Commission and development experts together

into one room, working out what needs to be done in a particular crisis and how the interdependencies between the various lines of development should interact. That is one of the reasons why we set up the civil-military planning department in the EU, but it has not been working effectively yet. We think that there are improvements to be made so that in a situation such as Libya, for example, the EU is able to identify the role that it could play and how that would fit with the role that other international organisations are playing, and in an area like the Sahel where there is a security situation or Somalia where there is a failing state, the EU is able to identify the various tools that it is able to bring to that operation and how they might best be integrated.

**Lord Selkirk of Douglas:** So would it be fair to say that you do not think the criticism that these countries are making that the present situation leads to delays is wholly well founded?

**Nick Pickard:** I will take two recent examples. For EU Operation Atalanta, the setting up of headquarters at Northwood was very effective and it has been running as a model military headquarters in that respect, while even in Libya, where—I think I came before your Committee some months ago to talk about a potential EU humanitarian operation—the operational headquarters in Rome was doing the planning for that effectively. That was not the problem; it was the strategic planning that was the gap in the EU's capability.

**Q61 The Chairman:** So if it is all so clear cut, why have we not won the argument the other side of the Channel?

**Nick Pickard:** The push for a permanent operational headquarters from some states is a political push and does not necessarily succumb to rational and logical arguments.

**The Chairman:** So the Foreign Office and the Ministry of Defence are not political.

**Nick Pickard:** There are some political arguments, but the rational arguments about what is actually required on a military basis are not relevant to these. One example that I would give as evidence for that is that the push for a permanent operational headquarters has, by and large, been driven by the Ministries of Foreign Affairs, not by the Ministries of Defence.

**The Chairman:** That is a very good answer.

**Q62 Lord Trimble:** You just mentioned Libya. There we saw some European allies leading an operation, with the US in a supporting role and NATO command running the operation. Is this a model for the future?

**Nick Pickard:** Libya demonstrates that Europe is capable, within certain limits, of undertaking serious military operations effectively and taking the lead in such operations. While there are lots of lessons about the capability gaps that we have learnt from Libya, none the less it has many positive aspects on which we can build.

**Lord Trimble:** You said you think it demonstrates that Europe is capable, but where were the European institutions in relation to this?

**Nick Pickard:** NATO is a European institution.

**Lord Trimble:** I am thinking of the EU institutions.

**Nick Pickard:** I think we recognise that in terms of the military requirements that we had in Libya, NATO was the correct vehicle for European countries to contribute through.

**Q63 Lord Trimble:** Let me bring it back to the European institutions. Speaking personally, my impression is that in the early stages of putting that operation together, the European Union's institutions were working against that operation. In the latter stages of it, there was what you referred to as the development of what was called a humanitarian operation, and that, too, gave me the impression that it was intended to be a spoiler or, which may be better way of putting it, that it had the potential to be a spoiler. If we have a situation where you are trying to put together an operation and we have European institutions that are going walkabout instead of pulling their weight, is that not a serious problem?

**Nick Pickard:** I do not recognise the picture of European institutions working against the original military operation. Some countries had different ideas of what the command chain for that operation might be, but I do not think there was ever any suggestion that the EU would command it, nor any backbiting or attempts to undermine that operation from any EU institution. It is certainly true that the EU institutions and indeed the Member States were looking for a role that the EU could play and looking to identify what that role might be—that was one of the reasons why they were keen to pursue a humanitarian mission—but again I do not think that was in order to undermine the NATO operation. It was merely to see how the EU could complement the activities that were—

**Lord Trimble:** In trying to develop that role, were they co-operating fully from the outset with NATO and the allies that were engaged in Libya?

**Nick Pickard:** There was certainly sharing of information between the two groups, but NATO took such a clear lead that there was not a significant role on the military side for the EU institutions to play.

**Q64 Lord Trimble:** I would like to switch now from looking at the European Union institutions' involvement in this to looking at the US. There seemed to be a degree of reluctance by the US about participation, and there was criticism from it about the capacity that the EU and European nations had. In the light of that and the doubts there are about the future US military role in Europe, are you confident that European countries will enjoy continued access to NATO military headquarters for future operations in and around Europe?

**Nick Pickard:** Yes, I am confident of that last point. I do not recognise that the US was reluctant to participate. It did not see itself taking a leading role but it took a very important role in the operation. Indeed, it was the US that drove through—with a lot of UK and French support—UN Security Council Resolution 1973, and it was particularly the US that decided to push “all necessary measures” in operational paragraph 4 of that resolution, which allowed the most kinetic military action to be achieved. The US was firmly behind the objectives of the operation and played an enormous part in delivering those objectives. It did not see itself taking the leading role for more than the first week or so, but none the less its role continued and still continues as a critical factor of that operation.

**Q65 The Chairman:** I want to pick up the point about access to NATO headquarters from a different context. This comes back to the point that Lord Jopling made. To the east of NATO we have Turkey pursuing a much more assertive foreign policy these days—quite understandably. It is now the major regional power in the Middle East, and it is making that seen, so it is, perhaps, less concerned about whether the EU does or does not pursue membership negotiations. Surely, though, this will inevitably lead to a divergence of interests between Turkey and the western members of the NATO alliance in future. Does that not



risk a problem over certain operations and being able to use NATO to do that in terms of European security interests?

**Nick Pickard:** Only a few months ago the alliance signed the strategic concept together, which demonstrated the clear and coherent purpose that they all had for the role that the alliance would play. Libya is an example of that: Turkey initially took a different view of how we should react to that crisis—it was late in recognising the rebel movement, for example—but none the less the alliance was able to move forward with the operations and Turkey played an important part in allowing that to happen. Indeed, it contributed to the maritime arms embargo. While I am not an expert on Turkey issues, some of the more assertive foreign policy that Lord Teverson mentioned has brought it more into alignment with western policies—for example, over Syria.

**Alison Stevenson:** I would add, on the question of Turkey within NATO, that Turkey is playing its full part in the new NATO command structure that has been developed. As you are aware, there will be a Land Component command in Izmir. We are seeing Turkey really playing its full role.

**Q66 Lord Inge:** We have talked a lot about headquarters. Can we talk now about capabilities? We are in the early stages of learning the lessons from what happened in Libya, but were there some capabilities where we clearly could not have done without American help? In other words, what capability gaps do you think we should be looking at? I am thinking about things such as the suppression of enemy air defences.

**Alison Stevenson:** One of the priority capability shortfalls that has come up is ISR—intelligence, surveillance and reconnaissance. That is something that, without the US, the European nations would have had real problems and issues with. We are trying to address that as a NATO capability shortfall but it definitely is a key area. The lessons learnt are being worked through at the moment and I do not have any specific lessons on your particular task of the suppression of enemy air defences, but from a UK perspective we are actively looking at ways to regenerate our capability in that area.

**Lord Inge:** In the work that you are doing at the moment, are you looking at a longer timescale? Libya did not actually last that long. Are you factoring in that the next one may go on for longer, and therefore the capabilities that are lacking may be greater than we have used at the moment?

**Alison Stevenson:** Absolutely. We are asking: what did we require for the amount of time that the operation lasted but, if it had gone on for a lot longer, where would we have had gaps, for example, in munitions and other types of areas.

**Lord Inge:** What about post-conflict planning?

**Alison Stevenson:** There is a lot of work being done on post-conflict planning at the moment. With Libya itself, it is very clear that it will be the Libyan people, the NTC, who are deciding what they would like to ask the international community to provide, and we are ready with the planning to be working with them on that.

**Lord Inge:** Is it going to be difficult or easy? With the NTC, I mean.

**Alison Stevenson:** I think we are working very closely and very well with the NTC, so it is all looking very positive.

**Q67 Lord Jopling:** Last week I was at the NATO Assembly's annual meeting, where I was told, with regard to the Libya operation, that if it had not been for the large influx into what I call the back office of that operation, it could never have happened or succeeded. Do you recognise that?

**Alison Stevenson:** Are you talking about the augmentation in terms of the NATO command structure?

**Lord Jopling:** Yes.

**Alison Stevenson:** There were definitely some lessons learnt on the command structure, which, as you know, has now been revised—we are working through the new command structure—because we did not necessarily have the right set-up for what we were trying to achieve in the air operations. There was augmentation but not just from the US; it was from other nations as well. Yes, the US did provide a lot, but broader lessons were learnt for the future, going forward, which have now been fed in.

**Lord Jopling:** That does not actually answer my question. The question was: do you recognise the suggestion that if it had not been for the influx of those Americans, the operation could not and would not have succeeded?

**Alison Stevenson:** In terms of the Americans into the command structure, I have never heard it put that way. I have heard that we needed to augment from a range of different countries but I have never heard it specifically said that it was the US individuals themselves. That is something I am happy to look into but I have not heard that.

**Nick Pickard:** The only thing that I would add is that the United States is a member of NATO and NATO is intended to work with American support; it is not intended to work without it. Of course we are dependent on American support.

**Q68 Lord Selkirk of Douglas:** Is there not a tendency to underestimate the importance of America's contribution to NATO? Without America, NATO would not be the same body.

**Nick Pickard:** No, without America NATO would be a very different body. NATO's prime purpose is to bring together the North American countries and the European countries in a transatlantic alliance. That is its role, and the United States is a vital component of that.

**Q69 The Chairman:** We have been centred and focused on the UK's position—you are part of the UK Government, and that is why—but from the meetings that you attend with other Member States in this context we would be interested to understand how you feel some of the other European nations view these issues. I am particularly interested in—I cannot call them “second division” countries these days, because we have been told off for that. Also, while we have talked about the United States a fair bit already, in terms of St Malo and everything that has happened beyond that, it was around Europe being able to look after its own defence needs to some degree and to be able to react to things like Bosnia or genocide on its borders and it has perhaps managed to do something similar in Libya. There is the age-old question of how we persuade other Member States within Europe, and the European members of NATO, to put sufficient investment into defence and share that burden a little more. From a political point of view, I would ask whether all European Member States are really interested in defence. Maybe that is part of the problem, I do not know. How do we get around the issue of not exactly free riders, but people not having the right level of budgets in Europe as a whole?

**Nick Pickard:** There is quite a range of questions there; forgive me if I have to come back to you on some of them. On the views of different countries, the dynamic has changed in the years that I have worked on this issue, in this job and in previous ones. When France was outside NATO's command structure and when the US took a different view and saw the EU's policy as more of an existential threat to NATO, there was a lot of tension between the different views. That has disappeared. There is much clearer and more coherent sense of what the EU can bring and how it works with NATO among the Member States and with the US than there has been in the past. That has helped some of the EU/NATO working that we described earlier.

I would not put countries into divisions. I note that some of the smaller countries have proved—in Libya, for example—that they were very serious defence players, including countries outside NATO. Sweden, Norway, Denmark, the Netherlands and Belgium all played significant roles in that operation, and their size was not a constraint to their doing that.

You drew a parallel between Bosnia and the Balkans on one side and Libya on the other, which is interesting because in both scenarios the US did not want to play a leadership role; it saw these as issues on the borders of the EU as Europe's main security issue. As a result, in the former case it took us a year and a half to agree to go in and take forward a military operation, while in the more recent case it took us a matter of weeks, so there has been significant progress between those two examples, 10 years or so apart, in Europe's ability to get its act together and provide a lead. The US has acknowledged that as well.

There are clearly different priorities that EU Member States put on their domestic budgets and we face a challenge to ensure that defence spending is a sufficiently high priority in some Member States. We do that partly by setting an example with our own defence spending, which remains above the 2% NATO target; partly by setting an example with the sorts of models such as UK-France where countries can co-operate to make use of smaller defence budgets; and partly by trying to create political incentives for countries to spend their defence budgets effectively and efficiently—too much money is still being spent on capabilities that are not necessarily required.

**The Chairman:** That is an interesting comment. Could you give any us examples of any of those? Are you talking about wasted expenditure or trophy expenditure?

**Nick Pickard:** Not necessarily. There are still countries that invest in large heavy armoured vehicles, which are not necessarily the most obvious capability required to meet today's threats. There are too many different fast jet programmes in Europe, and perhaps some countries might be able to collaborate, although obviously the issues of sovereignty that have been raised make that a challenge. We have to work on finding the right incentives for countries to invest in the sorts of capabilities that we collectively have identified. The battlegroups concept was one way of doing that. I cannot say that its results have been as effective as we would have liked but it did transform the armed forces of Sweden and make them much more deployable. Sweden has participated in more multinational operations in the past 10 years than it did in the previous 150.

**Lord Inge:** You were comparing Libya with Yugoslavia. Each operational deployment writes its own individual script and you cannot actually compare like with like. One reason why this recent operation was much more of a success was that you had a command and control structure that the people had faith in, whereas they did not have faith in the United Nations in Bosnia.

**Q70 Lord Jones:** As our discussions have gone on, we have covered the strategic view of the United States and NATO. Turkey sacks its generals and flexes its muscles. My question to you—strategically, as it were—is: how seriously are the departments giving witness here today looking east to Russia and its huge mineral wealth, the assertion of Putin in his leadership of the nation and his intention for more power rather than less? Are you looking at the consequence of the rise of Russia anew, in the knowledge that the United States is looking more to the Pacific and sending out its signals that it wants, at least to a degree, to evacuate from Europe? Would you like to come back next week?

**Nick Pickard:** I would certainly like to bring my Foreign Office Russian expert back next week. We do not perceive a military threat from Russia, even over the medium term, although that is not necessarily true for other Member States. We do not see any direct threat to UK national security. Of course, though, we in the FCO and across government are looking at scenarios in which Russia is more assertive in its foreign policy, at how we deal with that and at how we work with Russia. Our key strategic aim is to demonstrate to Russia that its security threats are not in terms of the strategic stability of Europe, where it perceives them to be, but actually in external threats to Europe as a whole, such as terrorism, narcotics, piracy and the proliferation of weapons of mass destruction and ballistic missiles. If we can get Russia to focus on those as its key security threats, we can work quite co-operatively on them because we see them as the key security threats to ourselves as well. That is one of the aims of the joint work that NATO and Russia are trying to undertake on missile defence, and it is one of the aims of the work of NATO and Russia in Afghanistan, which has been relatively effective.

**The Chairman:** Alison Stevenson and Nick Pickard, thank you very much indeed for going through those questions today, which you have handled very well between yourselves. We very much appreciate it. We will send you the transcript and of course a copy of the report when we have produced it.

## **Ministry of Defence – supplementary written evidence**

### **Multinational Forces**

#### **Question 1: “How far can that multinational force be broken down into different component parts?”**

Levels of integration will vary across the three services and will also depend on the intensity of operations. It is easier for maritime and air assets to be integrated into a multinational framework, than for the Army. Single ships or small groups of aircraft (4-6) can and have been integrated into multinational operations (EU Op ATALANTA, NATO Op OCEAN SHIELD, NATO Op UNIFIED PROTECTOR). For the Army, UK BGs have taken under command companies and platoons from other nations, and for low intensity ops this is probably the lowest level to which it would be practical to do so. Examples are EU Op ALTHEA in Bosnia where the UK BG had a Dutch Company under command that itself had a Bulgarian platoon in it. Similarly in 2010 the UK/NL EUBG was based on the UK/NL amphibious force with a Dutch company within the structure of the Lead Commando Gp.

Other nations take a different view and integrate at lower levels such as platoon. For other Combat Support and Combat Service Support elements it is possible to integrate at lower levels.

### **Battlegroup Training**

#### **Question 2: “You mentioned the two southern European Battlegroups. How much training are they doing?”**

See the slides below from presentations given by two of the battlegroups on standby as an example of training activities. It is difficult to be specific as there are no EU laid down standards – EUBGs are self certifying. This is in contrast to NATO where standards are agreed and certification is an external process. The amount of training and type of training also varies as EUBGs are different sizes; have between 2 and 7 nations participating; have different capabilities, armoured vs. light; and come from different starting points, some are ad hoc, others are standing multinational forces.

German Led EUBG

## Training and Certification Programme

Training/Exercise	Date	Location	Units
IT 12 COE IT Exercise	Jan/Feb 2012	Ulm	(1) JIC, JICPG + JIC LC
Core IIG Training	Jan/Feb 2012	MIA Lehman	Minidra 21 + pM3
Medical Task Force	Mar 2012	Feldkirchen	Whole MedTF
Advanced JIC 12/13	Apr 2012	Ulm	COOM + Key personnel

  

CERTIFICATION <sup>2</sup>	Date	Location	Units
EXSEL 2	Mar 2012	Austria	C88 + CIMIC
ISTAR Unit	Apr 2012	Ireland	ISTAR Coy + pM8
Core IIG	27/04-01/05/12	Germany	Minidra 21 + pM3
CEXCEL 12	15/05-01/06/12	Germany	(1) JIC + JICPG + JIC LC

<sup>1</sup> For details, please contact [planning@ministryofdefence.gov.uk](mailto:planning@ministryofdefence.gov.uk)  
<sup>2</sup> Includes both primary certification and IPTC

**(EURO DEF CZE HR IT IIGV / YRUM IIG package 2012 II)**

Italian led EUBG

## Training and Certification Programme

WHEN	WHAT	WHERE	WHO	
18 <sup>th</sup> – 23 <sup>rd</sup> Oct.	Pl. Cross Training	Hungary	IT and HTI Pl. + C88 Coy	2011
20 <sup>th</sup> – 25 <sup>th</sup> Nov.	C2 System Training	Italy	BC HQ (MN) + C8	
16 <sup>th</sup> – 27 <sup>th</sup> Jan.	BC (MNRCT) IOC Exe	Italy	HQ (MN RGT) + MN HQ	
22 <sup>nd</sup> – 27 <sup>th</sup> Jan.	Pl. Cross Training	Italy	IT and HTI Pl. + C88 Coy	2012
5 <sup>th</sup> – 11 <sup>th</sup> Mar.	C2 System Training	Italy	FHQ + Enablers	
5 <sup>th</sup> – 17 <sup>th</sup> Mar.	HQ (MN RGT) FOC Exe	Italy	HQ (MN RGT)	
06 <sup>th</sup> – 16 <sup>th</sup> Mar.	EUBG FHQ IOC Exe	Italy	FHQ + Enablers	
14 <sup>th</sup> May – 9 <sup>th</sup> Jun.	EU HQ FHQ FOC Exe	Italy	FHQ + Enablers	

**Certification**  
**(EUBG Contributing MS – IIG package 2012 2)**

**“To what extent are they likely within 60 days to go into a situation cold?”**

This will depend on the political will of Member States to agree the operation.

**“Are they preparing?”**

Yes, some more than others – the Swedish led Nordic BG did various studies and planning on Sudan as a possible deployment. Others do more generic training.

**“Are they exercising together and to what extent?”**

Yes, the extent depends on the arguments above.

**“How does that compare with NATO, for instance?”**

They are similar activities, but on a smaller scale as the NATO Response Force is joint, with a land element of a Brigade size. EUBG is very much based on a Land BG – loosely akin to the UK Small scale contingency BG concept.

“We would like to understand how much capability there is and – this is perhaps the wrong phrase – what standards the military council will have tried to lay down to ensure that some sort of training goes on or whatever.”

Capability depends on the construct of the BG, the equipment, the level of training etc. It will vary from BG to BG. Standards are not laid down – nations self-certify their EUBGs, however the EUBGs should be capable of carrying out all of the agreed Petersberg tasks: humanitarian and rescue tasks; peacekeeping tasks and tasks for combat forces in crisis management, including peacemaking. To lay down standards, as NATO does, may be a disincentive for some Member States to contribute to the EUBGs.

