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Thursday 19th September 2013

1. [Your excellencies] Ladies and Gentlemen,
2. It's very good to be here. A bit like old times. I was shocked this morning to be reminded of an article I wrote 30 years ago on just this subject.
3. I have been a think tanker, an academic and now a Government Spokesperson for the Foreign and Commonwealth Office. I have worked on these issues since the 1960s. But I am here today, to give you the Coalition perspective, which is roughly a cross-government view too. On this I think there is broad agreement among officials, analysts and politicians.

4. I will outline the Government's assessment of our Common Security and Defence Policy and set out our objectives for the December European Council.

5. However first I want to say I was very sorry to hear this morning of the death of a EULEX secondee in a security incident in Kosovo, near Mitrovica. I think we all offer our condolences and condemn such attacks. Kosovo has come a long way but there are clearly those who do not wish to see order restored. This reminds us that CSDP is at the hard end of European integration. Governments commit civilians and soldiers to operations where they risk being killed - and for which their governments may be held accountable.

Shifting UK perspectives on CSDP

6. The UK has been, and will continue to be a leading player in European Defence. Actively and constructively helping Europe to tackle security threats wherever they arise.

7. The last British Government worked very hard from the 1998 St Malo Agreement through to the negotiation of the Helsinki goals and the multiple working parties on capability building that followed, to promote the effective and shared European defence capabilities. The limited achievements from that extensive exercise led to some scepticism in London about rhetorical commitments to common defence that were unaccompanied by

the budgets needed or the procurement of the equipment pledged. That explains why even the more enthusiastic British proponents of closer European cooperation are sceptical about further proposals for grand institutional construction. We prefer to encourage closer defence cooperation with a step by step approach, building on each limited initiative that proves to be successful.

8. Like other governments, our approach is partly driven by political, economic and practical necessity but, today, there is, in London, a genuine desire and commitment to making CSDP as effective as possible in supporting international security and protecting Britain's and Europe's borders from potential threats. We are now increasingly aware of the helpful role the EU can play in bringing to bear the common will of 28 of the world's most advanced economies, broadest diplomatic networks, largest development budgets and most capable armed forces.
9. There are of course, various caveats and hesitations to this – principally that CSDP should only act where EU intervention is the best option and can add most value to the work of others. CSDP should not divert resources away from, or seek to duplicate work better done elsewhere – this is the settled view of all British parties. And this is especially true of NATO, which will remain the bedrock of our national defence policy, as it has for more than 60 years.

10. But the December European Council offers a timely opportunity to make small, but significant reforms, rather than grand strategic gestures, which can fundamentally improve the way Europe safeguards its security, and the impact we have on the ground.

11. On first glance, it would seem that the strategic situation could not be more different from that which gave rise to the last great effort towards European defence, during the 1990s. Yet there are significant parallels to the post Cold War period. Defence spending cuts then and a further round now, make the cooperation more pressing. The US is looking to Europe for greater leadership in our own region and our own security. The welcome prospect of democratisation – in our southern rather than eastern neighbourhood - is once more evident at the edge of our neighbourhood – but it brings with it volatility, acute volatility, and uncertainty.

12. This strategic uncertainty means our capabilities will need to respond to unpredictable external threats, events and pressures – we simply do not know what shape the next crisis will take, what capabilities intervention will demand. Capacities need to be maintained; links between partners cemented and capability gaps filled.

13. Despite economic pressures, now is not the time for any European government to stop investing in our defence. We all understand domestic pressures on European governments. But we must be smarter in how we make that investment.
14. We should start with what we've already got - our networks. The EU and NATO provide economies of scale, share burdens, develop a complete range of capabilities that can be deployed with maximum impact and they overlap extremely well. The key to this is getting each organisation to play to its strengths.
15. The FCO talks a lot about networks under the current Government. Expanding the number of contacts, nodes, friends in your network makes it stronger. Our allies understand this too – the United States, for example, has signalled very clearly that it is highly supportive of closer EU cooperation as a means of strengthening NATO. We know from current and potential future operations that we must work with partners where we can – such as the African Union, ECOWAS, UN, and the Arab League – sometimes in the lead and sometimes in support.
16. Improving EU-NATO relations remains challenging. We need to do more to fulfil Berlin Plus. We've been working at that too long. We need to work on practical steps, such as maximising the Joint Capability Group. The invitation for NATO's Secretary

General to attend parts of the December Council is also very welcome.

