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# In Europe We Trust

## Opportunities and Challenges for EU Defence Cooperation

Through discussions with navies, experts and major industry players, Naval Forces explores some of the challenges and opportunities to achieve a true European defence cooperation.

Trust. Now there is a word that has been hard to come by in conversations about Europe's security in the past few months, perhaps even years. The latest news headlines have seen: the resurgence of far-right movements and, even more worryingly, parties in a number of European member states; a US President whose unpredictable behaviour has pushed many allies to question their ability to rely on (and trust) Uncle Sam for their protection; international institutions such as NATO and the European Union (EU) being severely scrutinised and questioned for their political and/or economic viability; poisoning cases involving Russian spies and nerve agents that are further straining relations between Russia and the West. As the list goes on, trust, it is fair to say, is not exactly *ordre du jour*.

Yet, it is in the midst of all this chaos that a glimmer of hope has been emerging and, largely, gone unnoticed. "Over the last one and a half year there has been a lot of progress in European defence cooperation at the EU level," Margriet Drent, Senior Research Fellow at the Security Unit of Clingendael's Research department, told NAVAL FORCES. "It has a lot to do with the dire international security circumstances of the EU, with the renewed cooperation between Germany and France caused by the shock of Brexit, and with the EU feeling that it is not able to rely on the US anymore."

The EU Global Strategy displays a remarkable level of ambition.

### Quick Recap

One merely need taking a cursory glance at the timeline for the development of EU cooperation on security and defence to understand how current events have significantly contributed to speeding up the process.

Kick-started in 1991 with the creation of a Common Foreign and Security Policy (CFSP), together with the beginnings of a common defence policy, the evolution of the project of defence cooperation between Member States (MS) was initially characterised by regular periods of gestation of two to five years. However, while between 1991 and 2009 all the initiatives aimed at providing a basis for a discussion on European defence policy and

capability building, it is only in 2013 that the first set of priority actions was elaborated; these mostly revolved around the idea of strengthening what had already been established. Then nothing for three years.

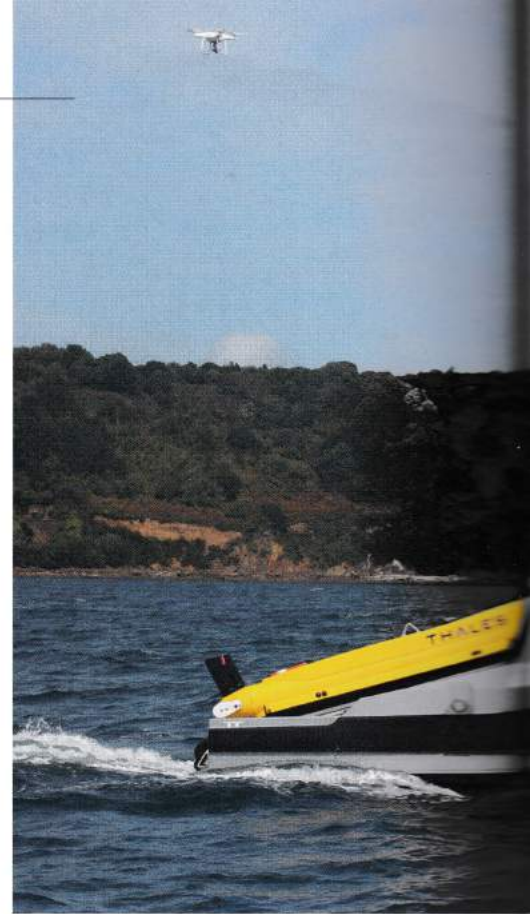
... Until 2016, when the pace of decision-making suddenly kicked into fifth gear.

In 2016, the European Union global strategy, presented by High Representative for Foreign Affairs and Security Policy Federica Mogherini, highlights common grounds between MS and presents a way forward. "The strategy displays a remarkable level of ambition for the EU and highlights the importance of a stronger defence for Europe as well as strategic autonomy," noted Ms Drent. The same year a succession of high level meetings took place to establish plans of action to strengthen Europe's security and defence and, building on this momentum, 2017 saw not only the reinforcement of EU-NATO cooperation, but also the establishment of a Permanent Structured Cooperation (PESCO) in December.

PESCO is perhaps one of the most important political EU-level statements on the road to a European defence cooperation; moving beyond policies and roadmaps, it represents the first significant step toward the development of a European defence industrial base. Within its framework, participating MS (all EU states except Denmark, Malta and the UK) agreed on an initial list of 17 projects covering areas such as training, capability development and operational readiness. Since then, a series of incremental steps have been taken to strengthen the mechanism, including a roadmap adopted in March 2018 and the establishment of the European Defence Industrial Development Programme (EDIDP) in May 2018.