## Ministry of Defence – Oral evidence (QQ 345-368)

*Evidence Session No. 16.*

*Heard in Public.*

*Questions 345 - 368*

THURSDAY 19 JANUARY 2012

### Members present

Lord Teverson (Chairman)  
Baroness Bonham-Carter of Yarnbury  
Lord Jones  
Lord Jopling  
Lord Radice  
Lord Selkirk of Douglas  
Lord Sewel  
Lord Trimble  
Lord Williams of Elvel

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### Examination of Witnesses

**Gerald Howarth MP**, Minister for International Security Strategy, Ministry of Defence, and  
**Nick Pickard**, Head of Security Policy, Foreign and Commonwealth Office

**Q345 The Chairman:** Minister, I welcome you to this Committee, I think for the first time. Just for a little bit of background, you will be well aware that this is the last evidence session for our inquiry into EU military capabilities. We have spent the last few months in the UK and in Brussels with quite a wide range of witnesses, including from the United States.

I remind you that this is a public session, it is being webcast and a transcription is being made. We will give you a copy of that and if there are any errors in how we have recorded the session, then clearly you have the ability to come back and make those corrections for the record. We have a number of questions—I think you are aware of the substance of most of those in outline—which the Committee will ask, but I think you would like to make a short opening statement to us.

**Gerald Howarth:** Lord Chairman, if I may say, this is a novel experience for me. In 29 years in the House of Commons I have only had experience of being on the other side, so this is a novel experience. I would like to start by thanking the Committee for the opportunity to contribute to your inquiry by explaining the Government's position towards military capability development in the European Union. I am joined today by Nick Pickard, who is the Head of the Security Policy Department at the FCO, Andrew Hathorn, who is our EU desk officer, and David Gale, who is the Foreign Office's CSDP desk officer.



**The Chairman:** Minister, if Mr Pickard wishes to intervene at any time or however you want it to work between you, it is entirely up to you how you handle the questions. We will leave that completely up to you.

**Gerald Howarth:** That is very kind. I know he has already entertained your Committee so I am sure he looks forward to doing so again today, at your invitation of course.

The UK's core policy is that NATO will remain the cornerstone not only of the United Kingdom's defence but also that of Europe. It is the right tool for engaging in high-intensity conflict environments but we accept that CSDP can play a complementary role through its unique set of stabilisation tools. While many in the EU often look to pursue policies with which we cannot agree, particularly around institutional debates, the EU can play a key role in complementing NATO and in promoting further capability development. Its comprehensive civ-mil approach allows it to play a useful role in crisis management through its wider range of diplomatic, financial, developmental and CSDP levers.

However, problems remain within the CSDP. CSDP civilian missions and military operations need to benefit from better integrated planning, drawing on the expertise of both civilian and military resources, with clear targets and defined benefits, outcomes and exit strategies complementing other international efforts. The proposed regional maritime capacity building civilian-led mission in the Horn of Africa will provide the opportunity to put this into practice. None of the missions requires new structures or institutions but rather a review of how we can improve existing ones, in particular improving the quality, coherence, timeliness and effectiveness of military and civilian planning.

Since taking office, the coalition Government has insisted on improved EU-NATO co-operation, co-ordination and coherence, at both planning and operational levels, not least because nearly all national budgets are stretched. To achieve this, we must sustain and strengthen military and civilian capabilities. Given the current pressure on defence budgets across the EU, we must ensure that EU pooling and sharing initiatives and NATO smart defence are complementary, focusing on the development of deployable and interoperable capabilities that enhance the defence of European countries. We have also insisted that the European Defence Agency needs to concentrate on practical programmes that enhance capabilities. We have given the agency two years, from October 2010, in which to prove its value to the British taxpayer. However, it does have a role to play in developing EU pooling and sharing initiatives. I am encouraged by the efforts of Claude-France Arnould, who I know has given evidence to your Committee, at the European Defence Agency in her drive to improve performance and operate in a more business-oriented manner.

Finally, I would like to re-emphasise the commitment made in the Strategic Defence and Security Review to working more closely with our allies. The recent Franco-British treaty should make our forces more capable and effective, benefiting both NATO and the EU. We have taken the lead in showing an example, which we hope will encourage our European partners to do likewise and seek better value for money and improved capability through closer co-operation with each other.

**Q346 The Chairman:** Minister, thank you very much. That is a very useful opening up and I am sure we will come back to a number of those issues during the session. One thing that has been very much on the move while we have been doing this inquiry is the position of the United States in terms of its own defence capabilities, particularly its budget and how it is starting to be more open around its strategic needs and aims for the future, so that is something that we particularly want to talk about today. I would like to ask you what you feel are the implications for the EU, and Europe more generally, of President Obama's

statement in his 5 January speech that the United States will be strengthening its presence in the Asia/Pacific area and that budget reductions will not come at the expense of that region. What is your interpretation of his view of NATO's role as a force multiplier and how should EU and Member States, as European states as well, react to this? Is this really a major change—the next change from the Cold War to very much an American Asian focus—which will leave a very different situation in Europe?

**Gerald Howarth:** Lord Chairman, that is an extremely good question and one that we need to look at very carefully. I do not believe that the President's speech was in any way a threat to the United States' membership of NATO, or indeed to its commitment to Article 5, which of course, as we all know, is absolutely key to the whole NATO treaty. Of course, 21 members of NATO are also members of the European Union, so EU members certainly derive benefit from continuing American interest in NATO, and it is very important that the United States continues its engagement with NATO and with this side of the Atlantic. I noted the evidence that Ambassador Nicholas Burns gave you—some pretty forthright stuff, which of course is one of his hallmarks. It is very important that we recognise that the tectonic plates are shifting around the world, and as I travel the world I can tell you it is absolutely tangible. The United States President has recognised this by looking at the importance of the Pacific Rim to the United States, but we believe that the United States is committed to NATO. Remember what former Defense Secretary Bob Gates said in his valedictory speech in Brussels last year. It was pretty stern stuff, and I shall be making a speech in Chatham House on Monday that will be picking up some of those themes, not least that there is a clear message that we cannot expect the United States to shoulder all the burden, and European nations need to wake up and recognise that they need to shoulder more of the burden for the defence of Europe. Accepting capability gaps and then expecting the United States to pick them up is, I think, something we need to be careful about.

As far as NATO as a force multiplier is concerned, I was hugely struck by the way in which NATO responded to United Nations Security Council Resolution 1973 over Libya. It is quite interesting. The UN Security Council passed a resolution but who is going to implement it? Step forward Rasmussen and NATO. I think that people have underestimated the extraordinary extent to which NATO responded and the speed of its response. Within six days they had an operation up and running. I do not think enough has been said about this and, of course, it has been a pretty successful operation as well. I think there are a lot of lessons that we can learn. NATO was the only organisation to whom anybody could turn, because NATO had the practical levers to implement a high-intensity operation and to bring together the planning and command and control structures to be able to deliver it. It was a very complex operation, not least in the airspace management, the targeting and fulfilling the mandate, which was to protect the civilian population of Libya. It was an example of how NATO has been able to act as a force multiplier. Do not forget that we had Sweden, a non-NATO member, taking part in combat operations. We had three Arab countries—Jordan, the UAE and Qatar—all participating and they were all incorporated under the umbrella of NATO, which was no mean feat. It was pointed out to me, rather interestingly, that of the 14 Member States that took part in the Libyan operations, 11 of them are monarchies. I am not sure how relevant that is to your Committee's deliberations, but I thought it was a rather amusing and interesting statistic.

I think that NATO has the capacity to be a force multiplier. It has also done so in Afghanistan, where we have 50 nations involved as well. As you know, under the NATO strategic concept, it will be required to respond to the full range of security challenges: global terrorism, WMD proliferation, piracy, energy security and cyber attack, as well as territorial defence and deterrence and crisis operations at distance. It does seem to me that

it has been a successful organisation, and those around the table who were in this place when the Berlin Wall fell—I am looking at Lord Selkirk of Douglas and my former Chief Whip over there—were all asking ourselves, “What is going to be the role of NATO?” and here we have seen NATO really performing. So that it is something of which we can be proud.

Your final question was: how should the EU react? We need to take very careful note of the shifting of the tectonic plates across the world and recognise that we cannot continue to look to the United States as our salvation on its own. We have to make a contribution as European countries and we should be willing to do so, because understanding the magnitude of the American public sector deficit we know that it is really a very challenging figure. The budget cuts for defence are \$500 billion and if sequestration goes ahead that will be doubled to \$1,000 billion. Most of us cannot get our heads around a billion let alone a trillion, but I think we can all understand the consequences, so I think we need to act now.

**Q347 Lord Radice:** Thank you for that answer. It is an interesting mixture of bullishness and realism. Minister, I do not know whether you have seen a letter today in the *Financial Times* from Air Chief Marshal Sir Michael Graydon, Vice-Admiral Sir Jeremy Blackham and Air Commodore Andrew Lambert, among others. It is a letter that has come out of an editorial, which was on 9 January. Perhaps I could just paraphrase the letter. First it says that, “The days of largely freeloading on the US are over”, which I think you would probably agree with. It goes on to say: “Of course, greater defence co-operation within Europe as you urge is desirable and must be actively pursued as a matter of urgency”. It continues, “By itself, it is a risky and historically unreliable substitute for adequate UK forces”. Then it goes on to say: “There is a strong consensus among defence experts that the Strategic Defence and Security Review and the National Security Strategy on which it was based were flawed; indeed, Ministers have been prepared to admit this privately. In any case, the world has changed much since 2010”. Then it ends by saying: “President Barack Obama has changed the game and in doing this has surely shone a light on Britain’s, and Europe’s, defence nakedness”. It is a pretty strong letter from serving officers, as I understand it, and I wonder what your comment is.

**Gerald Howarth:** Sir Mike Graydon is a very longstanding—I will not say old, but longstanding—friend of mine and I know exactly where he is coming from. I have to say this is not a new message. This is one that he has been delivering for some time. Forgive me, but I once said—I was much castigated for it—that I had no doubt that the generals were prepared to lay down their lives for their country but I was not entirely convinced they were prepared to lay down their pensions for their principles. It is fine doing this from the comfort of retirement. When Mike Graydon was Chief of the Air Staff, and I was in this place, I urged him to stand up to my good friend Michael Portillo, but he backed down.

The fact is these guys need to understand that none of us came into office with the intention of having to cut our Armed Forces. As Admiral Mike Mullen, who was Chairman of the Joint Chiefs in the United States, said last year—he was subsequently castigated for it—the US budget deficit is itself a threat to United States security. My Secretary of State, Philip Hammond, was in Washington 10 days ago. He delivered the same message: the budget deficit in these countries is itself a threat to our national security. We came to office inheriting a budget deficit of—and at this point, Lord Chairman, normally when I am doing a speech, and this is not a speech, I challenge my audience and say, “Hands up those who know what the budget deficit was in May 2010”. Most people do not know. I addressed the Land Warfare Conference last year, 350 pretty senior Army officers. I said, “Hands up those who know what the budget deficit was when we came to office”. Three hands went up and

they all got it wrong. I said, “Shame on you. If you do not understand what the budget deficit was in May 2010 you cannot possibly understand what we are trying to do in defence”. I am afraid in round figures, just to remind everybody, it is £150 billion, and with that money we could buy three Type 45 destroyers each and every week of the year.

We have to get it right, and defence has had to make its contribution. The current Secretary of State and his predecessor, Liam Fox, have done much to emphasise that defence is absolutely the first duty of government, but also that the Ministry of Defence itself has to put its house in order and make itself manage its finances better so that it can recover the confidence of the Treasury. That is something we need to do.

I understand where the Air Chief Marshal is coming from, and Sir Jeremy Blackham and others, and indeed I share their concerns. We face a very, very turbulent, unpredictable, dangerous world, but we also face a massive budget deficit. That £150 billion, the national overdraft in 2009-2010, was equivalent to one-third of the nation’s entire national debt in 2005. That was the irresponsibility that we inherited and had to address, and other countries are doing the same.

**Q348 Lord Jopling:** Minister, you will recall that our inquiry is into the military capabilities available to the European Union. In response to the first question, you have delivered really a eulogy with regard to NATO. Lord Sewel and I are both members of the UK delegation to the NATO Assembly, and what you have said will be music to our ears. I wonder if you would say a little more, coming back to the military capabilities of the European Union. How do you see—and I do not think I am interfering with subsequent questions—the relationship between NATO and the European Union’s defence aspirations? I remember this Committee years ago when the European Union first embarked on a defence capability. Cynics used to say, “Well, it will be there to help get cats out of trees”. It has developed somewhat from that. Listening to the way you put a very strong accent on NATO, where do you see the role of the European Union in the defence field? Do you see it as a poor relation? Do you see it as there to operate out of area? Could you enlarge on what you said earlier about the military capabilities of the EU as a partner of NATO?

**Gerald Howarth:** Yes, my Lord, I would be delighted to do that. I make absolutely no apology for emphasising the Government’s commitment to and accent on NATO. You are absolutely right: that is where the cornerstone of Britain’s defence lies. There are, indeed, many of us who were profoundly suspicious—I think “sceptical” was the word that Ambassador Burns used when he gave evidence to you—of the intentions of the EU Member States. I am a Thatcherite. I was formerly the noble Baroness’s Parliamentary Private Secretary, and I make no bones about my Euroscepticism. You just look at it. They have a Parliament. They developed a Court of Justice. They have a flag, they have an anthem, and there were some who wanted an army. I believe there are some who still want to invest in a European superstate a military dimension. This Government are not—and, in fairness, the previous Government were not—prepared to allow NATO to be undermined by any attempt to duplicate it and—

**Q349 The Chairman:** Do you feel there is an attempt by Europe, official Europe, to undermine NATO?

**Gerald Howarth:** I do not think there is anymore. I said in my opening statement that I had actually been quite encouraged by the way things have developed. When we came into office, at my first EU Defence Ministers’ meeting I made it absolutely clear that we would not

condone anything that sought to undermine or duplicate NATO and, of course, in defence we have unanimity so we do not have to deal with qualified majority voting.

But let me deal with the other side of the point that Lord Jopling put to me, and that is: what can the EU do? I think that the EU can deliver something. The fundamental purpose, of course, is to act where NATO cannot act and to a certain extent we saw a little bit of that in Libya, in the sense that the United States was less engaged, certainly on the face of it, than it would have been on a normal NATO operation. There are examples where actually the EU is doing some useful work, and that is in Georgia. I do not know if you have been to Georgia, but it is well worth going to—it is a fascinating country. There the EU mission is doing very well and NATO would not be welcomed, as I am sure you will appreciate, because it would raise further tensions with Russia, but the EU can deliver that.

Operation Althea in Bosnia—Nick may like to say something about that—has been a good example of where the EU can contribute. They are doing some work obviously in Operation Atalanta, where the merit of that is putting into practice arrangements, where the Northwood Maritime Headquarters is being used to run both Ocean Shield now and Atalanta, so you get that synergy rather than the competition and the duplication. Nick, do you want to say something about Althea?

**Nick Pickard:** Certainly. Althea is a good example, Minister, of where the EU have been able to deliver civilian effort alongside military effort, so it has a police mission in Bosnia as well as a military mission. The military mission is clearly not undertaking, and does not require, the same degree of fighting as the NATO mission required in Bosnia, so they were able to transfer to an EU mission, which is more able than NATO to bring civilian and military tools and development tools together, to provide a comprehensive approach to stabilisation.

**Gerald Howarth:** Let me add one other thing to that. At the EU Defence Ministers' meeting—I think it was in September—we went through the key EU operations, which is Operation Althea. The requirement is 2,200 troops. We cannot deliver that, apparently; only 1,300, going down to 1,200. Operation Atalanta, the EU's counter-piracy mission off the Horn of Africa, is short of a ship. The EU training mission for Somalia has value. It is training Somali soldiers in Uganda using EU trainers. They could not deliver up even one medical officer across the entire European Union—not one medical officer to look after the needs of the trainers. I raise this pretty contemptuously—deliberately contemptuously—because people need to wake up. If you cannot deliver on these three pretty undemanding operations, then what are you for?

**Q350 Lord Jones:** Lord Chairman, Minister, the EU Member States have a high number of potentially deployable assets, but the percentage of those that can actually be deployed is very small. In your robust speech, you mentioned timeliness, pool and share, the new agreement between Britain and France, and the stretched national budgets, which I think was a very fair point to make. So now these are the questions from the Committee on this issue. What can the EU do to improve that percentage? Do you see major obstacles to doing that?

**Gerald Howarth:** My Lord, thank you very much for the question. It raises an important point about the extraordinary range of potential assets that the EU has available. I suggested in my previous comments that, despite the level of troops that we have—I think it is something like 2 million soldiers under arms in the EU—the difficulty they have in actually delivering the capability, as I have illustrated, is extraordinary.

The reasons for the problem appear to be first and foremost political will. I think we have to be realistic about that. The United Kingdom has a reputation, along with France, which is

one of the reasons why we are in the Anglo-French treaty, because there are synergies between our two nations both in force structures and in outlook. There is another problem, which is lack of investment in capability, particularly in strategic lift, which is why we have said that we were prepared to look at the common funding to enable the funding of battlegroups to go into action. We are prepared to fund them not for their capability, which their taxpayers should fund, but as a way of getting them to be involved. They do not have troops at a sufficiently high level of readiness, and they probably have a lack of experience, a lack of understanding of expeditionary military doctrine, which is another factor, and, ultimately, they have a reluctance to put troops in harm's way. One of the reasons why the United Kingdom, in particular, commands so much respect around the world for our military and why they enjoy so much respect here at home is that they are prepared to put themselves in harm's way. I know that all of us around this table would like to take the opportunity to salute Her Majesty's Armed Forces for the fantastic job they do, not only for our country but also setting an example for the rest of the free world.

How do we deal with it? Well, you mentioned pooling and sharing. I think this is a way through, but I am also rather nervous of placing too heavy a reliance on pooling and sharing.

**Q351 The Chairman:** We will come on to pooling and sharing later, Minister.

**Gerald Howarth:** We will go into it in some depth, yes.

**The Chairman:** As I think you are saying, they are not the same issue; you cannot even pool and share if you do not have something you can pool and share.

**Gerald Howarth:** Precisely.

**The Chairman:** So, yes, perhaps I could tempt you not to go down the road of pooling and sharing at this stage.

**Gerald Howarth:** I am happy to follow your commandment, but we should make use of initiatives, such as an arrangement for funding strategic lift, common funding, which I alluded to a moment ago, and encouraging Member States to use participation with other Member States on the battlegroup roster as a way of sharing relevant knowledge and experience. The Swedes have done this. By taking over the EU battlegroup roster, the Swedes have actually learnt quite a lot and it has helped them in their transformation. I am not a Swede, but I think it is an interesting point that the Swedes stepped up to the plate in Libya. Maybe it was as a result of that experience.

The obstacle remaining, really overwhelmingly, is political will and, of course, a willingness to devote the requisite percentage of the national budget. We are back to the budget issue again and obviously we are not immune in the United Kingdom. We have had to go through the SDSR, as we have been discussing and as others are commenting on, and maintaining our 2% of GDP as the minimum NATO requirement has been a key consideration as we approach the SDSR.

**Q352 Lord Jones:** When you mentioned strategic lift and emphasised it, do you see the A400M as being the core of that? How is that project going?

**Gerald Howarth:** My Lord, I congratulate you on having lasted this long without mentioning the A400M, of which you have been a magnificent champion. As you know, for a long time I was its principal detractor. I was wholly opposed to it. I thought it was a white elephant and hugely expensive but I thought that the Americans were actually going to match it and they have not. We are now in a position where the A400M Atlas stands in a unique position in the marketplace, between the C17 and the C130 Hercules. I do not know if you saw it

performing in my constituency at the Farnborough International Air Show 18 months ago, but it gave a fantastic performance. There are problems with the engines, which they are addressing at the moment, but I think that it will be a very valuable addition to the inventory. As the Minister responsible for defence exports, I cannot wait to get my hands on getting on a campaign to go and export it. Perhaps I could through you, Lord Chairman, suggest that the Americans might like to pay special note to this fantastic bit of kit that we have. We have done all the R&D on it, so they can buy it off the shelf from us and that will save their budget a lot of money.

**The Chairman:** We will send a transcript to the Pentagon for you, Minister.

**Q353 Lord Sewel:** Minister, in answer to the first two questions, you have really given us the components of basically the crisis facing European defence, whether it is under the banner of NATO or the EU, quite honestly. I suspect it stems from the fact that within Europe there is no shared perception of threat. If we take the attitudes of European states to Russia, there are three clear groups. There are the former allies and parts of the Soviet Union that believe—and believe absolutely firmly—that given a following wind and a clear day the Russian tanks will roll across tomorrow. There is at least one important European state where Russia is their new best friend and gives them a lot of energy. As to the rest, well, some of the rest say, “Okay, it is not an immediate threat but we have to keep our eyes on them to see what they are up to”. When it comes to the attitude towards a major country like Russia, this diversity leads to a fragmentation of perception and of effort, and in part this is one of the reasons why there is a failure to deploy and unwillingness to deploy. So are we not facing a much deeper problem in European defence issues than just the division of role between NATO and the EU?

**Gerald Howarth:** That is a very interesting observation. I would have been tempted to be less concerned about it had it not been for the fact that in this role I have visited Poland a number of times. You go to Poland and they are completely obsessed by Article 5, and you can understand why. Russia poses no threat to us at the moment and nor is it, in the view of any of us, likely to for the foreseeable future, but we live in an uncertain world. I am sure that many of us around this table would subscribe to the adage that it is not intentions that count, it is capabilities, because intentions can change overnight, whereas capabilities cannot, and we need to keep a very close eye on how other nations are developing their capability.

I was up in Norway last week. I was on their maritime patrol aircraft, a P-3 Orion, and again it was brought home to me graphically just how differently Norway perceives things. They sit on that really quite bleak expanse of rocky, snow-covered mountains and islands set in this black, forbidding, cold sea, and they are keeping watch on NATO’s north-eastern flank pretty well on their own, except that the Royal Marines spend a lot of time doing Arctic training there.

But you are right, there are different perspectives. When NATO was founded, up to the fall of the Berlin Wall, it was perfectly clear who the enemy was—a common enemy. They were developing their capabilities; we knew what they were doing; we matched their capabilities. We have exchanged that certainty for a very much less certain world, so I agree. The fact that so many nations did come together over Libya should be a source of hope that people are recognising across the EU that it is in our interests to ensure that we have a stable world—with Afghanistan, the same thing.

**The Chairman:** Thank you, Minister. We need to make some progress, so perhaps we could keep our questions as well as our answers short.

**Gerald Howarth:** It is probably the answers that need to be a bit shorter.

**The Chairman:** I would not put it like that, Minister.

**Q354 Lord Jopling:** Minister, with regard to the Russian-Norway border you have just talked about, you might talk to the Canadians about that because they used to have a responsibility for the northern flank, which they dropped out of many years ago, but I leave that to you.

I want to come on to the European Defence Agency and the review that the Government are making on that. You talked in your opening statement about the need for enhanced capabilities, and you have just been talking about that as well. I got the impression from your introduction that you are more interested in amendment to the European Defence Agency's role and capabilities rather than a radical uprooting and replanting. I may have got that wrong but I would like to know. I wonder what you feel ought to be done to make the EDA more effective and to increase the efficiency of Member States' capabilities. Perhaps we could keep off pooling and sharing, because the next two questions cover that, so perhaps you could leave that alone for the moment.

**Gerald Howarth:** I am delighted to answer the question. In opposition, we had planned to withdraw from the European Defence Agency because we did not think that it served the interests of the British taxpayer. However, when we took office we decided—in part because of the upcoming Anglo-French treaty—that it looked a bit churlish to just simply up sticks. Instead, right from the outset, we set the EDA a mission of coming up with practical capability-enhancing projects—nothing over-ambitious, just practical things. I am bound to say that in the person of Claude-France Arnould the EDA has moved in that direction.

It is not a question of uprooting. It is a question of trying to energise the EDA into delivering capability, and I have actually been quite encouraged. There are a couple of initiatives that I think have been useful. The first is the helicopter initiative. It took me some time to find out exactly what the helicopter initiative did. The helicopter initiative is designed to train helicopter crews, particularly, for the kind of conditions in Afghanistan. That started in September last year and we hope that it will deliver 80 crews. NATO has a complementary programme to upgrade helicopter airframes, so you can see the synergy, with sensible, practical, capability delivery—fine. Then there is something called the MARSUR, the maritime surveillance project, which is designed to give a recognised maritime picture, or RMP, I think the expression is. Is that right, Nick?

**Nick Pickard:** Yes.

**Gerald Howarth:** Not Royal Military Police. The recognised maritime picture is where we combine the picture from the contributing nation states, and that gives us a much better picture of what is going on in the sea lanes and going back to the high north, which we were discussing a moment ago. I think that is a valuable contribution to make. Those are just a couple of examples, and so long as the agency does that, then that is good news.

Of course, when we came into office we were faced with a proposal that the budget should be increased by 4% in 2010. I said that I could not look soldiers in the face in the High Street in Aldershot, in my constituency, and say, "Thank you for the marvellous job you have done in Afghanistan. Sorry, mate, you are out of a job. We do not have any money. Oh, but I have £160,000 to give the European Defence Agency". I feel very strongly about this and I am delighted that Baroness Ashton, when she came last month to propose the budget for the EDA for the coming year, proposed a frozen budget. You might like to know that the French proposed a 2% increase and the Greeks very helpfully came in with a compromise of 1%



increase. I said, “What on earth did the Greeks think they were doing? Where were they going to get the money from, they are bust?” It is quite extraordinary—it is as though they have stepped off planet earth and inhabit a completely new world. I thought it was our opportunity to give a lead to other European agencies to stick to their budgets. I am very grateful to Claude-France Arnould for understanding that position and living within it.

**Q355 Lord Selkirk of Douglas:** Lord Chairman, can I ask a number of interconnected questions about pooling and sharing? I understand that the plans initiated by the EDA for pooling and sharing were to be discussed by Defence Ministers at the end of November. Can the Minister very kindly say what the outcome of the discussions was? Secondly, which projects have been decided on for pooling and sharing and what is the Government’s view of those projects? Will the United Kingdom take part in any of them? Does this reflect the view of the Chiefs of Defence? If the Minister has time, perhaps he can tell us to what extent issues involving standardisation of equipment have been resolved over the years. I know this used to be a problem in bygone years and I wonder if it is still a problem—for example, artillery shells being of the wrong gauge or ammunition not being of the size used in different countries’ rifles and machine-guns, and so on.

**Gerald Howarth:** Thank you for the question. Pooling and sharing is, indeed, quite a key initiative. It is one that I pressed at Ghent in 2010, but perhaps I ought to start with a cautionary note that at the end of the day we are sovereign nation states. Pooling and sharing will only work if those who share with others guarantee access to those others when they need them. I do not want to pull the wool over your eyes—not that I could, I do not want to even go there—but I think it is important that all of us understand that this is not a simple salvation to the problem. It is not, but there are opportunities. There is already a 12-nation consortium that operates three C-17 transport aircraft. That appears to be working.

At the Defence Ministers’ meeting in November, to which you refer, the steering board endorsed pooling and sharing opportunities identified by the EDA and agreed to evaluate progress at our next meeting this coming spring. Of course these range in their level of maturity. Some, like the helicopter initiative, again largely at our behest, are being practical. As I recall—I think I am right in saying—there is a Brit in charge of that programme, isn’t there?

**Nick Pickard:** I believe so.

**Gerald Howarth:** I am not saying that that is necessarily why it is going well, but I think we can safely say the two are not totally unconnected. The MARSUR programme, the maritime surveillance that I mentioned, is going ahead, and there is a European satellite communication procurement cell proposal that we are supporting, partly because Paradigm, which contracts to the Ministry of Defence and provides much of our satcom out in theatre, already has an established capability on which we can latch, so my officials are reviewing what opportunities there are. Perhaps I can briefly just run through the proposals that have been identified, apart from the three I have just mentioned. There are the medical field hospitals, air-to-air refuelling, future military satellite comms, intelligence, surveillance, target acquisition and reconnaissance (ISTAR), pilot training, European transport hubs, smart munitions, naval logistics and training, not all of which are appropriate for us, as we have our own capability.

The important thing is to be practical. What I was really concerned to establish right from the outset is that it is no good sticking an EU flag on something for political purposes that delivers no capability and does not work. Be practical. Deliver some capability that really will

add. As we bring on our new Voyager air-to-air refuelling aircraft in the form of the A300M, built not far from his Lordship's former constituency—indeed right in the middle of it, I think—the A300M will deliver a pretty substantial capability. We will have 14 aircraft, of which nine will be permanently contracted to the MoD and the other five will be available. Instead of shipping them off to go and carry holidaymakers to Ibiza, it seems much more sensible, when there is a real shortage of air-to-air refuelling across the European Member States, to get others to come and take advantage of that.

**Q356 Lord Selkirk of Douglas:** Lord Chairman, what about the question about standardisation? Is that not particularly a problem now?

**Gerald Howarth:** Nick, do you have a view on standardisation?

**Nick Pickard:** You will have to ask the MoD is the short answer on that one.

**Gerald Howarth:** Do any of my officials want to brief me on standardisation? Forgive me, my own view on this, if I may—

**The Chairman:** You are here to give your own views.

**Gerald Howarth:** —without my officials interrupting me, is what does NATO do? NATO does standardisation. That is exactly what NATO has been working at for 50 or 60 years—the standardisation of kit. Why reinvent the wheel?

**The Chairman:** I do not think we are suggesting that. The question partly comes from the fact that some of the feedback we had is that actually NATO has struggled with this equally. I think the view of the Committee probably generally, Minister, is that, in terms of European defence, whether it is EU or NATO, I guess we are obviously an EU Committee but we are not trying to overcut and compartmentalise at all, and it would be useful—we are at the end of our inquiry—to have, if it was possible, a short report on interoperability. I mean between European states, whether NATO or EU. That would probably be useful.

**Lord Selkirk of Douglas:** Lord Chairman, I asked the question in the hope that it would be possible to have a very brief note for the Committee. That would be helpful.

**Gerald Howarth:** I shall ensure that your Lordships have a one-page note promptly.

**The Chairman:** Thank you very much.

**Q357 Lord Williams of Elvel:** Minister, you quite rightly pointed out that pooling and sharing can raise various issues of sovereignty. Interdependence can become dependence at some point. Can you imagine any circumstances in which the United Kingdom would be prepared to rely entirely on an ally in the case of pooling something or sharing something, without any restriction from the European Union or without any regulation or device that the European Union might invent to make sure that the said ally was bound by law to provide the material required?

**Gerald Howarth:** My Lord, I think that is a question that goes to the heart of the whole issue of pooling and sharing. It does require the nation offering the kit to guarantee its availability. I think that the Anglo-French treaty initiative is going to be a very important and practical way of putting this to the test. There has been much talk about sharing aircraft carriers and all of that, and I think that actually highlights the real challenges that pooling and sharing presents.

The United Kingdom is also in a slightly different position from many of the other nations in that we have a particularly close relationship with the United States, first and foremost.

Secondly, we tend to want to play a key role on the world stage. In the Foreign Secretary's words to Chatham House before the election, we wish to help shape the world in which we find ourselves. Down the centuries, that has been the characteristic of the British people, and they are not content to let events happen without seeking to influence them. Thirdly, we also have interests that are unique, and in this 30th anniversary of the Falklands campaign, when we remember the 255 men who gave their lives, it is important that we recognise that we have perhaps a slightly different perspective. I think this is very much the early stages of this activity, but it is one in which the United Kingdom has been in the van and I think we have to make sure we find ways of making it work. As I said before, I think we have to be realistic that sovereignty issues underpin this question.

**Q358 Lord Williams of Elvel:** Minister, you mentioned what we call the Franco-British treaty as a possible model for a European Union-wide insistence on guarantee of supply in the case of pooling and sharing. Is that your view? Do you think the Franco-British treaty would be a model that could be extended throughout the Union?

**Gerald Howarth:** I think the interesting thing about the Anglo-French treaty or the Franco-British treaty—I have intended no political emphasis there—is that it took our continental partners completely by surprise. It also put a few noses out of joint, but what it has done is to demonstrate a serious, practical initiative. By not involving everybody, it might have some prospect of working. The more people you engage in a programme, the more difficult it is to implement it. I think that one of the interesting tests of the Anglo-French treaty is whether we can deliver some capability. Nick and I were discussing earlier that we had a training exercise in Flanders. Perhaps, Nick, you would like to tell us how that went.

**Nick Pickard:** It was very successful in demonstrating the concept behind the treaty that the land forces of the United Kingdom and France are able to work effectively together. Actually, despite the record that the UK and France have had in deploying forces, it has been a paradox, perhaps, that the UK and France have rarely actually deployed in the same theatre, because we have tended, even if we have been both deploying in a theatre, to take separate regions of a particular theatre. This was something that we needed to test effectively and I think it demonstrated very well that the basis of the treaty and some of the projects underneath the treaty, like the combined joint expeditionary force that we have agreed to, can work and can work well.

**The Chairman:** We obviously had the practical example in Libya itself of the two armed forces working very closely.

**Nick Pickard:** Indeed, though I think air and naval forces in the UK and France have traditionally worked much more closely together than land armies have in the past.

**Q359 Lord Jopling:** When you talk about Anglo-French deployment together, to what extent do you think efforts in that direction are muddled by the approach of, for instance, the British Treasury? I give you one example, which has irritated me to death over the years. When we were developing the Challenger battle tank, the Treasury insisted that, unlike almost all the other tanks—the Abrams, the Leclerc, the Tiger—the British tank should have a rifled barrel rather than a smooth barrel, purely because we had a large stock of shells that could only be fired through a rifled barrel. For that reason, we have a battle tank that is quite unique, where there can be no mutual use of ammunition from anybody else in the world. How confident are you that you can roll over the Treasury in situations of that sort, of which I am sure there are many more?

**Gerald Howarth:** My Lord, as to the prospect of my being able to roll over the Treasury, I have to tell you, you might see a squadron of pigs flying by. It is certainly very charming that you should think I might have these powers, but I do not. I alluded earlier to the problems that the Ministry of Defence has in its relationship with the Treasury and the difficulties arising therefrom. I remember the Challenger II programme and I remember the debate about whether it should be a rifled or smooth bore. Probably that experience will help to inform how we go forward from here in not having bespoke kit but having interoperable kit. After all, we are a nation that believes in interoperability. We are constantly saying that we think others should be interoperable—well, perhaps so should we.

Let me give you a bit of encouragement, if I can. I am responsible for the Type 26 Global Combat Ship programme, because we are seeking to build that in partnership with others. We have made it absolutely clear to the Royal Navy that this cannot be a bespoke ship just suitable for the Royal Navy. It has to be value for money and it has to be cost-effective, and we cannot afford £1,000 million a copy, as the brilliant Type 45 daring class destroyers have cost. So you can rest assured that the Treasury will be very keen that we should go for things that are interoperable and which give the best value for money.

**Q360 The Chairman:** That is very useful, interoperability generally, and to have brought that in. Minister, can I just take you up on one thing? I tend to agree with you absolutely in terms of the Anglo-French model being one that is showing itself to be effective and maybe shows the way forward to others, but could that reinforce the fact that France and Britain are by far the largest military powers within Europe and potentially let the rest off the hook even more?

**Gerald Howarth:** I do not think so. Actually we hope that it is going to have the reverse effect. The Italians have been somewhat stung; the Germans certainly have been stung. I have a very good relationship with my opposite number in Germany, Christian Schmidt, whom I have known for years, and I think in a sense they were taken a bit by surprise. They should not have been, really, because the French have been knocking at our door for the past 10 years. When I was shadow Minister for Procurement I was constantly receiving deputations from the French. We have responded to that—I would not say “approach”—entreaty on their part. I hope that others will see that this is not a threat to them, and certainly not a substitute for their own defence, because it is an Anglo-French treaty; it is not a European-wide one. It is not designed for the defence of Britain and France nor does it in any way detract from our NATO obligations, but it is designed actually to do all the things we have been talking about in this Committee, which is to enhance capabilities and to get better value for money for our taxpayers.

**Q361 Lord Jones:** Lord Chairman, Minister, I have two questions. What are the current needs if EU defence is to be effective? In what way should EU Member States develop their military capabilities to address current needs rather than those appropriate to the Cold War?

**Gerald Howarth:** Again, I think that as you all recognise—and I say I am delighted that you all recognise—that NATO is the pre-eminent source of our security, and the EU Member States, 21 of whom are members of NATO. There is such a cross-membership here and the current budget cut is just ridiculous to duplicate.

As I said at the outset, I can see that the EU can deliver something different where NATO cannot act. NATO, of course, is wholly military and CSDP is combined civ-mil, which means that the EU is able to occupy a space between kinetic activity and high-intensity war

fighting—clearly it is neither intended nor desirable that the EU should be involved in that; that is NATO’s role—and peacekeeping, and all the rest of it. Our view is that it does have clear potential to be an effective actor in crisis management through the CSDP and the wider tools that are available to it. We recognise that the EU is able to deploy military and civilian instruments together in what is called the comprehensive approach to complex security problems. That is not something NATO does and so I think that there is the potential for clear blue water there. The important thing is to get other people focused on that, that this is something the EU can do, where it is unique, rather than seeking to occupy somebody else’s territory, so to speak. But we believe that the EU has to improve at a number of levels: the capability level I have discussed; on willingness, it has to show political will; and it has to show that it can deliver effectively. Lord Chairman, I do not know if you want to talk about the OHQs at some point, but—

**The Chairman:** We will come on to that in the last question, yes.

**Gerald Howarth:** We will come on to that. I hope that that helps to explain, my Lord.

**Q362 Baroness Bonham-Carter of Yarnbury:** Can we move on to battlegroups, which as we understand have been successfully used as a means to improve military capabilities? You mentioned Sweden earlier; I think that was a country where this happened. But they have not actually been deployed. Why is this? We have also heard that the UK battlegroup on standby could be used, as troops were between operations in Iraq and Afghanistan. Could they be deployed if something were to blow up in Bosnia?

**Gerald Howarth:** That is a very good question. I have to confess I have struggled with this EU battlegroup concept ever since it was first put to me, so I have to keep rereading it to understand what it is all about. You are right, it has never deployed. What is the purpose of it?

**Baroness Bonham-Carter of Yarnbury:** As I said at the beginning of the question, we have the impression that they had been used to train and to improve capabilities within certain countries and, as I said, I think Sweden was an example.

**The Chairman:** But that is it.

**Baroness Bonham-Carter of Yarnbury:** But that is it.

**Gerald Howarth:** I think that probably is it. The reason why they have not deployed is in part because of a lack of political will on the part of some nations to deploy only in the most benign of circumstances. In fact there are very few occasions when the EU battlegroup could have been used to advantage. But it is there. We have been available to deploy ours in 2005, 2008 and 2010. Of course, we earmark forces for the purpose. It is not as though we just say, “Okay, we will take that on,” and if there is a requirement to deploy we have to scurry around. We take it seriously.