Common strategic culture contributes to successful cooperation.

If the increasing instability of the security situation has shocked the EU into more concrete actions, then the road ahead remains difficult. "The 17 projects that are planned to be developed under the PESCO framework are not ambitious enough," according to Ms Drent, "and significant question marks still



linger because cooperation in defence resides within the sovereignty of the MS, and it is always difficult to boost defence spending when politicians are struggling with so many other priorities." So what can be done, and at what level, to ensure that the positive developments of the past two years pave the way for a stronger European defence?

### Common Strategic Culture

Ms Drent notes that one crucial aspect to ensure that EU defence cooperation can be successful is a common strategic culture, that is: "a common outlook on what threatens us, how to deal with that, and a clear notion of what the use of force means for various countries." This is brought about in large part by geographic proximity, but that alone is insufficient and can be easily hampered by cultural and historical factors. As a number of defence cooperation programmes attest, whether initiated by navies or industries, making sure that all these aspects are reunited is a difficult endeavour.

Military cooperation between France and Germany goes as far back as 22 January 1963, when the two countries signed the Elysée Treaty, a cooperation treaty aimed at achieving reconciliation between France and the Federal Republic of Germany. As noted by *France Diplomatie*: "the Elysée Treaty set the goal of increased cooperation between Germany and France in the areas of international relations, defence and education." Although over 60 years old, the Treaty continues to constitute



Thales' T-SAM is part of the MMCM system they are developing with partners in France and the UK. (Photo: Thales)



a framework for Franco-German cooperation today.

Currently, France and Germany are discussing cooperation on three main industrial defence projects: Future Combat Air Systems (FCAS), a European Medium-Altitude Long-Endurance (MALE) Unmanned Aerial Vehicle (UAV) and future maritime airborne warfare systems. But as the programmes move along, a number of differences between the two countries' strategic cultures have come to hamper their development. Chiefly amongst those is the fact that, mostly as a result of its history, Germany maintains a defence posture focused on limiting the use of force. This has proved to be an issue for the MALE programme, where France has been advocating for the armament of the UAV while Germany would rather limit its uses to Intelligence, Surveillance and Reconnaissance (ISR) only. Similarly, while France has one of the strongest European blue-water navies, a fact dictated by its large Exclusive Economic Zone (11.7million square km), Germany has only just recently, with its 2016 Defence White Paper, put maritime security back at the centre of its defence priorities. This has resulted in most cooperation programmes between the two nations being essentially focused on land and air defence.

When it comes to maritime security, France and the UK share much more of a common strategic culture. While the two countries have a long history of loving to hate each other, their governments have been cooperating on defence matters for quite some time. This is enshrined in the Lancaster House Treaties signed between the two countries in November

2010: one treaty aimed at creating a joint expeditionary task force of approximately 5,000 UK and French troops from all three services that would train and exercise together from 2011; the other focused on cooperation for an integrated strike force ensuring aircraft can operate off both 'Queen Elizabeth' and 'Charles de Gaulle' air craft carriers. Since then, the number of industrial cooperation programmes between the two countries has increased. "France and the UK share the same vision of their navies' importance for their security," Stefano Bertuzzi, Manager Naval Business Unit at MBDA, told NAVAL FORCES. "Both countries are pragmatic and have understood that it is in their interest to cooperate; this cooperation goes well beyond industry, it is political."

Perhaps one of the most successful examples of integrated defence cooperation in Europe is the relationship between the Belgian Navy (BN) and the Royal Netherlands Navy (RNLN). Officially initiated in 1948 through the establishment of an integrated command as well as common training and maintenance facilities for frigates and mine hunters (*Belgisch-Nederlandse Samenwerkingsakkoorden - BeNeSam*), the cooperation between the two countries is, according to a RNLN spokesperson speaking to NAVAL FORCES, "based upon shared values and proximity."