Let me remind you what the EU battlegroup concept is all about. The potential tasks are known as the Petersberg tasks and those are, for example, separation of parties by force, peacekeeping, stabilisation and reconstruction, evacuation operations and humanitarian assistance. Some might say, “Well, this is not really very challenging, is it? You are not asking them to do high-intensity war fighting”. But in answer to your question about the UK battlegroup being on standby and not used between operations in Iraq and those operations in Afghanistan, in my understanding this is not correct, as any UK offer of a battlegroup for a standby period is deconflicted with our other commitments that would prevent its use. As I say, we take it seriously.

**Q363 Lord Trimble:** Minister, I understand your approach to or your opinion of the EU battlegroups. We were in Brussels in November taking evidence. I am afraid I cannot remember the name of the gentleman who answered the question, but battlegroups fell within his area of responsibility. He was saying that he could recall three occasions on which the deployment of a battlegroup was being seriously contemplated. The one example he gave us was with regard to Libya—the EU were developing a battlegroup and were thinking in terms of deploying one, actually in Misrata if I remember rightly. May there be something more in this concept than perhaps we know about?

**Gerald Howarth:** I have to say it is the first I have heard of that rather dramatic and exciting concept. I think I had better leave Nick to answer it.

**Nick Pickard:** My Lord, I do not think an EU battlegroup was being proposed. There was a proposed EU humanitarian aid mission, which might have used some of the capabilities that have or should be being improved through the battlegroups concept, such as lift into an opposed environment. In fact, it was not required and there are many reasons why it is not sensible, except as a last resort, to use military means to deliver humanitarian aid.

None the less, we recognise from that that the battlegroups concept has been quite narrowly defined. It was originated in the operations that we undertook in Sierra Leone, the French undertook in Côte d'Ivoire and then the EU undertook in the Democratic Republic of Congo, all of which required a small insertion force of 1,500 troops to pave the way for a larger UN force, or a force that was very rapidly inserted to achieve its objectives. That seemed to be a common theme, but unfortunately the battlegroups concept was developed on such narrow parameters that in addition to the problems of political will, which the Minister has mentioned, the very specific scenario in which a battlegroup might be deployed has not occurred very frequently. One of the areas we want to look at is whether we can expand the battlegroup concept, to enable the sort of capabilities that we want to be developed through that concept to be deployed more widely and prevent the sort of arguments that others have used in stopping battlegroups being deployed being acceptable.

**The Chairman:** That is very useful. Thank you for that.

**Q364 Lord Sewel:** Minister, we picked up some information that the funding of battlegroups is being examined with possible proposals coming forward to change the means by which they are funded. Could you tell us, first, what is your latest information, if you have any; and secondly, what is the Government's position on changing the basis of funding? Do you think the way battlegroups develop and the financing of battlegroups could be at least one area where we can make progress on burden sharing?

**Gerald Howarth:** Yes, I recently wrote to the Committee seeking to update you on how we were conducting our debate on the funding of battlegroups, which I hope answers the questions. I submitted an explanatory memorandum on 9 December and I am grateful to you for clearing that through scrutiny. It might follow up better your questions on the specifics of the United Kingdom's position, so perhaps I can just restate those.

**The Chairman:** Minister, could you just speak up slightly?

**Gerald Howarth:** I am sorry. I am not normally accused of being silent.

**The Chairman:** It is my hearing.

**Gerald Howarth:** For the benefit of the Committee, perhaps I could just restate the points that I made in those documents. The EU has been reviewing what is called the Athena mechanism for common funding CSDP's military activities, including the common funding of

costs for battlegroup strategic lift for what is fundamentally a Member State responsibility. The review completed in December last year, after clearance through your Committee, with a Council decision that protected the UK position on any permanent expansion of the Athena mechanism. The position we agreed to was an extension until December 2013 and, on a contingency basis, an agreement to meet battlegroup deployment costs from common funds in order to encourage nations to fill slots on the EU battlegroup roster. This is consistent with the policy for the comparable military NATO Response Force, NRF. There are no further discussions planned on the funding of battlegroup deployment, as the Athena review has now closed. We expect further discussions as we approach the end of the current period, which, as I say, concludes in December 2013.

But it is absolutely axiomatic that nation states have to fund their own defence. That is what they have to understand. Why we are not prepared to extend common funding is that we find ourselves paying twice. We find ourselves paying for our own independent requirement and other nations' requirements as well. But in order to get the horse to the trough, so to speak, we have agreed to the funding of battlegroup deployment costs, which is land, sea and air, I believe.

**Nick Pickard:** Sea and air, I think.

**Gerald Howarth:** Sea and air?

**Nick Pickard:** No, you are right, Minister, it is land deployment as well. You are quite correct.

**Gerald Howarth:** The Minister was right on this occasion.

**Nick Pickard:** I accept that, and on all occasions.

**Q365 Lord Trimble:** Going back to our trip to Brussels in November, the initiative that was very much alive at that stage was the question of EU operational headquarters, which at that point the United Kingdom was firmly opposed to, although we could see in the discussions that there were some areas where some movement might be possible. Could you take us through what actually happened in the December agreement and where we are now?

**Gerald Howarth:** Yes, I would be delighted to do so. It fits entirely with our position of being wholly opposed to institution building and concentrating on capability. We saw the creation of an OHQ, particularly promoted by the Weimar group—France, Germany and Poland—as potentially undermining NATO, where we have the Berlin Plus arrangements in which the NATO assets, the NATO command and control centres, are available to the EU. I cite Northwood as a very good example of that. At the Foreign Affairs Council, the Foreign Secretary was there, as I was, representing the Ministry of Defence. I am actually trying to look for it to give you the—

**Nick Pickard:** Nineteen, I think.

**Gerald Howarth:** Because I think it is quite important for you to understand exactly what was agreed, as we were actually negotiating—correction, the Foreign Secretary was negotiating—there and then. If you had been there, I think you would have been immensely impressed with the remarkable skills of the Foreign Secretary in standing absolutely firm in Britain's interest and yet managing to maintain a very convivial relationship with Herr Westerwelle from Germany and Alain Juppé from France. At the end of the day the Council concluded, and I think it is probably helpful if I read this out: "The Council calls for making optimal use of the existing structures. In this context, when the nature of the operation does

not require a national headquarters, the Council stands ready to activate, on an ad hoc basis, the operations centre in accordance with its terms of reference for a specific CSDP operation. On this basis, the Council agrees to accelerate planning for the activation of the operations centre for the Horn of Africa operations at the latest by the next Foreign Affairs Council”—end of paragraph 32. I understand that the Foreign Affairs Council has been brought forward a week now to next week, has it?

**Nick Pickard:** That is correct, Minister. The final decision will actually be taken not at that Council but shortly thereafter.

**Lord Trimble:** What does that first clause mean where it said when a national—

**Gerald Howarth:** It talks about “optimal use of the existing structures” and says that, “when the nature of the operation does not require a national headquarters the Council stands ready.” Nick can explain that to you, my Lord.

**Nick Pickard:** There are a number of operations, my Lord, particularly those that the EU is likely to undertake, which do not require a full military operational headquarters because they are not of the size or complexity that that requires. The EU training mission in Somalia is a good example. It is running at the moment, but it is not run from a military operational headquarters. It is run from theatre in Uganda with a few staff officers in Brussels to provide administrative support. Likewise, the regional maritime capacity-building mission that it is proposed the EU undertake is essentially a civilian mission with some military help, so again it does not require a military operational headquarters because it is not a military operation. The military are not being commanded in any sense. They are providing support to the civilian operation. Those are the two missions in which the UK was prepared to allow the operations centre to play a role, precisely because they do not require a military operational headquarters. They require a much lesser degree of co-ordination. In fact, neither of those missions will be commanded in any way from the operations centre. It is merely acting as a co-ordination function and support function for missions that are being commanded elsewhere.

There is one final point. It is important to recognise that, if the UK had not accepted use of the operations centre, both those missions would still have been run from Brussels. They would not have been run from national headquarters. It was purely about what the Minister described earlier—making the EU civil and military planning in Brussels more effective - rather than in any sense moving powers from national headquarters into Brussels.

**Q366 Lord Trimble:** In what ways do you expect this mission to creep?

**Gerald Howarth:** Perhaps I can step in there to say that we do not. That is a very timely intervention, my Lord, because that enables me to read paragraph 33. It is like reading a text from the Bible, this, isn't it? “The Council agrees to keep under review the efficiency of EU performance in planning and conducting CSDP civilian missions and military operations. Recalling the principles of unanimity and inclusiveness underpinning CSDP, the Council will decide on possible further improvements on this basis, without prejudice to the treaties and in light of the High Representative's report on CSDP of July 2011.” Our view is that the principle of unanimity will apply and, therefore, the idea that QMV might be introduced here we believe has been averted. But to emphasise what Nick—

**Lord Trimble:** I was not thinking of QMV coming in; it is a question of the interpretation of that first clause about when a national headquarters is not required. How are you going to keep control of the—



**Gerald Howarth:** Of course, at the end of the day, this is political manoeuvring. We have made our position absolutely clear and I think that our European partners understand. We have had a satisfactory outcome here, we hope. Obviously, this regional maritime capacity-building exercise for Somalia, for which this operations centre is being activated, will give us an opportunity to test it. Just to emphasise what Nick was saying, this operational centre was established I think in 2004.

**Nick Pickard:** Correct.

**Gerald Howarth:** So it has been in existence; it is not something that has been invented as a substitute for the OHQ debate, so as to say, “Oh, we cannot get an OHQ so we will go for an operations centre”. That has been in existence. It is what we referred to before, an existing structure, and the operation will be run by a civilian. That re-emphasises the point Nick was making, which is that it is not a military headquarters. There is going to be a civilian head for the operation, there is a pre-existing civilian planning and conduct cell within Brussels, and the operations centre is simply a room within the External Action Service in Brussels that sits alongside the other CSDP structures. It has been ready for activation since 2007—I think the system was set up 2004, ready for activation in 2007. Let us be reasonable about this: if they are going to plan this thing they have to have somewhere to plan it.<sup>5</sup>

**The Chairman:** When we were in Brussels, the main issue was the planning ability and that was the main thing that came out. Was there anything else? Yes.

**Q367 Lord Sewel:** I think that the argument about the operations centre has been knocked on the head. They have succeeded in doing that, but just let me put the form. The strongest argument that we heard was a general one about planning, but the other one was that every time there is a new operation you do not have a collective memory to fall back on, and if you had a small core you would at least have an initial collective memory that would help in the early stages of putting an operation together. I thought that was the strongest argument that we heard.

**Nick Pickard:** I can take that. It is a very interesting argument and one that we have heard elsewhere. I would make a couple of points on it. The first is that in response to that concern we have developed the idea of what we call deployable augmentee cadres. That is a terrible name for a simple concept, which is that you have planners who can be deployed to the national headquarters that is running that operation. They are part of the planning staff and they undertake some of the strategic planning, but then, if a national military operational headquarters is required, they can be inserted into that headquarters to provide some of the continuity that can be required.

**Lord Sewel:** They are an itinerant group, are they?

**Nick Pickard:** Exactly. It is also worth recalling that operations are very different in their nature. The EU has conducted civilian operations, maritime operations and police training operations. These require different types of planning, so I am less convinced of the idea that having a single small core in Brussels would actually make the difference that some nations argue.

The other point to make finally is that we have a dearth of these experienced operational planners. The Brits are good at it, the French are good at it, but not many other countries are. We have quite a lot of them at SHAPE in NATO. The idea that we should be splitting

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<sup>5</sup> Overall responsibility for the RMCB will fall under Haber, whilst the OpCen will be headed by a military secondee and offer advice of CPCC and improve general civ-mil cooperation across the Horn of Africa.

these operational planners or spreading them too thinly by having a large number sitting in the EU in Brussels as well as those that we have in national headquarters, as well as those that we have at SHAPE, does not strike me as being a strong argument when there are so many other capabilities for which Europe really does require a new effort.

**Q368 The Chairman:** Would Turkey and Cyprus be happy with that? The Minister has mentioned Berlin Plus, but Berlin Plus has been dormant, unusable, since Althea, hasn't it, effectively?

**Nick Pickard:** While Turkey and Cyprus continue to have such political difficulties, it is difficult to envisage Berlin Plus acting as effectively as we would want it. I do not think that that is an argument for doing anything other than trying to strengthen those relations between the EU and NATO. I do not think we should accept that that means that the EU and NATO have to work separately, not least because that actually risks people's lives in theatres where the EU and NATO are operating together.

**The Chairman:** There is no greater advocate of that than this Committee, and I am sure that this Committee would be absolutely delighted if there was an integration between SHAPE and the CSDP, but I do not see that as being politically acceptable to certain members of NATO and certain members of the EU.

**Nick Pickard:** Nonetheless, I still think it behoves us to ensure that the planning capability that exists in EU Member States is used as effectively as possible and is not bound up in one particular institution. This goes to the heart of what the Minister was saying earlier: it has to be the Member States that own the capabilities and not the institutions, because the moment an institution owns it, whether through common funding or other means, it is only available to that institution and is not available more widely to the Member States.

**The Chairman:** Minister, Mr Pickard, thank you very much indeed for taking us through this and giving some of your personal views as well. This has been an excellent and very stimulating session, and rather different from a number of the other ones that we have had, even in comparison with the Foreign Office and Ministry of Defence session that we had at the beginning. So thank you very much indeed for participating. We look forward to welcoming you back on another occasion.

**Gerald Howarth:** Thank you very much indeed for giving me this opportunity for a first outing, and for affording me the opportunity to put on the record some of the things that it is actually quite difficult to get into the public domain. Unless you have clipped soundbites for the media, people do not know, and this has given me the opportunity of explaining to you what we are doing. We are being very practical and we are being co-operative, but we are absolutely determined that we are not going to see our principal alliance undermined, namely NATO. Thank you very much indeed, and thank you very much for what I have found to be a most convivial occasion.

**The Chairman:** I bring this public session to an end at this point. Thank you very much indeed.

## Ministry of Defence – further supplementary written evidence

### INTRODUCTION

Interoperability is the ability to act together coherently, effectively and efficiently to achieve Allied tactical, operational and strategic objectives. Interoperability has three main dimensions, technical (e.g. hardware, systems), procedural (e.g. doctrines, procedures) and human (e.g. language, terminology, and training).

The purpose of NATO Standardization is to improve the capability of the Alliance Forces through enhanced interoperability, which is defined as; ***‘the ability to operate in synergy in the execution of assigned tasks’***. NATO Standardization Policy defines 3 levels of Standardization:

- a. Compatibility. The suitability of products, processes or services for use together under specific conditions to fulfil relevant requirements without causing unacceptable interactions.
- b. Interchangeability. The ability of one product, process or service to be used in place of another to fulfil the same requirements.
- c. Commonality. The state achieved when the same doctrine, procedures or equipment are used.

Within the United Kingdom, UK Defence Standardization (DStan) is the MOD’s centre of excellence for through life Standardization and its management across the Defence Acquisition community. DStan develops, pursues and promulgates the MOD’s Standardization policy and provides advice and guidance on its implementation. DStan work nationally and internationally, with civil and military partners including Industry to support increased battlefield interoperability and more effective acquisition.

### NATO

At the Lisbon Summit, Heads of State and Government (HOSG) tasked the North Atlantic Council (NAC) to prepare a plan for implementing reform to achieve improved governance, demonstrate increased effectiveness, efficiency and savings, inter alia, while preserving capability and service delivery, particularly in support to operations. From this, Nations agreed to establish a NATO Defence Planning and Process (NDPP) Task Force on Interoperability.

The NDPP Task Force on Interoperability will undertake activities to achieve coherence in interoperability and standardization requirements amongst the NATO planning domains and ensure integration between the Committee for Standardization responsibilities and the NATO Defence Planning Process. This effort improves synergy for on-going and planned efforts within the NATO Defence Planning Process thereby ensuring that there are no gaps or unnecessary overlaps and improving coordination amongst all stakeholders.

The NDPP Task Force on Interoperability will ensure that Standardization and Interoperability activities are addressed coherently and in parallel with the NATO Standardization Organization (NSO).

## **EUROPEAN DEFENCE AGENCY**

EDA policy states that EDA standardization activities must be coherent and complementary with NATO standardization activities. NATO Standardization through Standardization Agreements (STANAGs) continues to provide the 'binding' operational and technical-operational standards for interoperability of defence systems.

The EDA's Materiel Standardization Group (MSG) is the supervisory body for EDA standardization management and custodian of the EDA Standardization Roadmap. At the request of the UK these top ten EDA capabilities are being addressed within the MSG with respect to Standardization Management in support of Interoperability.

- Counter Improvised Explosive Device (C-IED)
- Intelligence, Surveillance and Reconnaissance
- Medical support
- Increased Availability of Helicopters
- Cyber Defence
- Multinational Logistic Support
- CSDP Information Exchange
- Strategic and Tactical Airlift Management
- Fuel and Energy
- Mobility Assurance

Successful Standardization Management reduces both cost and risk in Defence Acquisition to the UK taxpayer and is the bedrock of Interoperability between UK and other Nations' Armed Forces.

Dr Christian Mölling, Stiftung Wissenschaft und Politik (SWP; German Institute for International and Security Affairs) – Oral evidence (QQ 291-313)

**Dr Christian Mölling, Stiftung Wissenschaft und Politik (SWP; German Institute for International and Security Affairs) – Oral evidence (QQ 291-313)**

[Transcript to be found under Mr Etienne de Dúrand, Institut français des relations internationales](#)

**NATO Defence Policy Planning, Major General Heinrich Brauss,  
Deputy Assistant Secretary-General – Oral evidence (QQ 235-243)**

*Evidence Session No. 11.*

*Heard in Public.*

*Questions 235 - 243*

WEDNESDAY 16 NOVEMBER 2011

Witnesses: Major General Heinrich Brauss and Sarah Tarry

Members present

Lord Teverson (Chairman)  
Baroness Bonham-Carter of Yarnbury  
Lord Jopling  
Lord Radice  
Lord Trimble

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**Examination of Witnesses**

**Major General Heinrich Brauss**, Deputy Assistant Secretary-General for Defence Policy and Planning, NATO, and **Sarah Tarry**, Defence Policy and Planning, NATO

**Q235 The Chairman:** General, welcome. We very much welcome your presence. As I said outside, we have done a lot of speaking to people with an EU badge, so it is good to have a bit of a change in this session, moving over to NATO and maybe asking questions from the other way round. As you are well aware, we are undertaking an inquiry into EU military capabilities. Clearly, we have to tie it up very closely with NATO. We are looking at the various other ways that defence works in Europe as well. Lord Jopling is a member of the NATO Parliamentary Assembly. Another of our Committee Members who has had to leave, Lord Sewel, is as well. So we have certain experience on that side. This is technically a public session. We are taking a recording and making a transcript. We will send you a copy of that and if there are factual errors then please, by all means, correct them.

Perhaps I could ask you to introduce yourself so that we have that for the record as well. I do not know whether you want to make a short opening statement, but you are very welcome to and then we will open out into questions. I think you are aware of the sort of thing that we want to ask. Is that clear?

**Major General Brauss:** Perfectly fine. Thank you very much indeed. Perhaps I should start with a brief presentation addressing a few topics from NATO's point of view. I have brought along with me my colleague Sarah Tarry, who is working on NATO-EU issues. She is Canadian, but is very familiar with EU issues. With your indulgence, let me say that I also served in the EU military staff in the past. I am not dual-headed, but I am dual-hatted, in a way. I know a little bit about CSDP, but I must admit that I have become again a true NATOian, since I am now the Deputy Assistant Secretary-General for Defence Policy and Planning in the International Staff of NATO.

It is a pleasure and an honour for me to be here addressing capabilities from a NATO point of view, but with a particular view on NATO-EU collaboration and co-ordination. Let me start with a few general remarks. The European Union and its CSDP, as we call it—we like acronyms in NATO, as you know; it is the Common Security and Defence Policy—have made remarkable progress over the past few years. It is a very young development, historically speaking. The EU ESDP, later CSDP, was set up in 1999, and since 2003 the European Union has conducted more than 20 missions—smaller ones, but politically not unimportant. The European Union has become a global actor and has the ambition to develop this capacity further. They have a unique range of capabilities available to deal with crises and security challenges around the world—primarily civilian capabilities, but to a degree also military.

NATO, on the other hand, has unique military capabilities at its disposal. Why? Mainly because of the Americans, the United States, but also because of the so-called major European nations, such as Great Britain, France and, I would say, Germany. It is the unique framework for the US presence in Europe, which many, if not all, European states continue to attach great importance to, for strategic reasons.

While NATO continues to provide a unique set of military capabilities, we have recently, mainly through the Strategic Concept, decided and started to develop an “appropriate but modest” set of civilian capabilities. We have realised through our experience in Afghanistan and the Balkans that NATO needs to contribute effectively to the comprehensive approach to crisis management. This requires an understanding of civilian capabilities and approaches to crises and of how other institutions and organisations involved in crisis management work and function. This modest civilian capability is primarily designed to interface with other international actors and partners, such as the European Union. You will certainly be aware that 21 members of NATO are also members of the European Union. Five are non-NATO, but are partners. Four of them are participants in our defence planning framework, which we have specifically designed to support partners. As a consequence, more or less, 25 plus one European nations are involved in capability development at large and have more or less the same interest.

We all have one set of forces and do not want to pay twice, particularly at these times, so all of this speaks for close co-operation and co-ordination between NATO capability development and EU capability development, in particular since the military requirements are more or less the same. The deficiencies and shortfalls of both organisations in these areas are mainly European. I would not say that Libya is a case in point here, but it has proved this finding. On the one hand, it is the first operation where the Europeans and Canada were in the lead, with the US in support. Indeed, the Europeans provided the bulk of air and maritime forces for these operations, but the operation could not have been conducted successfully the way that it was, involving a new type of air operation, if the United States had not provided the key strategic enabling capabilities, such as surveillance, reconnaissance and intelligence, unmanned aerial vehicles, combat air planners for the

dynamic targeting that they applied, and air-to-air refuelling. These are key European deficiencies, which the Americans have provided for and we hope they will continue to provide. But in these times when we are confronted with budget cuts—up to 40% in some nations—reconciling these shortfalls becomes increasingly challenging and demanding.

What are we doing in NATO? The Secretary-General of NATO has launched an initiative called Smart Defence. The main idea is that if we have less money we need to spend smarter and more efficiently. There are three components. First, we need to spend on the top priorities; NATO needs to fulfil its missions. Secondly, we need to consult better between our nations, with a view to exploring potential for specialisation. Thirdly, we need to co-operate on a multilateral basis. In other words, we need to develop, maintain and sustain the capabilities that we need in the future to meet NATO's level of ambition and the demands of the Strategic Concept by working together, as the French and the UK do in what I shall call, their "nouvelle entente", or the new contract. This is a case in point and a role model for multilateral co-operation, involving small groups of nations with a view to developing and sustaining the key capabilities that we need for the future, in particular with a view to the new, emerging challenges, such as cyber defence.

**Q236 The Chairman:** Given the fact that NATO is still seen as the prime actor in European collective defence, all those things that you have mentioned are EU, CSDP aspirations. Is there any division there or is it the same for both? To enact that programme that you have talked about is presumably as important in an EU context as in a NATO context.

**Major General Brauss:** Absolutely

**The Chairman:** So who does what? Do you talk to each other? I do not want to get into the issues. Do both organisations go through the same process in parallel, but differently?

**Major General Brauss:** That is a very good question—a key question. You have certainly discussed with the EU its pooling and sharing initiative. The aims of the two initiatives are more or less the same. The projects that we are looking at are very similar and there is really a risk of duplication, overlap and even competition between the two organisations. You are aware of the political difficulties and why the two organisations are hampered in working effectively together at a political level in political areas where nations come together, because of the Turkish-Cyprus problem. But all have an interest to deconflict and to make best use of scarce resources. We have set up, as Tomas knows already, a very effective arrangement where the two staffs work together—that means my division, the Defence Investment division and, in particular, Allied Command Transformation, our key promoter of transformation and capability development at the military strategic level. They work closely with the EU staff, in particular the European Defence Agency. We have developed a list of candidate proposals for multilateral co-operation and we are talking to the nations about who would wish to do what. The EU is doing the same. We are talking about that with a view to deconflicting and identifying those areas where we can complement each other rather than competing against each other. For the time being, this is working very well. That is a major improvement compared to the past. At staff level, we have comprehensive interaction on that.

We then go back to our committees—the European Union staff to their committees and we to ours—and keep them informed about the progress. And we have the famous NATO-EU Capability Group, a forum of all NATO and EU nations, minus Cyprus—it was set up before 2004—where we exchange views and present the results of our work to nations for further discussion and co-ordination. So far it is working. Let me give you an example. Air-to-air



refuelling is a key European shortfall. It is important that the European nations develop that capability. If there was a group of nations who were willing to develop this capability, I would not care which staff and which framework should support them or facilitate it. If they choose the EDA, fine; if they choose NATO, even better, but it is important that a group of nations is willing and committed to developing the capability. When it is available, it can be used both in NATO and in the European Union. That is not a new approach, but it is now an approach recognised by all nations, and in particular by the staffs. We are guided by the idea that we should not compete but should work together with a view to developing capabilities by nations and supporting those nations, facilitating their work on those capabilities. To facilitate that, our staffs work together, but it is primarily up to nations to decide in which framework they would like to get this capability further developed. It is not optimal, of course, but it is working, at least for the time being.

**Q237 The Chairman:** If, say, Cyprus-Turkey-Greece was solved, and I know that it is not likely, presumably life would not be absolutely perfect. Does it work, other than that, or would there be other barriers to working? The membership is not exactly identical, but I get the impression that that does not particularly get in the way of things happening.

**Major General Brauss:** If you think of practical examples, the Norwegians are members of NATO but not of the European Union, but they are not so concerned about that because they are happy with the consultation mechanisms that the European Union is providing and offering and because they are integrated in the Nordic defence co-operation. They are very close with Sweden and Finland, which are such close partners with NATO that I almost call them allies. Almost everyday we have conversations with them at every level, including on capability development.

**Q238 Lord Jopling:** Both the alliances are suffering from defence cuts, but there is the gross inefficiency of overlap and lack of co-ordination. It is a horrible inefficiency really, when you look particularly at the European side. Do you see any way hugely to improve the co-ordination between the member states? You will be more familiar than I am with all the examples, such as three different battle tanks and all these defence colleges, which are a gross waste of money. Do you see any possibility of getting improvements in this direction? To what extent do you think that NATO has been successful in trying to improve this lack of co-ordination? Do you think that the successes you have had have spilled over to help the European Union's similar problems?

**Major General Brauss:** First of all I should say that the specific NATO Defence Planning Process is designed to help overcome the challenge that you have just outlined. It is a particular and special feature of the NATO capability environment, which you find nowhere else in the world. It is unique. It is very well structured, very systematic and completely transparent. It is shared by 28 Allies. Every Ally looks into the books and the plans in detail. There is full visibility of capabilities, plans and defence budgets of every other Ally. It is cyclical, so we have a recurring assessment and reviewing process by which we try to further develop the capabilities of nations.

This has yielded important results. Let me give you an example. Many Europeans—many, not all—would not have been able to conduct and sustain an operation such as Afghanistan if we had not transformed our capabilities and forces sufficiently, through the assistance of our NATO defence planning process. We managed to improve the number of deployable and sustainable—we call that useable—land armed forces between 2004 and 2011, from 280,000 to 340,000, which is at least something.

Nevertheless, it is true that NATO can only offer its assistance to nations. Nations remain sovereign. You will know better than I do how important the principle of sovereign national decisions is. In particular, it is about national interests and national industrial interests. Here we come to our limits. We can only offer nations our advice on what to do. We have done so successfully. Let me give you another example. Our new allies, including Poland, the Baltic states and many in the Balkans, Romania and Bulgaria, are keen to get our advice on how to restructure their armed forces and which capabilities they should procure and maintain, and which not. We have been pretty successful in advising them to provide deployable and useable forces rather than focusing on the old static structures. But there are limits. If you look to the south-east corner of NATO, Turkey and Greece are still maintaining a number of legacy structures for political reasons. Our eastern Allies are mainly concerned about our great eastern neighbour and are very interested in collective defence and reassurance rather than crisis response.

All this needs to be taken into account, and here there are limits. If national interests, priorities and industrial and economic interests come into play, we have to respect that. Necessity demands new ways to go. Smart Defence is a concept to at least partially overcome these national “egoisms” and to encourage nations to work together and to develop at least the key capabilities together. We have so far identified 200 projects and we are now in the process of grouping them into clusters. We have identified five clusters: intelligence, surveillance and reconnaissance; missile defence; force protection in the widest sense, to include counter-IED, medical services and other capabilities that our troops need in crises when deployed; logistics, which is not very spectacular, but could yield tons of efficiencies; and training. You referred to the many helicopter schools in Europe. We are aiming at rationalising them. Nations are open to that. For example, the Visegrad Group—the Czech Republic, the Slovak Republic and others—are considering centres of excellence or centralising parts of their training efforts, for example for helicopter crews.

But this has limits. Could you imagine a French corporal being trained at a German school for main battle tanks? It is difficult. There is a different language. For me it is difficult to speak a foreign language, but for a corporal even more so, on both sides. We have different systems, doctrines and procedures. It requires a lot of effort to achieve the goal of common training. We can certainly do it in some specialised areas, such as air crews, and we are already doing it in NATO. It is certainly an area where much more can be done. Smart Defence and pooling and sharing are aiming at that.

**Q239 Baroness Bonham-Carter of Yarnbury:** Let me move on to what the United States expects of Europe in terms of defence capabilities. Do you think it is concerned who delivers that, be it NATO, the EU or an alliance of countries? I have a second group of questions, but could you address that first?

**Major General Brauss:** Here I cannot speak as a NATO representative, because as a NATO representative I do not know, but I can speak on a personal basis, taking my NATO background into account. You will have noted the important speech that the former US Defense Secretary gave here in Brussels when he left office. Many ambassadors in NATO called this speech a wake-up call. The US Ambassador keeps telling his European colleagues, “Listen, Libya is a case in point for a new approach by the US to European affairs and security issues. You can no longer rely on Uncle Sam. You need to be able to do those operations on your own. You need to be able to lead. We may not always be available if you need us, because of a range of reasons.” There is a clear expectation from the US, in my view, that the Europeans should deliver key capabilities better than in the past. It is not so much a matter of providing battle tanks, soldiers or logistic vehicles—the normal stuff that

we need when we deploy to operations. It is the key strategic capabilities. We have set up the so-called Lisbon package, in which we have identified 11 strategic capabilities that we need to implement, despite our budgetary constraints, such as missile defence. The European Union—this is a personal view, not a NATO view—needs to provide a significant contribution to NATO's missile defence capability over time, in the coming years. I know how difficult this is, in view of the budgets and in view of the fact that not all the Europeans are threatened by ballistic missiles. For intelligence, surveillance and reconnaissance, helicopters provide a key capability for intra-theatre mobility. The American expectation is that here we need to provide more capabilities.

Gates said in his speech that currently the US is providing 73% of NATO's expenditure on defence, as opposed to Europe, and the gap is widening, not only because the Europeans are spending less, but also because the Americans have increased their spending due to Afghanistan and Iraq. That is the other side of the coin. However, there is a problem. We will risk our interoperability with the US and, as Europeans, we will risk being confronted with an imbalance in NATO, vis-à-vis the United States. At Chicago, the Americans expect the Europeans to give the answer to Bob Gates.

**Q240 Baroness Bonham-Carter of Yarnbury:** What happens if Europe fails to raise its game? A slightly tangential question: are you aware of any signs that US interests have switched from Europe to the Pacific basin?

**Major General Brauss:** No. As a NATO staff member, I have no indications for that. I have read this in the papers and I have read cables and reports where I have seen those indications, but on the contrary it will not come as a surprise that the US are the clear lead nation in NATO. They have been very much interested in NATO affairs and in European and transatlantic security. I have no indication at all in NATO's daily business that the US are disengaging and turning their strategic interests to the Pacific.

**Baroness Bonham-Carter of Yarnbury:** What if we do not step up to the plate?

**Major General Brauss:** Again, the coin has two sides. The US is also envisaging dramatic defence cuts. The estimates are between \$450 billion and \$1 trillion over the next 10 years. There are voices and there is talk that it is more likely that it will be \$1 trillion rather than the \$450 billion. We have no idea of the implications yet, or what that means for US capability development, commitment, engagement or strategic orientation or the consequences for NATO. That is all the more reason that we should be concerned about NATO's ability to meet its level of ambition and scope. We are currently discussing one important project, Alliance Ground Surveillance, which is a key strategic capability for surveillance, identified as a key shortfall and a key requirement. There are 13 nations, including the US, that are willing to provide this capability for NATO but would like to get common funding for operating and sustaining it. A number of nations are hesitating to do that. If this fails, I see a considerable risk for Smart Defence and the credibility of multilateral co-operation within NATO. Thus, I see considerable risk that we will fail to give the answer to Bob Gates in Chicago.

**Q241 Lord Trimble:** You mentioned Libya. One thing that struck us from evidence that we heard earlier was that while the European NATO countries involved were nominally in the lead, they did not really have the capacity to carry it through. In particular, we were told that at the headquarters in Italy there was a considerable lack of planners, and if it had not been for a massive influx of US personnel into that headquarters, while the campaign would not have collapsed, it would have diminished quite severely. That would indicate that we have quite a serious shortfall in planners.

**Major General Brauss:** Yes, we have. The Libya operation was completely new. The air campaign over Kosovo was a traditional air campaign, with fixed, pre-planned targets. It was easy to conduct compared to Libya. In Libya, we had to successfully meet the requirements of what we call dynamic targeting, with moving targets and very small targets. The desire, which was successfully implemented, was to have no civilian casualties if at all possible. So the collateral damage had to be as small as possible. This was the task. Therefore, planning and targeting have become an enormous requirement. We were not aware before that.

It is true that the command in Naples and the responsible air operations centre in Italy were initially not prepared to meet this task and had to be reinforced dramatically by American planners, first from Ramstein, but also from other European nations. This is an example of two things. First, positively, in the Libya operation the NATO military was able to set up and start the operation after seven days of planning, which is enormous progress. The Kosovo campaign took months to prepare. So this is an example of the proficiency of NATO's Command Structure at large. We have just reformed that structure at the concept level and are implementing that new approach. The new NATO Command Structure will be much more effective and efficient, and much more deployable and flexible. Second important element is taking lessons learnt from Libya into account and significantly increasing the air components in the Command Structure, while at the same time developing a concept for augmentation of the air components for operations such as Libya.

We have identified the requirement and we have partly drawn the lesson for the Command Structure, but a lot has to be done to avoid such a situation in the future where we risk operational effectiveness at the beginning of an operation because of a lack of experienced personnel. But we are working on that. The new concept for air and missile defence command and control is in the making and will meet this challenge.

**Lord Trimble:** I am sure that an awful lot is going to depend on the skill and experience of the people who are operating such a complex arrangement.

**Major General Brauss:** Indeed, and to this end the UK, Germany, France, the US, Italy and Spain are training their combat air planners on a national basis, but according to NATO standards. They are all more or less interchangeable but we need many more of them to meet challenges such as Libya. One could consider within Smart Defence one NATO training centre for combat air planners—a Centre of Excellence. It would be very much supported by the US, of course, but also by other capable European nations.

**Q242 The Chairman:** I have a practical question on that. Say that was set up. In practice, could every EU member state, under whatever guise or label that we decided on practically, go to that as well? Is there a problem anywhere? Can that effectively be an EU facility even it is not badged as such?

**Major General Brauss:** It could be. We have a number of centres of excellence, hosted by individual nations. In theory, or legally speaking, every European nation and every North American nation can send its officers to this centre of excellence.

**The Chairman:** Presumably there is a practical difference.

**Major General Brauss:** The practical problem is that there is a relationship between these centres of excellence and our Allied Command Transformation, which is the mentor, so to speak, of the centres of excellence that are specialising in certain areas. In a way, there is a relationship to NATO. If Cyprus sent officers there and met a Turk, this could become a political problem.

**The Chairman:** I understand, but apart from Cyprus, it probably could work.

**Major General Brauss:** Yes, of course.

**Sarah Tarry:** The only other practical aspect of this is in terms of classification of documents. It is related to the Cyprus issue. From a practical perspective, that would be the only hindrance. Under certain circumstances the accessibility of classified documents could be an issue for one EU nation.

**Lord Trimble:** It would not be a great loss not to have any Cypriots.

**Major General Brauss:** Indeed, we could have training centres that could be used by both European nations and NATO nations.

**Q243 Lord Radice:** One issue that we have heard quite a lot about is that some members of the EU would like to have an EU operational HQ. What do you think of this idea? What impact would it have on planning in NATO? Off the record?

**Major General Brauss:** Partly off the record.

**The Chairman:** It has to be one or the other. I cannot make it unattributable when it is typed out.

**Major General Brauss:** On the record would require me to provide you only with the official NATO view.

**The Chairman:** Give us the official NATO view, and then we will go off the record. So this bit is on the record.

**Major General Brauss:** The official NATO view has been recently stated by the Secretary-General. First, NATO does not interfere in European Union business. They are autonomous to decide. We would respect that. Number 2 is that we have many command and control headquarters in Europe. They need to be used. We have just made an effort in NATO to reduce our Command Structure and the number of headquarters significantly, from 11 to six, and by some 5,000 personnel all in all, from 13,800 to 8,800. We can cope with the challenges with a smaller, more efficient Command Structure and a smaller number of headquarters. In our view there is no need for additional command and control capacity in Europe. We should focus on capability development rather than on C2. Capability development is a major requirement and challenge for NATO.

**The Chairman:** Can we go off the record, then? I think we have about two minutes.

**The Chairman:** That is very useful. Thank you very much General, and Sarah, for your contributions. I am sorry that this has been so short, but this is a very busy programme.

**Sir Peter Ricketts, National Security Adviser – Oral Evidence (QQ 1-34)**

*Evidence Session No. 1.*

*Heard in Public.*

*Questions 1 - 34*

THURSDAY 13 OCTOBER 2011

Members present

Lord Teverson (Chairman)  
Baroness Bonham-Carter of Yarnbury  
Lord Jay of Ewelme  
Lord Jopling  
Lord Radice  
Lord Selkirk of Douglas  
Lord Sewel  
Lord Trimble  
Lord Williams of Elvel

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**Examination of Witness**

**Sir Peter Ricketts**, GCMG, National Security Adviser to HM Government

**Q1 The Chairman:** Sir Peter, I welcome you to this Committee which, as you know, is the Committee that looks at European foreign affairs, defence and development matters. We are starting a new inquiry today on EU military capabilities, so you are starting that process with us. It is a televised session and therefore clearly a public session, as you are well aware. We will be taking a transcript as well. You will have the opportunity to see that and, if we have made any factual errors in terms of that transcription, to change that. We are looking forward very much to this session, which we think is on a very topical but also important subject: European defence and how the EU operates within that. I think that you are not concerned to make an opening statement so, as a Committee, we will go straight into questions. Perhaps we could start off on a broad question and ask what your assessment of the threats is in terms of security. Clearly, the Committee feels that any defence capability should reflect those threats and that there are all sorts of threats to Europe, but we would wish to concentrate on the ones where there is a credible military response. How are they likely to evolve?