Cooperation between the two countries is not always easy, primarily due to Belgium's bilingualism (French and Dutch) and the par-

ticular affinities between Belgium/France and Belgium/Netherlands ensuing from it. But, as noted by the RNLN spokesperson, "despite practical issues, such as cultural differences, interpretation of language, etc, the durable relationship of trust that has developed between the two countries facilitates problem-solving." The next natural step of this evolution is now trickling down at procurement level, with the two countries having opted for a joint procurement of six new Mine Counter Measure (MCM) vessels and two new Multipurpose frigates (M-Frigates) each. Under the programme, Belgium is responsible for the acquisition of the MCM vessels while the Netherlands is in charge of the M-Frigates. "The key benefit of this cooperation is that there will be synergy between the two navies," continued the RNLN spokesperson; that is, training and maintenance costs will be shared between the two countries over the long term, meaning "a reduction of the support organisation without losing the benefits of the support."

### Encouraging Specialisation

"There are a number of lessons to be drawn from the Belgian and Dutch naval cooperation," Ms Drent told NAVAL FORCES, "amongst those is the fact that integration really takes place in the non-sensitive areas of training, repairs, technical issues, etc. It is a very interesting lesson because despite involving a lot of money it is very efficient and yet manages to successfully deal with sensitive sovereignty issues." For a successful European defence industry base to develop, the careful

balance between financial constraints and sovereignty issues needs to be carefully assessed.

"A double paradox characterises European defence cooperation today," Alexis Morel, Vice President and

General Manager of Underwater Systems at Thales, told NAVAL FORCES: "on one side, there is a growing awareness of the increasing threats to European security; however, simultaneously, the political context is hindering the development of closer defence cooperation programmes, as national governments remain averse to the specialisation of industrial bases as well as Research & Development (R&D)." This is mostly the result of a widespread political fear of losing jobs. The naval domain perfectly exemplifies this paradox, according to Mr Morel, while there has been an increase in the number of frigate programmes being launched in the past decade, only a few have been developed in cooperation.

Yet, it is only through the progressive consolidation of industrial bases that European defence cooperation could really develop, and for this to happen there needs to be a specialisation, or rationalisation, of the European defence industry premised on identification

Careful balancing of financial constraints and sovereignty are at the core of an EU defence industry base.



of centres of excellence in partner countries. This lies at the heart of MBDA's strategy 'One MBDA', which aimed at developing three types of centres of excellence between France and the UK. 'Specialised' centres consolidate skills and experience relating to certain chosen technologies largely in one country, leaving only a residual capability on the territory of the other to deal with legacy weapons and nationally sensitive activities. 'Federated' centres, combine technological expertise and skills located in both countries to secure increased efficiencies through more effective use of the company's resources and through easier sharing of information across the relevant French and UK teams. 'National' centres, where each country rationalises national and industrial resources adopting common methods and processes.

Similarly, according to Mr Morel, Thales' strength lies in its ability to offer European countries the opportunity to combine cooperation and sovereignty into one project. "Together with the customer we can define what, in their programme, can be developed in cooperation and what, on the other hand, pertains to the sovereignty of the country it is being developed for." The former facilitates the identification of strengths between both countries to focus resources on those, while the latter calls upon national Thales teams to work with that customer on the sovereign aspects of the programme. "This allows Thales to remain at the heart of fundamental European security interests: facilitating the development of technologically ambitious programmes through cost and risk sharing between countries, whilst at the same time developing system elements that respond to the unique security needs of each country," Mr Morel highlights.

### Thinking Long Term

If companies like MBDA and Thales, amongst others, have succeeded in establishing successful cooperation with countries such as the UK and, in the case of MBDA, Italy, the limited number of such industrial cooperation programmes established in the past few years suggests there is yet more to it than common strategic culture, burden sharing and specialisation.

As noted by Mr Bertuzzi, ultimately "all the decisions made on important procurement programmes, such as frigates or submarines, are political." They are generally dictated by government-to-government agreements. Notwithstanding, "we live through political cycles that are generally short, where launching structured cooperation is easily hindered by political events," adds Mr Morel. Legislative elections or government instability no longer affect national politics alone; as the recent souring of relations between Italy and France attests, frictions resulting from changes in political leadership can easily spill over into defence cooperation matters.

"Any kind of industrial cooperation needs to have a clear objective," said Mr Bertuzzi, "and for the majority of companies, it's about doing business; cooperation for the sake of cooperation is doomed from the start." In this sense, it is not enough for European leaders to promote cooperation arguing that this will decrease EU dependence on third country platforms and systems; the stakes are economic. And for companies to profit from the significant long-term investments necessary for European cooperation programmes, they need to be

**Cooperation for the sake of cooperation is doomed from the start.**

able to export outside the EU, which remains a relatively small market. For this to happen, they need to specialise and mutualise their industrial bases. "And think long term," adds Mr Morel.