**Sir Peter Ricketts:** Thank you, Lord Chairman, for the chance to appear in front of you. Starting with the threats, speaking for the UK I feel reasonably comfortable in saying that we

studied that carefully at the outset of this Government. We produced our national security strategy, which for the first time went through the various risks and threats facing the UK and prioritised them. It came out with four that we call top-tier threats. I would say that those threats are relevant to the whole of the EU as well as to the UK. One of them was the threat of another international military crisis that involved the UK. A second was counterterrorism—the terrorism threat is one that applies to the whole of the EU. The third was cyber and the new threats arising in the cyber area—that also applies to the whole of the EU. The fourth was natural disasters requiring major, catastrophic responses from Governments. That seems to me to be a list that applies equally to the EU as well. NATO's strategic concept, which was updated at the last summit, covers the range of threats that the Member States of NATO saw as applying to them, 21 of which are of course Member States of the EU as well. That covered a similar range of issues—terrorism, cyber, conflict arising from failed states and proliferation, which is another risk that we looked at in our national security strategy—so there is common ground between the UK's recent paper and the NATO strategic concept. I understand that the EU itself has not updated its European security strategy since the French presidency in 2008, but I think that the threats that arise to the UK arise to the whole of the EU. That would be my broad list of threats that we need to concentrate on. Not all of them, of course, have a military response.

**Q2 The Chairman:** Few of us would have predicted, even a year ago, that we would be fighting a conflict in Libya with France at this time. I want to get an idea of how useful this looking ahead may be and how much we have to have contingencies for things that we do not expect. How does that actually work? I do not know whether there is an EU dimension that you could add to that in terms of security planning and looking at potential threats.

**Sir Peter Ricketts:** The thread running through our national security strategy and the strategic defence and security review, which we did at the same time, was unpredictability; not an original idea but a very important one. We said that the security outlook is unpredictable and therefore that the forces we need to deal with it have to be adaptable—that was the word we used. It was precisely because we knew that if we had written a list of countries where we might find ourselves facing a threat in December 2010, it would not have included the ones that then became an issue in February 2011. Adaptability to unpredictable threats seems to us to be absolutely critical. The military assets that European countries need therefore have to be ones that are flexible, that can work together and that are capable of facing a range of different challenges, and 2011 has shown us that. Although we did not predict that we would be fighting an air campaign over Libya, we have managed to do so rather effectively and largely through European countries—working through NATO, as it turns out. We can perhaps talk about that. However, we were able to produce a set of forces that responded to that threat, which we had not predicted in terms of geography but which is a feature of the world we are living in, where the military has to be willing to adapt rapidly to new threats.

**The Chairman:** Thank you. Perhaps I could ask Lord Williams to continue.

**Q3 Lord Williams of Elvel:** How far do other Member States agree or disagree with the UK assessment of these threats and how far does the United States Administration do so? Is there any geographic difference between the way that, for instance, Mediterranean states and Scandinavian states see the world, and how are these disagreements resolved in practice?

**Sir Peter Ricketts:** I think that every country will see threats that are relevant to its own geographical position and region, so it is true to say that the new Member States of the EU



in eastern Europe would probably see a greater threat from a resurgent Russia arising in the area between Russia and the European Union. That will probably be their primary threat. Countries in the south of the EU would see instability in north Africa as a more pressing threat; that is entirely natural and normal. The United States has to take a global view, so for the US the rise of Chinese military capacity is a very pressing threat when it would not necessarily be seen as such by all in Europe. It is inevitable that countries will have a different perspective in their threat assessments. Inside the European Union, we reconcile that by discussion, argument, debate and decision on, for example, the direction of European neighbourhood programmes, where there are programmes for the south and east of the EU. There is a vigorous debate about how that should be prioritised but I think the broad overarching threats from terrorism, the proliferation of nuclear weapons and the risk that failed states pose to European countries are broadly shared. Yet countries will have different top priorities in the threats that they see.

**Q4 Lord Williams of Elvel:** Is there any institutional mechanism for reconciling these points of view or is it just done ad hoc from time to time?

**Sir Peter Ricketts:** In the end, these things have to come to the Foreign Ministers in the Foreign Affairs Council or the European Council. That is the place where you have a debate about the relative priority that you give to one region or another. In the EU, it often comes down to prioritisation for funding through the various neighbourhood programmes and support programmes. I cannot remember an occasion where we have had to choose between undertaking a military or civilian security operation under CSDP in either the eastern or the southern neighbourhoods. It could come to that; I do not think that it has so far but it would have to be resolved by Ministers in the Council.

**Q5 The Chairman:** Let me just follow up on a thing that I am sure will thread its way through this session. Is there another group of states, not geographical, that just do not have an interest in this area because they do not feel particularly threatened—terrorism is not particularly their thing and they do not have big defence forces anyway, so they effectively opt out and free-ride even in a policy sense, or is that not the case?

**Sir Peter Ricketts:** Within the EU?

**The Chairman:** Yes.

**Sir Peter Ricketts:** I do not think so. It would be a brave assumption that a country could be free from the threat of terrorism or that it would not be affected by instability arising in a possibly faraway part of the world through migration, for example, or organised crime. I think all nations in the EU are very well aware of that. It has been impressive, for example, to see in Libya that relatively small members of the EU have been able to make real contributions to the military campaign through NATO. Countries such as Denmark or Belgium have made real contributions to the Libya campaign, so I think that all EU Member States take their security seriously and recognise that there are threats to them.

**Q6 Lord Sewel:** If there is this shared concern about security, it is not reflected in levels of defence spending and the way in which that is going in Europe.

**Sir Peter Ricketts:** No, I agree. Those are, obviously, national decisions that each country takes and they set their priorities country by country. I am disappointed at the defence spending levels of a number of European countries.

**Lord Sewel:** So they may have the concern that we are getting to the situation too quickly where they do not actually have the ability to take action in relation to the concern.

**Sir Peter Ricketts:** As I say, when the Libya threat came along, a number of smaller states were able to mobilise forces and take part very effectively. Others chose to stand aside. I do not know precisely what led them to that, whether it was budgetary concerns or others, but I agree with your overall point that a number of European countries are not giving sufficient priority to defence in their budget plans.

**The Chairman:** I think that we will come on to that further with Lord Jay later on.

**Q7 Lord Trimble:** Sir Peter, what particular role do you think that the European Union's common security and defence policy should play?

**Sir Peter Ricketts:** Thinking back to when we kicked this off in 1998 at the St Malo UK-French summit, where I was present, we thought that the European Union should build up capacity to do large-scale military operations. We were talking in those days of 60,000 men available at 60 days' notice and thinking of the Kosovo or Bosnia style of military intervention. Experience over the last 15 years has shown that that is not the EU's comparative advantage. It is much more effective in the smaller scale, complex interventions where you need a mix of political weight, economic know-how, development strength and, sometimes, a military capacity. So the way in which CSDP has evolved, which is very positive, is by taking on a very wide range of smaller, difficult, complex and multi-faceted missions—for example, policing training in the Balkans, border security advice in Georgia or training military officers near Somalia, in Uganda. There is a wide geographical range and a wide range of different sorts of training and mentoring schemes, but all building on the EU's strengths in that area. That is the right niche.

**Lord Trimble:** It is rather ironic that you mention that training of police, as we have just completed a study of Europe's contribution to training police in Afghanistan and I am afraid it is a very sorry story.

**Sir Peter Ricketts:** Of course, they could do better but they are working on the same thing in Kosovo, for example, which has perhaps been a bit more successful. I was not particularly commenting on how successful Europe had been, but those are the areas where I think Europe can make a real contribution.

**Q8 Lord Jopling:** In terms of the relationship of CSDP, I notice that General Syrén, when talking at RUSI earlier this year, said that he comes across people who complain—I am reading the transcript—that the links to the common foreign security policy, or CFSP, are weak. Do you agree with that and to what extent is that an inhibiting factor?

**Sir Peter Ricketts:** On the links between common foreign security policy and the CSDP actions? No, I am not sure that I agree with that. If you look at where the EU is active in CSDP, and I ran through some of those areas, those areas are all priorities for the EU's foreign policy. The Balkans is obviously a priority area for the EU. The Middle East has to be a priority for the EU. The Horn of Africa, where we are active in or around Somalia, absolutely must be a priority since we are also leading the military mission in Somalia. In Afghanistan, Lord Trimble says that the EU's performance there has been disappointing and I agree with that. But it is right that the EU should be part of the wider allied effort in Afghanistan, so with respect I do not agree. I think we are putting our CSDP effort into areas which are foreign policy priorities for the EU.

**Q9 Lord Jopling:** Let us talk a little more about the tasks. You helped us by explaining some of them but do you think, looking back, that those tasks have been the right ones? Can you go a little further again in telling us how successful you believe the EU has been in them,

what the lessons learnt so far are and maybe how you think things might change for the future? The other thing that I would like to ask you is this. When the European Union defence capacity was set up, I remember that this Committee was particularly interested in a statement, which was repeatedly made, that the European Union military capacity would only be used on occasions when NATO did not wish to participate. I want to know whether that is still the principle behind all this. I can remember that when the EU military capacity was set up, in those days rather cynical people said that they might be capable of getting cats out of trees. It has clearly grown very much from that. At the back of what I am asking is how you see the growth of capacity and tasks expanding in the future.

**Sir Peter Ricketts:** Yes, I agree that almost by definition the EU's military role comes into play if NATO as a whole is not going to be engaged. If the United States wants to be part of a military mission, it would be odd to bar the door to it and say, "No, we choose to do it through the EU and leave you outside". In a case like Libya, where the US and Canada were keen to be part of it—and a wider range of countries as well—it was natural that that should be done through NATO and that seems to me quite right. There will be cases where the US is perfectly happy with and welcomes the EU taking the leading military role. Organising the antipiracy mission off the Horn of Africa is an example. Over the years, there have been others as well where the US has seen it as a good thing that the EU should do it and the EU has taken it on and done it. It has grown the capacity, if not yet really tested it in the most trying circumstances. These battlegroups that exist have not been deployed yet but it has been a driver for the capacity to mount battlegroups. I certainly could foresee a battlegroup-level operation at some point which was right for the EU to do.

I still think that the greatest contribution that the EU could make is in that area between civilian and military, where you deploy police advisers, military advisers, experts on border security or trainers and mentors—people who look at the justice system or build capacity in countries to have a functioning administration. These are areas where the EU has real expertise and funding, and it seems to me right that it should be doing it. I was looking, before I appeared, at the list of civilian missions and their size. Some of them are quite reasonably sized missions, so it is not as if we are just doing missions where there are only a few tens of people. Some of the larger missions are of quite significant size and play to the EU's advantages. In Kosovo, I see that we have 1,582 civilians deployed at the moment. There are 322 police advisers in Afghanistan—no doubt there should be more. There are 319 on the ground in Georgia. This is a substantial contribution to security and it feels to me that that is the right place for the EU to be putting its effort, and it probably should be doing more.

**Q10 Lord Jopling:** Could you just go a little further and paint the sort of scenario, obviously not in detail, in which you could envisage the EU battle groups being involved? You said that you thought that could occur, but can you just go a little further in saying in what circumstances NATO would not do that but the EU would?

**Sir Peter Ricketts:** Here, of course, we get into a bit of speculation, which is always risky. For example, if I remember rightly, the Germans deployed a battle group to the Congo at a particularly difficult moment in the Congo. That could have been an EU battle group deployment. Africa is not a place where it would be natural for NATO to deploy; the appearance of NATO in Africa would probably be quite sensitive. So one might well find that an EU-flagged deployment in Africa would be more acceptable than a NATO one. There could be other parts of the world where that was true, but Africa I would give as an example of where there are strong European interests at stake, as there were in the Congo, and probably a better way of presenting European military capacity.

**Q11 The Chairman:** Sir Peter, when all this area started, we had the quite definitive and reassuring lists of the Petersberg tasks, and all of those sorts of things. Does that list still apply? Is that what works?

**Sir Peter Ricketts:** Since it was written by clever bureaucrats, they covered a multitude of things, and I think they are still relevant, yes. At the harder and more ambitious end they refer even to peace-making and peace-keeping; we have not done that through the EU and it would be pretty challenging, as experience has shown. The wider range of things set out in the Petersberg tasks is still relevant, and my lesson from the past 10 or 12 years is that you just cannot predict either where you might be asked to deploy those sorts of missions or exactly what they might be doing. But if you have a planning capacity to do the strategic thinking in Brussels, a good database of people and the funding and experience, you can find that Europe can respond to needs of pretty diverse kinds around the world.

**Q12 Lord Jay of Ewelme:** I want to come back to the question of capabilities that Lord Sewel touched on a little while ago. There has clearly been a varied response from EU Member States, depending partly on history and partly on economic strength. You said that you were impressed by Denmark and Belgium in the response to Libya, but I wonder whether you thought there was a risk as you looked forward that the UK and France would be playing too much of a role or take on too much of a burden in EU defence. If that is the case, how can we persuade others to cough up a bit more? Related to that, when, as is the case now, there are real concerns right across the board about public expenditure and the need for cuts, is there any kind of discussion or co-ordination, either on a bilateral or multilateral level, about how we should collectively cut in order that there remains the right balance of capabilities to fulfil the tasks that you are outlining?

**Sir Peter Ricketts:** Thank you very much, Lord Jay. These are crucial points. We had hoped that from 1998 onwards, by badging military capability as relevant to the EU, that would encourage countries to keep up their defence spending. I think that history has shown only a mixed success with that. In the end, it comes down to the political will in individual countries, facing tough budgetary times to set their priorities. I cannot sit in judgment on the decisions that are taken by sovereign parliaments around the EU, but I think that there is a critical mass below which if you fall it becomes very difficult to do these expeditionary military operations that we have seen over the last 10 or 15 years. There is a problem there. What can we do about it? Well, I hope that the keenness that many countries display for EU defence and their wish to see more Europe in defence and have more institutional capacity in Brussels can be translated into more willingness to provide real capabilities on the ground and to use them. That is the other thing. There are plenty of military people still in Europe, but it is the willingness of Governments to deploy them that is often the critical factor that is missing. That may be budgetary or it may be related to other political decisions, but it has to be both. The answer is yes, I think there must be a risk that those countries that are able and willing to step up—not just Britain and France; I have mentioned a number of smaller allies who have been consistently willing to be on the front line, whether in Afghanistan or Iraq or, now, in Libya—will bear a disproportionate share. There are various schemes afoot, one in the EU called pooling and sharing, which is designed to put together groups of countries that want to collaborate together to buy or achieve a capability in one area or another. They could not do it alone but they could do it through a pooling arrangement. We should give that strong support, because it is only good that a group of three or four countries can together produce something that they could not produce on their own. Those sorts of things are useful. Any way in which we can translate keenness for more Europe into more capability we would be strongly supportive of, but the risk you identify is there.

**Q13 Lord Jay of Ewelme:** You mentioned at the beginning that an EU security strategy had not been updated since 2008. Do you think it should be, and is that something that we would push for? In pushing for that, could we also introduce into it the need to ensure that certain basic capabilities are not reduced below the level where they need to be, with an anti-cuts mechanism?

**Sir Peter Ricketts:** The answer to that is that I would personally think that it was time that the EU updated its security strategy. I remember that there was a version written right at the beginning, in Robert Cooper's time in around 2001 or 2002. It has been updated once, I think, and it probably needs to be updated again. I am sure that the more that one could put in there about the importance of sustaining these key military capabilities, the better. Whenever one comes to deploy armed forces, and I have had some experience of it, there are always certain areas that are difficult. The area that the military call ISR, which means intelligence, surveillance and reconnaissance, is not exotic but is absolutely essential and we are all short of it. So the more that we can do to have initiatives that, for example, increase the amount of that sort of capability would be extremely valuable. Again, there are institutional mechanisms. There is a NATO/EU capability group that looks at particular niche areas that need work done, and I know a lot of bilateral consultations go on when countries are producing defence reviews. When we did ours, we consulted very widely; the French are now updating their Livre Blanc, and they are consulting us and others in the hope that, if they have to make a cut in one area, it can be compensated by another European country doing more in another. Those sorts of informal mechanisms go on, and I am sure we could do more of that.

**Q14 Lord Jay of Ewelme:** Is that something that we and the French could work together on to persuade others, to make certain that when they talk about more Europe they produce more Europe? Is there scope for us and the French together there?

**Sir Peter Ricketts:** I think there is. There is scope for us to make sure that our UK/French co-operation is not seen as exclusive by others, and is seen as open to others who want to come in with us in working in increasing capacity.

**Q15 The Chairman:** Are we not giving out exactly the opposite message to that, in many ways? Are we not saying, "This has to be shown to work before we do any of that, and if you do want to do any of that you have got to show a rather more assertive military attitude in terms of deployment"?

**Sir Peter Ricketts:** If we are talking about buying capabilities and buying new equipment programmes, there is a tension because, obviously, from one point of view it is good to have as many different partners as possible sharing the risks and burdens. Equally, the more multilateral it is, the more scope there is for delay and cost increase. That has been the history. Somehow one has to find a balance between those two things. At the moment, we have a number of areas of capability that we are pursuing with the French. I would hope that if they look positive and hopeful, they would then be opened up for others to join. However, we must avoid the problems of the past, of going too multilateral and then finding the costs escalating.

**The Chairman:** Lord Jopling, did you want to come in on this point?

**Lord Jopling:** No, I want to come in later.

**Q16 The Chairman:** Perhaps I could ask one other thing on this. It seems to me that the trend in the EU and NATO is towards fewer and fewer countries taking part in wars. I

would be interested to understand why that is the case. Does it suggest, perhaps, differences in threat perception, or just a reluctance to fight? One thing that has been very clear when we have dealt with the Anglo-French treaties is that one of the reasons they work is that neither country is afraid to project that power to a certain degree. I think that only eight allies took part in the operations against Libya. That was perhaps more than some expected, but it is still a fairly low count.

**Sir Peter Ricketts:** Only eight flew aircraft, but others made contributions in other ways. Countries will make decisions in relation to how they see their national interests. It is true that some countries see their national interests as engaged wherever a risk arises, and others do not. One has to respect that. I would not generalise from that to talk about countries' willingness to fight. We saw in the Balkans, which was very close to many European countries, that we had too many offers of infantry battalions, as I remember it, when we were establishing IFOR and KFOR. Countries were very keen to participate. They saw this as a direct threat to their national security. We had more than NATO could accommodate. In Afghanistan, speaking from memory, I think that about 45 nations are participating, including some of the smallest EU states which are doing great things. I would not generalise, but nations will make their decisions in relation to how they see their national security. Some have a regional sense of the threats to their countries, rather than a global one. I do not think that we will overcome that difference very easily.

**Q17 Lord Sewel:** There is a tension here immediately, is there not? We are seeing, in the context of constraints on public expenditure, an emphasis on pooling, sharing and complementary provision: "We do this; they do that". At the end of the day, as you say, nations operate in terms of their national interest. How can you afford to be in a dependent relationship, which pooling and sharing implies, when you are actually going to be driven by a series of individual national interests? The situation obviously could arise where you cannot do anything because country A which provides service X just does not want to be involved.

**Sir Peter Ricketts:** Yes, of course it could. That is a risk of sharing any aspect of military capability. Given tightening budgets, I think that many countries will face the choice of either doing it together or not doing it at all. That adds another element to it. It also depends a little on the way in which these things are set up. If, for example, a group of countries collaborate to buy some C17 transport aircraft, which I think they have done, I am not sure that if one country says, "We are not participating in this", that means that nobody can use the aircraft. One country can stand aside if they do not want to be part of a particular military operation, so there are ways around that. Of course, as soon as you pool or share you become dependent to an extent, and then you depend on solidarity and a collective sense of decision-making. As I say, in many cases it will be a question of doing that or not having the capacity at all. That is the hard choice that often arises.

**Q18 Lord Jay of Ewelme:** Is there a mechanism that makes countries that are not contributing enough feel that they ought to be contributing more? You said that we must respect individual nations' sovereignty in a way. I can see that. Are there ways in which they are put under pressure, and in which they feel under pressure? Or do we just say, "Independent nation, that is up to you".

**Sir Peter Ricketts:** It is peer group pressure, yes. It is usually more NATO Defence Ministers than European ones. When they turn up they get jawboned by other colleagues who say, "You have got to find 2% of spending for defence or you are not playing the game". In the EU we have this battlegroup process, where there is peer group pressure on countries to come up with battlegroups, join the rotation and be prepared to deploy them.

There are those sorts of mechanisms, but I would describe it as peer group pressure, which does not always work.

**Q19 Lord Selkirk of Douglas:** Lord Chairman, I will ask Sir Peter a number of associated questions concerning the position of the United States of America. What does the USA expect of Europe in terms of defence? Is the United States concerned about who delivers that expectation; whether it should be NATO, the EU or alliances of individual European nation states? What happens to the Atlantic relationship if Europe fails to raise its game sufficiently in terms of commitment to its own defences? Perhaps most important of all, is there a risk that NATO commands may be less readily available for future EU operations?

**Sir Peter Ricketts:** The United States, in my judgment, looks to Europe for a number of things. It looks to Europe for adequate investment in military capability. The former Secretary of Defense was pretty vocal in expressing his view that Europe is not meeting that test. Libya, from that point of view, was a bit of a wake-up call because all the European countries participating except the UK ran short of munitions pretty quickly. They had not got the stocks of modern missiles and precision-guided weapons that they needed. So, yes, the United States looks on European countries to invest more in their military capability.

The other thing that the US is keen to protect is the integrity of NATO. As they always say, NATO is the club to which they belong. They have a very good relationship with the EU, but the US is on one side of the table and the EU is on the other. NATO is the club in which the Americans play a full part. They would not want that to be weakened. That said, I have not detected any sensitivity in the US about the growth of EU CSDP. In fact, they welcome the willingness of European countries to go and do the sorts of things that we were talking about. I do not think that Americans could go to Georgia to give advice on border security, train people for Somalia or keep going in Bosnia after the NATO operation had wound down there. These are definite contributions that the EU is making, and the Americans welcome that. There used to be some tension in the old days where the Americans thought that building up EU defence would somehow weaken NATO. I do not think that they think that now. Indeed, I think that they would rather have more EU defence in terms of capability. They are not so worried about weakening NATO, but we always have to take care that we are not somehow short-circuiting the consultations through NATO, which are important.

If, over time, the trends continue and European military capability deteriorates, there will be implications. I think that the Americans will look in their hard-headed way at what European countries can do. They will probably choose to deal with those countries that they think are real players, which they can depend on to be with them in military campaigns. That is bad news for NATO, because it implies that over time, perhaps, the Americans will come to NATO less often if they think that the European members are not capable of fulfilling their obligations. That is speculative. At the moment the Americans were very willing to go through NATO in dealing with the Libya issue—and, indeed, put the burden on European Member States, a burden which we carried successfully. I do not see an immediate threat to NATO, but over the medium term, if the trends in defence spending in Europe continue downwards, there is a risk. Of course, trends in defence spending in the US are now turning downwards as well. A new factor in the five years ahead of us will be tighter constraints on US defence spending, which is not something that they have been used to since 9/11 but which I think is coming.

**Q20 The Chairman:** Lord Selkirk asked about the availability of NATO facilities for Europe.

**Sir Peter Ricketts:** I do not see a problem there. If they are NATO facilities, they will be available for NATO operations. The Libya campaign was fascinating because it showed that the NATO command structure can be adapted to cater for a situation where European nations lead a NATO campaign, rather than the US. The US had the right and chose to stand aside at least from the sharp end of the operation. For example, at the NATO headquarters in Naples, which has an American four-star admiral at its head, it was his deputy, the Canadian general, who ran the NATO campaign. We showed that the NATO command structure adapts and can be used in different ways. I do not see it as being under immediate threat but I see that medium-term risk identified.

**Q21 Lord Radice:** It has been said that President Obama is the first Pacific President, in contrast to being an Atlantic President. As a national security adviser, do you detect any movement that way? Is there some underlying trend that we should be concerned about, both in Europe and in NATO?

**Sir Peter Ricketts:** I think that there is an underlying trend but I do not think that we need to be concerned about it. It is natural that, with the rise of China and the strains in the Pacific, the US will pay increasing attention to the Pacific. I do not see that as a problem. Fifteen years ago, the US was deeply engaged in Bosnia and Kosovo. It no longer is, which is good. It has been able to withdraw forces from there and take them elsewhere. I have not sensed from President Obama any loss of interest in Europe or the issues that we are confronting together—the Arab spring, Libya, and the problems across the Middle East and the Mediterranean world. These have taken an enormous amount of President Obama's time, as they have of European leaders' time. However, over time it must be true that more security attention from the US will be directed towards Asia.

**Lord Radice:** What are the implications for us if that is true?

**Sir Peter Ricketts:** We have taken the burden in the Balkans, where European nations are carrying out security sector reform and capacity-building. European nations carried the burden of the Libya campaign. There is plenty of opportunity for the EU to take more of a lead in dealing with the Arab spring and countries such as Egypt, without expecting the US to lead across all those areas. I still think that there will be plenty of attention for the most important issues, particularly those that have national security implications for America, such as Yemen or the problems around Israel and Palestine. There is lots of scope for CSDP and European foreign policy to take some of the strain in the areas around the EU.

**Q22 Baroness Bonham-Carter of Yarnbury:** Coming back to the point about funding, the information that we have been given is that United States defence spending used to represent 50% of NATO's military expenditure and now it is 75%. This does not make the US very pleased. To pick up on what Lord Sewel and Lord Jay have said, against the background of the situation that the world economy is in, what are the chances of this changing?

**Sir Peter Ricketts:** I said a moment ago that I expect US defence spending to begin to fall over the next five years from its substantial level at the moment, as it works through its own economic problems. It is hard to foresee an increase in the spending of EU countries on defence, given current economic problems. I can speak only for the UK, where we fought very hard in the recent spending round to ensure that we had adequate resources for



defence and wider security—for DfID and the FCO as well. We did pretty well against a lot of other priorities. However, each country has to find those balances for itself.

**Baroness Bonham-Carter of Yarnbury:** It was really the percentage that I was interested in, rather than the level. I should not have thought that there was much chance of that changing.

**Sir Peter Ricketts:** Not in the short term, but watch the trends in US defence spending. They have their own serious economic problems now and their defence spending is pretty high.

**Q23 The Chairman:** Excluding America for the moment, how would you say that the rest of the world views Europe's ability in the military and defence area? In the Libya situation we had two opposites. We had the Germans opting out of a Security Council motion, which made Europe look very untogether. On the other hand, for the first time Europe took responsibility for its own neighbourhood, with America in the back seat—to use the cliché—rather than in the front. Does the rest of the world notice, or not?

**Sir Peter Ricketts:** That is a very broad question. The rest of the world probably saw the Libya campaign as a NATO campaign. Therefore, I am not sure that it would have been very visible from the outside. On the inside, the Europeans carried most of the burden. I suspect they look on the EU as a political and economic actor, or perhaps the other way around—as an economic and political actor. Access to European markets, investment flows, help from the European neighbourhood programmes, movement of people and so on are probably the things that figure most highly when people think about the EU. They do not think about the brave group of people helping to reform Georgian border security or train Ugandan soldiers for Somalia. They are quite small and relatively low-profile. I hope that people increasingly see the EU as a foreign policy actor as well as an economic force—that they see that we have policies and pursue foreign policy ideas. CSDP is probably still fairly low-profile.

**Q24 Lord Jopling:** I should like to come back to NATO. You have had extreme involvement with NATO over the years, particularly its relationship with the EU. I quoted General Syrén earlier. He said:

“Contributions by the EU Member States to NATO-led operations in Afghanistan and Kosovo have outnumbered contributions to CSDP operations by a factor of 10 to one”. First, do you recognise that sort of ratio? Would you say that you could extend that to the whole activities of CSDP and NATO?

**Sir Peter Ricketts:** May I just stop you? Could you just repeat what the ratio was between?

**Lord Jopling:** Ten to one. “Contributions by the EU Member States to NATO-led operations in Afghanistan and Kosovo have outnumbered contributions to CSDP operations by a factor of 10 to one”. I asked whether, off the top of your head, that is accurate. Is it also true of the broader activities of both CSDP and NATO? That was the first part of my question. Coming to this other thorny problem of NATO-EU relations, which this Committee has been concerned about for a very long time, we are well aware of the intractability of the Turkish-Greek situation over Cyprus. However, I think it is broader than that; I do not know whether you agree. I have in the past come across situations where officials in Brussels, NATO and the EU are all doing exactly complementary things but never speak to each other. In the cases that I came across some years ago, they did not even know each other, which goes much deeper than the Turkish-Greek situation over Cyprus. Do you not think that a great deal more could be done so that the EU and NATO have closer

relationships, in spite of the Turkish reservations? You spoke a few moments ago about the NATO-EU Capability Group. I know that things have improved a bit. However, I cannot help feeling that it is used as an excuse, with a certain amount of amour propre between the two organisations. They purposely keep apart and use the Turkish situation as an excuse.

**Sir Peter Ricketts:** Thank you very much. On the first point, I think it is pretty meaningless to try to compare the scale of EU Member States' contributions to Afghanistan to their contributions to CSDP operations. All you are really measuring is the very different scale between the NATO operation in Afghanistan, which is enormous, and the very small CSDP operations that we have conducted through the EU. When an EU nation is contributing to the NATO mission in Afghanistan, it is doing so also as an EU Member State. Because it is a large operation, it is probably true that the contributions to the Afghanistan operation of NATO Member States that are also members of the EU is much greater than their contributions to the tiny CSDP missions that the EU runs. So I think it is true but, frankly, it is meaningless.

On the civilian side, I am sure that the contributions to EU civilian missions are much greater, for the simple reason that NATO does not really do civilian missions or policing—it tends only to deploy military forces.

**Lord Jopling:** But it has quite a strong capacity in terms of going to the assistance of a stricken nation that has been attacked by terrorism. NATO has a big involvement in that, and this Committee has been interested in that in the past.

**Sir Peter Ricketts:** It has technical, capacity-building training and things for armed forces—

**Lord Jopling:** No, I am sorry, on civilian emergency operations too. I have attended their exercises. I went to one in Armenia last year.

**Sir Peter Ricketts:** Right, and they deployed in Pakistan when there were floods. I do not think that they have deployed for real in a natural disaster scenario since then. All I am saying is that I suspect that the contribution of EU Member States to civilian missions is greater through the EU and is greater to military missions through NATO, but I honestly do not see that that thought ought to worry us too much.

You are right: there are frustrations in dealing with the NATO/EU relationship. I have had some of the most tedious times of my professional life sitting in meetings of the NATO Council and PSC and, for a whole range of complicated Greek/Turkish/Cyprus reasons, the only thing that can be discussed there is Bosnia. I think that that is still true; for eight years now, the only thing that can be discussed between the two sets of ambassadors sitting in Brussels is Bosnia. I can explain why if you have another half an hour. So that is very unsatisfactory.

**Lord Jopling:** And at Atalanta too?

**The Chairman:** That is an issue that we came across, that NATO and the EU cannot deal directly with each other over Atalanta. We had a number of issues around communication protocols.

**Sir Peter Ricketts:** I am afraid that that is probably true. As Lord Jopling indicated, at the staff level things are a bit better now. There is still a cultural divide between the two—the distance between the centre of Brussels and Evere still feels like several thousand miles sometimes—but at the staff level things are closer. I know that Cathy Ashton and Anders Rasmussen are making a real effort to work together at Secretary-General level. Where it works better is on the ground, with the EU and NATO working alongside each other. For

example, in Afghanistan or in Kosovo the relations on the ground between sensible professionals are good, but the institutional logjam is still there in Brussels. That is very frustrating. I do not see that that is going to be solved formally any time soon unless we can solve the issues between Greece, Turkey and Cyprus, but there are all sorts of informal ways around that which have worked up over the years.

**Q25 Lord Sewel:** There is a little bit of a line developing on this. You get formal statements saying that yes, there is a difficulty politically at a high level between the EU and NATO but on the ground things work reasonably well. We have heard that sort of claim made on a number of occasions. The only difficulty is that when you get on the ground and start talking to the people there, they say, “Well, no, it’s really awfully good”.

**Sir Peter Ricketts:** It would be much better if the people on the ground were supported by a fully co-ordinated set of staffs in Brussels, that is obviously right, but it depends on personalities on the ground. If the personalities are compatible, co-ordination can work well. If there are tensions, of course that can get difficult. Overall I share your frustration that years later, well beyond anyone remembering what Berlin Plus was and all that, we are still stuck on NATO/EU co-operation.

**Q26 Baroness Bonham-Carter of Yarnbury:** Returning to Libya—I think I can anticipate the answer—has the conflict there helped to clarify the division of labour between the EU and NATO? Is the UK’s view shared by our EU partners? What lessons should be learnt from Libya about Europe’s military capabilities?

**Sir Peter Ricketts:** I am not sure I would want to generalise too far from Libya. It was an exceptional set of circumstances that arose very quickly. It was extraordinary, looking back, that we had the Arab league NATO to intervene and Arab nations willing to fly on bombing raids over another Arab nation. Those circumstances are not likely to arise very often.

**Baroness Bonham-Carter of Yarnbury:** So your adaptability came into play.

**Sir Peter Ricketts:** It was a case of adaptability working, exactly. I think that we reached the right conclusion, which was that we should do it through NATO, recognising that the US, Canada and the Arab countries wanted to participate. Frankly, it would have been a nightmare to do it in any other way because it was a very complex mission. In terms of the division of labour, that is how it worked out in that particular case. It is probably true that we would always want to use NATO for those sorts of complex military missions, particularly where the US wants to be a part of them. It is disappointing that the EU has taken some time to define a role for itself in the post-conflict period. The UN is on the ground and very active, the IMF is there and individual nations like ourselves are very active there. As far as I know, we have an EU mission there, a small presence, but we do not yet have an EU security sector reform and stabilisation programme going. I would hope for a bit more impetus from the EU getting in after the conflict to help, but in a case like Libya where the EU comes in with its expertise after the conflict, that division of labour is probably the right way, yes.

**Q27 The Chairman:** Why do you think that has not happened? Before this we had the potential military mission to aid humanitarian work, if that needed doing. This Committee was fairly sceptical about that being able to happen, I must admit, and I hope that it did not happen because there was not the acute need that was expected. In terms of what Europe should have done, though, why has that not happened? Is it institutional or a lack of will, because the EAS is just sorting itself out rather than looking beyond Brussels?

**Sir Peter Ricketts:** To be honest, I do not know. It may be that people have seen that the terrain is pretty crowded already—the UN got in there very fast and the multilateral organisations are there. It is also the case that the Libyans do not want hordes of international advisers riding around in white 4x4s doing things for them; they want to do it themselves. It may well be that a decision has been taken that there is no place for the EU, but I am not wholly clear.

**Q28 Baroness Bonham-Carter of Yarnbury:** The third part of my question was slightly separate, although I think that you answered it earlier. It was about what Libya said about Europe's military capabilities. I think that you said it was not very positive.

**Sir Peter Ricketts:** I think it showed again the importance of flexibility and sustainability. Most European countries learnt that it is no good having fast jet fighters if you do not have the weapons for them to drop, so the importance of sustainable capacity to run military operations has been borne out again. These are not lessons for the EU particularly because these forces are available to NATO or to other missions as well, but we will all be doing "lessons learned" exercises after Libya. There are lessons, and they point back to the sort of truths that we were talking about earlier for European countries.

**Q29 Lord Selkirk of Douglas:** Would it be fair to say that NATO's overall capabilities in relation to Libya have been put to the test and NATO has come out of it extremely well? Would it be fair to say that America's commitment to NATO has been very strong, and as strong as ever?

**Sir Peter Ricketts:** Yes, both those things are true. It is important to say that the Libya operation would not have been possible without the enormous capacities that the United States put at our disposal through NATO. We provided the front end—the fast jet capability—but the vital ISTAR, which I talked about earlier, was largely provided by the Americans. Air tanker capacity was hugely important, and all sorts of other capabilities that in some cases Europe does not have at all came from the United States, so that country was fundamental. This was a useful test of Europe's capacity to take the lead and to use backup and support from the US, so I agree.

**Q30 Lord Sewel:** On European institutions and military capabilities—what should be the extent of the role of the European institutions, including the high representative, the EU military staff and the European Defence Agency, be? What role can they play in boosting military capabilities available to the EU? Should the EU have a separate military planning capacity? The other little one to come in with is: is it not about time that we recognised that EU battlegroups are a fiction?

**Sir Peter Ricketts:** There are different points there. Institutions do not translate into capabilities. Too often the EU gets fascinated by institutions and does not look beyond them to the capabilities—so I think that that is a problem. Of course it is right that the EU should have EU military staff and an EU military committee—and we have the EDA. None of that is going to generate greater capabilities for nations. The EDA can help by co-ordinating work going on in individual countries. It needs to prioritise even more. I saw the list of projects that the EDA is working on. They seemed to me far too many to be a priority list. Picking a few and concentrating really on things that are going to make a difference would be valuable. It needs to improve its links with NATO, as we have discussed. I think there are some links between the EDA and the Allied Command Transformation, which is doing in some ways a similar job on the NATO side, but it could be more effective. However, institutions are not

the answer to our problem about capabilities. That comes back, as we have said, to political will in EU Member States.

You allude to the operational HQ issue, so perhaps I may deal briefly with that. You do not need me to tell you what the position of the Government is. You have had that clearly from Ministers. We believe that an operational HQ would duplicate capacities that are available through NATO, the Shape operation or national operational headquarters. We do not think that we have euros to spare on a new institution in Brussels, and it would risk drawing planning effort away from NATO towards the EU. I would add just one other thing from my personal experience. Operational command of a modern military operation is a fantastically complicated and difficult business. These operations are multinational. There is a whole range of different nations. You have to factor in the whole intelligence and ISTAR dimension. All these happen under the glare of publicity, so you need information operations and a communications plan. You need to dovetail with economic, political and sanctions work at the same time. These are very complex operations and there is a lot to be said for using a military headquarters that already exists and is practised and experienced in running operations. For example, the Atalanta operation is run out of Northwood, which is a national HQ doing British national tasks, it is a NATO HQ running NATO operations, and it is doing this EU task as well. Therefore it is very experienced. Shape is the same. We would have a real fear that a group of military officers sitting in Brussels called the “operational HQ” would not be connected to live military experience of that kind and might be called on once every five years to run the operational command of an operation. Frankly, it would not have the expertise to do that. So I think there is both an institutional reason but also a very practical reason for being very cautious about that.