Thales' Maritime Mine Countermeasure (MMCM) programme, developed between France and the UK, has been developed with this long-term objective in mind. Initiated in 2012, the MMCM programme aims to develop two prototypes (one for France and one for the UK) of autonomous systems for detection and neutralisation of sea mines and underwater improvised explosive devices. With Thales as the prime, the division of

labour for the development of this ambitious programme has been organised around each country's identified strengths. As such, the UK is developing the unmanned surface vehicle (USV), involving ASV, Wood & Douglas and Saab, while France's ECA Group is developing the unmanned underwater vehicle. Moreover, the command and control system is developed across both countries by an integrated team, the sonar is developed in the UK, the towed body (T-SAM) is developed in France, and the acoustic antennas are developed in the UK but integrated in France. "It is an intelligent mutualisation based on competitiveness in each country," specified Mr Morel.

On the basis of the lessons learnt from this programme, as well as the skills and competitiveness developed across the UK and France, Thales will be contributing to the Belgian/Dutch MCM system. "Belgium is a European leader in MCM and, beyond cooperation with the Netherlands, it wishes to reinforce this position through the new MCM programme,"



Thales works closely with partners in France and the UK to develop the MMCM system. This includes ASV, which is developing the USV (pictured). (Photo: ASV)



Mr Morel told NAVAL FORCES. “Thales can assist in this endeavour by bringing together all the European key players in the field and making sure Belgium can develop a system it will then be able to export.”

But as MBDA experts explained to NAVAL FORCES, politics do not just regiment co-operation. For advanced European defence technologies to be successfully exported in third countries, European partners seeking to establish cooperation programmes need to be clear on their objectives and flexible in their relations. If one of the cooperating partners wishes to export to a specific third country, but another partner opposes the decision, once more the programme faces significant hurdles.

### In Europe We Trust

Effectively, the key word for the development of successful European defence cooperation is ‘long term’. Programmes can only be successful, both in terms of innovation and export potential, if cooperating partners trust each other. And trust takes time. As noted by the RNLN spokesperson, “wider EU defence cooperation cannot be enforced from the top; rather, EU institutions need to create a framework that enables cooperation between countries, but the tempo and intensity has to be guided from the intended parties.” Ultimately, the

EU institutions need to create a framework that enables cooperation between countries.

momentum will come from the bottom-up, building on long-term relationships between trusted partners; what the top can do is build on this momentum and accompany it to facilitate

expansion of these relations. This has already been initiated through OCCAR (Organisation for Joint Armament Cooperation), which mission is the through life management of cooperative defence equipment programmes.

For Mr Morel, the European Defence Fund (EDF) set-up in June 2017, which will invest €5.5million (\$6.5million) per year to boost Europe’s defence capabilities, is another important step in the right direction. “The advantage of the EDF is that it is a long-term investment, which will facilitate development.” The Belgian/Dutch MCM programme will be the first test, in the naval domain, of the ability of the EDF to promote larger European cooperation. In the context of the programme, industry will have to support the European initiative by “encouraging specialisation so as to build an industrial basis and ensure that, later down the line, there will be just one European solution that can be adapted to each country’s sovereign requirements,” concluded Mr Morel. In this sense, industry will largely contribute to circumventing issues of sovereignty raised by Ms Drent.

Of course, for many, one daunting question looming at the horizon is the matter of Brexit: will it come to hamper all the developments that have been taking place at European political and industrial level? For companies like MBDA, while there is a certain level of uncertainty (for instance in relation to potential trade barriers), the strong political commitment that has characterised industrial relations for defence cooperation indicates that, for the moment at least, there are no reasons to worry. This was echoed by Mr Morel, who noted that politicians have repeatedly stated their commitment to cooperation between the two countries. Of course, one may question the trustworthiness of a politician’s word, but as noted earlier politicians come and go, while navies and industries can continue to capitalise on years of cooperation. The development of the FREMM (*Frégates Multi-Missions*) frigates between France and Italy is a good testament of the strength of industrial relations over potential political differences or national political turmoil. The FREMM is recognised as a very efficient anti-submarine warfare ship (amongst other assets), which will be serving in the French and Italian navies, but has also been offered by Naval Group and Fincantieri to different countries around the world. “That means that a fundamental level of trust in each other is already present,” as suggested by the RNLN spokesperson when talking about Belgium and the Netherlands; Europe needs to build on that.

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The FREMM is a successful example of French-Italian cooperation on an important European programme. (Photo: Fabius1975)