**Q31 The Chairman:** Before I bring in Lord Williams, other European nations who have an interest in that are not idiots. They understand some things to do with the military, do they not? So the arguments cannot all be one way, can they? There must be an argument.

**Sir Peter Ricketts:** No argument is ever 100%. For nations that do not have their own national operational headquarters the idea of having an EU one seems a good idea. But I am just speaking from the experience of having been close to the running of operations in recent years and I am very struck by their complexity. Of course, even Member States that do not have a national operational headquarters of their own have access to SHAPE. They probably have offices in SHAPE; even the non-NATO members of the EU such as Sweden will have liaison officers there. So there is a multinational headquarters that everybody can feel a part of, and we for our part think that it would be a mistake to try to duplicate that in Brussels in an operation that would not be experienced in running operations. I am sure that the Committee knows that the EU already has the capacity to do strategic planning—in other words, to plan the concept of an operation. There are the staff to do that. The actual command of live operations is, we believe, best done at existing headquarters.

**Q32 Lord Jay of Ewelme:** Is there an argument that there will need to be such a capability over time and that if one keeps saying, “No, no, no,” it will never develop?

**Sir Peter Ricketts:** If EU nations generate military capabilities to the level that we are doing enough military operations through the EU to make it worthwhile, I am sure we would reconsider. But I would put it that way round. Let us see whether we are on the brink of a surge of EU military actions, with nations contributing military forces. If so, maybe the question can be revisited.

**Lord Jay of Ewelme:** Have we made that point to them? Have we said, “You produce the capability, then there is going to be an argument for having the operational centre”?

**Sir Peter Ricketts:** No, I do not think we have. We tend to say that for the moment we do not see that the group of officers sitting in Brussels is going to have that sort of experience. We do not see a way immediately of dealing with this duplicatory issue.

**The Chairman:** Although I always remember that in America, they built the railroads, and that created the demand.

**Q33 Lord Williams of Elvel:** You rightly pointed out that to increase the European military capability would require political will on behalf of the Member States. The UK and France have signed a particularly ambitious treaty. Do you see that as a model for relations with other Member States, and how do you get over the problem of Germany? If you are going to build up a military capability in Europe, you have to have the Germans fully onside and participating in the same sort of agreement.

**Sir Peter Ricketts:** Yes, I see the UK-French treaties—we signed two—as a model, in some ways. It is worth bearing in mind that one of the two treaties that we signed, to share some sensitive military nuclear capabilities to last for 50 years, is a pledge of mutual co-operation of a pretty major kind. This is pooling and sharing at a very high level, whereby we are effectively making it clear that we are going to share the maintaining of our nuclear capabilities, not just do on our own. So that is a pledge of real co-operation over a 50-year period. The other treaty of defence co-operation is a model, because it sets out shared ambitions and undertakings to work together operationally between the armed forces, as well as equipment areas where we are going to work together. It is important that we do not develop UK-French co-operation in an exclusive way that leaves other EU nations feeling that they cannot take part as well. If the Germans, Italians, Spaniards or others wanted to co-operate with us in some of the areas that we have marked out with the French, we would welcome that.

**Lord Williams of Elvel:** But the Germans seem to be rather offended by the UK-France arrangement.

**Sir Peter Ricketts:** Not that they have expressed to me.

**Lord Williams of Elvel:** So I read in the press.

**Sir Peter Ricketts:** Not at the governmental level that I have heard. We have made it clear to them that either on the operational side or in the equipment areas, if they want to come in with us, obviously we will want to do that.

**Q34 The Chairman:** I think some questioning eyebrows have gone up around the German thing, from what we have heard from colleagues elsewhere. But that is an interesting comment from the governmental level. Sir Peter, perhaps I could round off the session by saying that we sometimes forget how young the security and defence policy is in Europe. St Malo was 13 years ago. In terms of a report card on those first 13 years, do you feel on the military side of missions that the EU has made a difference? Has it been worth the policy so far and has it built any foundations for something that will be practically useful in future, or has it just been a massive diversion from making NATO effective for European defence?

**Sir Peter Ricketts:** I would not say that it has been a massive diversion, no. Where it has been most effective is in the sort of areas that I have described—the civilian military security

sector contributions, where the EU is particularly well placed to make a contribution and where I think the US and others have been very pleased to see Europe step up to the requirement. That is particularly where I would put it. As for the military capacity pure and simple, it has been a disappointment, but it has been of some use in developing co-operative working between EU Member States, in battle groups, for example, or work on transport, heavy lift, countering IEDs and those sorts of things. There are areas where joint work in an EU setting has helped to develop EU military thinking and doctrine and, to an extent perhaps, military capability, particularly among some of the smaller allies. But when you look back to the original ambitions, they have not been lived up to at all on the military side.

**The Chairman:** Sir Peter, thank you very much indeed for giving us this introduction to our subject, which we have enjoyed getting fully involved in. That ends the public session for this Committee.

Thales UK – Oral Evidence (QQ 314-344)

**Thales UK – Oral Evidence (QQ 314-344)**

[Transcript to be found under BAE Systems](#)



UK Aerospace, Defence, Security and Space Industries (ADS) – Oral Evidence (QQ 314-344)

**UK Aerospace, Defence, Security and Space Industries (ADS) – Oral Evidence (QQ 314-344)**

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## **Memorandum by Nick Witney, European Council on Foreign Relations**

This, it might seem, is surely the moment for Europe's Common Security and Defence Policy. As the US 'pivots' towards the Pacific, so Europeans will have to do more to fend for themselves. As austerity bites, so the logic of European defence cooperation will be reinforced. And as the institutions of the Lisbon Treaty bed in, so the European Union will be better equipped to drive the policy forward.

The actuality is different. The EU was missing in action in Libya. The flow of crisis-management operations has dried up (only one new one since 2008), and support for continuing commitments (Bosnia, Atalanta) is falling away. 'Pooling and sharing' is much discussed, whilst in practice each government cuts defence without either consultation or regard for the effect on collective capability. Partners despair of the UK's reluctance to lead; and across Europe scepticism about the very utility of armed force contributes to what the last US Defense Secretary identified as a culture of 'demilitarisation'<sup>6</sup>.

At the start of 2012, the European defence 'project' is in real danger of collapse.

### *Europe's Incapacity*

To a man with a hammer, Mark Twain is reputed to have said, everything looks like a nail. Perhaps the reverse is also true, and Europe's collective failure to support the CSDP stems from an awareness of incapacity, of lack of the requisite military means?

Certainly, the record of the Member States (MS) in meeting the capability targets they have collectively agreed has been consistently dismal. Since its inception, CSDP has aimed to cover a wide spectrum of operations -- including some of the most demanding. The original 'Petersberg tasks' included peace-making -- interpreted as the separation of warring factions by force. The Helsinki Headline Goal (HHG), set at the end of 1999, accordingly aimed for a ground intervention force of 60,000 -- reflecting NATO's contingency planning earlier that year for intervention in Kosovo. The redefinition of CSDP missions in the Lisbon Treaty did not materially change the range of operations envisaged.

The HHG was never achieved; of the 64 capability gaps originally identified, 52 remained unaddressed when reporting was abandoned in 2006, and attention switched to the new Headline Goal 2010, which avoided hard numbers. Parallel Civilian Headline Goals have equally turned out to be exercises in cataloguing deficiencies rather than stimulating corrective action.

Yet the problem is not lack of resources. Even in 2010, with budget cuts well underway across Europe, the MS still spent 194bn euros<sup>7</sup> between them on defence -- or around one-third of global defence expenditure outside the US. Manpower, too, remains in generous supply: Europeans between them still retain over 1.6m military personnel (far in excess of either Russia or the US). It seems clear that if MS fail to achieve the modest goals for

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<sup>6</sup> US Secretary of Defense Robert M. Gates, "NATO Strategic Concept Seminar (Future of NATO)", Speech at National Defense University, Washington D.C., 23 February 2010, available at <http://www.defense.gov/speeches/speech.aspx?speechid=1423>.

<sup>7</sup> See "Defence Data 2010" produced by the European Defence Agency, available at <http://www.eda.europa.eu/DefenceData>

collective action they have set themselves, this must be because they would rather talk about defence cooperation than do it; because they are determined to spend their national defence budgets in accordance with national priorities rather than in the collective interest; and that those national priorities very often have less to do with defence than with, say, employment or industrial policy.

The results of this failure to back the common policy with common action have been documented over the years. Vast sums are wasted on non-deployable forces (almost three-quarters of the whole in 2009), and on thousands of combat aircraft and tanks which have little or no role in today's operations. Facilities and processes are duplicated across the continent – an estimated 20% of the cost of the NH90 helicopter was consumed by serial national recertification of this collaborative aircraft's airworthiness. The 1.6 million military personnel consume on average more than half of defence spending, squeezing out equipment investment; the US spends some four and a half times more on research and equipment per soldier than do Europeans. In 2007, the EU defence ministers set themselves the target of spending a minimum 2% of their budgets on R&T; by 2010 the proportion had halved, to less than 1%.

The effects of this mismanagement and waste were on display in the Libya campaign. As Robert Gates remarked, the widespread European absenteeism was not just a matter of political disagreement: "Frankly, many of those allies sitting on the sidelines do so not because they do not want to participate, but simply because they can't. The military capabilities simply aren't there."<sup>8</sup> The fewer-than-one-third of European allies who participated in the strike mission did a remarkable job, attacking Gaddafi's forces with unprecedented precision – but had to turn to the US when their inadequate stocks of smart munitions ran out. And for all the key enablers of the air campaign – the ISTAR, air-tanking and electronic warfare assets which Europeans ought rationally to procure on a collective rather than national basis – the reliance on the US was overwhelming.

#### *Cognitive Dissonance*

So, in defiance both of logic and their own reiterated declarations of intent, Europeans persist in wasting their defence budgets on the wrong capabilities, and on piecemeal, duplicative and under-resourced national programmes. Irrational behaviour on this scale requires explanation.

At least part of the answer must lie in the sheer intractability of defence reform. Defence establishments are by nature conservative and risk-averse. All manner of vested interest cements existing practices and systems in place. Much defence expenditure is committed far into the future, making a change of direction as difficult as for a super-tanker. And the business is highly complex, involving a wide range of technical, financial, industrial and operational considerations – too often, elected politicians lack the energy or confidence to do other than leave the decisions to 'the experts'. Time and again, ministers content themselves with identifying a problem or a preferred course of action, and then 'commissioning further work by the staff'. From the European Capabilities Action Plan that was supposed to deliver the Helsinki Headline Goal, to 2010's Ghent Initiative that was

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<sup>8</sup> US Secretary of Defence Robert M. Gates, "The Security and Defense Agenda (Future of NATO)", Speech in Brussels, 10 June 2011, available at <http://www.defense.gov/speeches/speech.aspx?speechid=1581>.

meant to initiate a step-change in ‘pooling and sharing’, such ‘bottom-up’ approaches have followed a now-familiar pattern of mountainous labour producing a mouse.

And, very often, defence ministers are in their heart of hearts undismayed to be told that doing things differently is not, after, all, practicable or advisable – or needs to be approached ‘step by step’. What may be absurdly wasteful in defence terms may nonetheless preserve jobs in marginal constituencies, or work well for regional policy. And behind most of the argumentation about ‘security of supply’ or ‘preservation of strategic capabilities’ lies simple protectionism. Ironically, the tighter the money gets, the greater the determination to ensure that one’s own national industry remains the ‘last man standing’. The sort of defence industrial restructuring that saw the creation of EADS and MBDA in the 1990s seems less, not more, possible today, as European countries look to support their respective national champions, each seeking to defy the arithmetic of diminishing home markets by stepping up export efforts. For most Europeans, defence – the maintenance and periodic deployment of high quality armed forces – is no longer seen as particularly important, or even as the determinant aim of defence expenditure.

Of course, it is not all ‘sauve qui peut’. The European Defence Agency<sup>9</sup> continues to demonstrate what can be achieved through cooperation, whether through collective efforts to open the European defence equipment market<sup>10</sup>, or by the pooled acquisition of satellite communications, or by joint training of helicopter crews.<sup>11</sup> With the Ghent initiative running into the sand, it is only thanks to the EDA’s efforts to identify new collaborative possibilities that European defence ministers have any sort of cooperative agenda to point to for 2012. But the Agency’s resources, with only a few tens of officials available to challenge and cajole its reluctant shareholders, are in no way equal to the enormity of what needs to be done.

#### *UK Policy*

In short, European defence efforts are ham-strung by a lack commitment, and of leadership – a role which the UK has progressively declined to supply. It would be a mistake to associate this reluctance solely with the advent of the current coalition government, with its more explicitly Eurosceptical stance. In reality, after the initial flush of enthusiasm following the St Malo agreement – an enthusiasm still evident in the first years of the new century, when the UK worked with France on such initiatives as the battlegroups and setting up the EDA – the UK’s commitment to European defence efforts has steadily diminished. Involvement in two debilitating (US-led) wars in Iraq and Afghanistan no doubt played a part; it certainly furnished the excuse for the UK’s almost complete absence from EU operations. But, in truth, right up to the new bilateral Treaties with France, UK representatives made it repeatedly clear in Brussels that European defence cooperation (standfast a handful of major procurements) was fine for the small fry, but not something that a major league, full spectrum power could be expected to bother with.

The British conviction that their continental partners were not serious about defence was often, of course, no more than the truth. But it led them almost wilfully to pour away a great

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<sup>9</sup> Disclosure: the author was the EDA’s first Chief Executive.

<sup>10</sup> Over 25bn euros-worth of defence business has now been advertised on the Agency’s website, with nearly one-third of the contracts awarded after competition going to non-national suppliers.

<sup>11</sup> See the Head of the Agency’s annual report to the Council, of 30 November 2011: available at [http://www.eda.europa.eu/documents/11-12-07/Report\\_by\\_the\\_Head\\_of\\_the\\_Agency\\_to\\_the\\_Council\\_-\\_November\\_2011](http://www.eda.europa.eu/documents/11-12-07/Report_by_the_Head_of_the_Agency_to_the_Council_-_November_2011)

reservoir of goodwill following St Malo, much of it accumulated by their efforts to help the ex-Soviet bloc nations prepare themselves for NATO membership. Ten years ago, the Poles saw the British as their best friends in Europe. Today, disappointed and frustrated, they are reduced to appealing to the British to keep out of the way.<sup>12</sup> Along with friends, the British have also lost their reputation for pragmatism, as UK defence ministers (including under the previous government) have self-righteously stood alone in blocking moves to increase the EDA's budget, or set up an EU operational headquarters.

Such behaviour has been perverse -- and not just because a modicum of flexibility, and a minimum readiness to join in, would have reaped disproportionate benefits in terms of helping other Europeans to improve their defence capabilities and policies, to the benefit of NATO as much as of the EU. More broadly the UK seems to have lost sight of the elementary truth that if in an association like the EU you decide to stand apart from certain key joint endeavours (such as the euro), and yet will want the help of others on certain other issues of national concern (such as budget rebates), then it will help you rally support if you have shown a readiness to participate in other projects where it costs you little to play a leading role (such as defence). And the fact that Washington has in recent years moved from a stance of suspicion to one of support for European defence makes it all the odder that the UK, now more royalist than the king, should so determinedly diminish its relevance in American eyes.

#### *Where Next?*

It is unfortunately not to be expected that UK policy will change any time soon. Which leaves the CSDP rudderless, and shipping water. Of course, European leaders have other preoccupations: the travails of the euro have eclipsed all other concerns over the last two years. But, to the extent that there is any bandwidth available to think about defence (in other, that is, than in terms of national economic interests), the dominant mood in Europe is one of indecision and uncertainty.

What, for example, are others to make of the Franco-British treaties? Might some of the designated areas of bilateral cooperation be opened, in due course, to third parties? Little encouragement has been offered on that score: and the British emphasis on the virtues of bilateral cooperation has been complemented by propagation of the urban myth that 'European' cooperation inevitably means more participants than can be effectively managed. So rightly or wrongly many Europeans have concluded that, for at least some on the British side, a key attraction of the new cross-Channel relationship is its potential to hobble wider European cooperation, by subtracting France.

It is too soon to say how this will play out, given all the uncertainties over the euro, the upcoming French election, and the less-than-scintillating progress of the Franco-British agenda over its first year. But the recent armaments cooperation agreements between German and Italian governments and industries<sup>13</sup> suggest at least some interest elsewhere in Europe in balancing Anglo-French dominance; and France itself, through its association with Germany and Poland under the Weimar Triangle arrangements, is seemingly keen not to put all or even most of its eggs in the British basket.

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<sup>12</sup> "If you can't join, please allow us to forge ahead. And please start explaining to your people that European decisions are not Brussels's diktats but results of agreements in which you freely participate."

Polish Foreign Minister Radoslaw Sikorski speaking in Berlin on 28 November 2011.

<sup>13</sup> Defense News, 19 December 2011, page 1.

Indeed, the Weimar Three (perhaps increasingly joined by Italy and Spain, as over the EU operational headquarters issue) look, in early 2012, like the last best hope for the sort of political impulse that CSDP so badly needs. Elsewhere<sup>14</sup>, I have argued that the current disarray across Europe both on defence policy (what are European armed forces actually for?) and on defence planning (how do we best protect capability as we cut spending?) calls for a European Defence Review – sponsored by the Weimar Three, conducted by a blue-ribbon commission, and mandated both to propose a reformulated European defence policy and to challenge European heads of government with a number of bold proposals for decisive steps towards further defence integration.

As noted above, the traditional ‘bottom-up’ approach to generating cooperative endeavours has delivered too little, too late. The scale of today’s crisis – for public finances across Europe, but also for Europe’s power and influence in the world – requires not further rounds of staff-work but big, strategic decisions, taken at the highest levels of government.

Thus I would hope that a European Defence Review would, as one example, develop the case for the collective restructuring of all European airforces, in enough detail to embolden heads of government to commission the short-order production of a detailed blue-print. A fully integrated ‘EuroAir Force’ would not be required: national forces could be retained as separate, or at least separable, entities. But if missions were conceived in common (and the common air-policing of European skies makes obvious sense) and support and training integrated, then duplication and redundancies could be eliminated and responsibilities for making good deficiencies could be distributed. The product would be a collective capability both more effective than was on display in Libya and achieved at lower overall cost.

Without this sort of boldness, CSDP looks likely to collapse – perhaps more in the manner of a soufflé than a brick chimney, but nonetheless to collapse. At the same time, the individual states of Europe can expect to suffer a remorseless loss of operational and industrial capability, as demilitarisation spreads and Europeans increasingly reconcile themselves to the idea of becoming Switzerland writ large. Such a progression might not, given the current low level of military threat to Europe, entail any very direct or immediate danger. But, at the very least, it would diminish European ability to shape tomorrow’s world, leaving the field to newer and more determined powers with different interests and different values. This way lies the erosion of the security and prosperity that defence is ultimately meant to protect.

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<sup>14</sup> ECFR Brief, *How to Stop the Demilitarisation of Europe*, available at [http://www.ecfr.eu/content/entry/how\\_to\\_stop\\_the\\_demilitarisation\\_of\\_europe](http://www.ecfr.eu/content/entry/how_to_stop_the_demilitarisation_of_europe)