17. I hope that none of us still dreams about setting up the EU in competition with NATO. We see CSDP as complementing NATO. Adding to the capabilities of other organisations, amplifying and enhancing their work and using the most effective framework for the task.
18. Only NATO has the capabilities and command structures to respond to high intensity conflict, such as Afghanistan or air war over Libya.
19. But, as policy-makers, our ultimate goal must be to prevent crises not simply manage them. In order to protect our interests at home, we must project our influence abroad.
20. What has become increasingly clear – but has to be argued to our domestic publics in all our countries - that we cannot wait for conflicts to come to us. As the Foreign Secretary recently said: “We cannot pull up the drawbridge, retreat to our island and think no harm will ever come to us.”
21. We have to tackle the causes of crises if possible before they break out into conflict. This is where the EU will have greatest impact – combining Member States’ political will with both EEAS

and Commission influence to prevent conflict, manage crises and promote long-term stability and development.

22. For example, the EU was the most appropriate framework to work in Georgia after the last Russia-Georgia conflict – through the EU’s successful Monitoring Mission, and through Operational ATALANTA it has won the support of non-aligned countries such as India and China, neither of which might have been possible if the action had been NATO led.

23. A more effective EU makes our decision-making a simple calculation of which approach will be most effective. So when negotiating with Iran, the EU’s Common Foreign and Security Policy – has afforded us a degree of collective, and politically neutral, diplomatic authority which, the UK alone or with any other single Member State might not have equalled.

24. In Mali, CSDP has proved again the most effective framework. The military training mission - made up of 22 EU nations – is enabling the Malian armed forces to tackle extremism better, and delivering this in a way that complements African and UN activity. And where the UK has been providing experts in PSVI and a military training team jointly with the Irish Army – a sign of how European defence cooperation and the transformation of relations between European states go together.

25. In Libya, NATO was the most appropriate framework – driven by its two leading European Allies (UK and France) with the critical support of others: Belgium, Italy, Denmark, Netherlands, Spain and Sweden.
26. While in Somalia, the situation calls for action from a range of organisations. Operation ATALANTA – the EU’s first military maritime operation for which the UK provides the Operation Commander and Headquarters at Northwood, has helped to reduce piracy in the Horn of Africa very substantially with attacks falling by 80% last year. I am very glad that the entire Political and Security Committee visited Northwood recently, and understand that they were impressed – as I was with my own visit. It’s an incredibly efficient multi-lateral operation.
27. But we know that naval action alone isn’t going to end piracy. That’s why ATALANTA is just one part of the EU’s wider economic and political commitment to the region. And the EU’s actions themselves are just part of an international, multi-lateral, multi agency effort designed to bring aid, stability and development programmes to the region. A proper Comprehensive Approach.
28. Three CSDP missions are playing their part in Somalia: firstly ATALANTA working in conjunction with NATO Operation Ocean Shield and other US-led and bilateral naval operations but again, performing tasks that others either cannot or will not – such as

the UK led calls to take action against on shore ammunition stores. (I have to add that a British officer told me, with delight, about how having invited further cooperation with China, China had refused but still wanted advice on how well we thought the Chinese were doing.)

29. Secondly, the EU Training Mission: has trained more than 3000 Somali soldiers, improving the capacity of the government to defend itself.

30. Finally, the civilian Mission, EUCAP Nestor helping to train and equip maritime security agencies in Somalia, but also throughout the region.

31. The UK is contributing civilian and military personnel to all three missions, as well providing bilateral assistance, including development aid of £80m per year until 2015. An additional £50m was announced by the Development Secretary at the Somalia conference in Brussels on Monday.

32. And all of this work is being undertaken in conjunction with partners - the African Union through AMISOM, and UN through UNSOM.

33. Finally, the Balkans demonstrated unequivocally the necessity of being able rapidly to deploy well equipped military forces to

theatre, but also that it is a fallacy to believe that every conflict has a purely military solution.

34. That is why the EU and the UK still remains active in the region; promoting reform, good governance, and cooperation between politicians. (And we've just heard how we haven't yet resolved these problems in Kosovo.)
35. In Kosovo, EULEX, the largest civilian CSDP mission, and working alongside NATO KFOR, has had significant success in building capacity in policing, the judiciary and customs-allowing the authorities to tackle corruption and organised and inter ethnic crime.
36. On the military side, the EU's Operation Althea continues to guard against renewed insecurity in Bosnia and Herzegovina. The UK is playing a fundamental role in providing the 120 strong operational Reserve as well as numerous personnel to both missions.
37. In many ways, the international response in Bosnia was a model for cooperation. For ensuring the right framework is used. A UN authorised intervention, conducted by NATO, and later with peacekeepers, eventually handed over to the EU, where various

EU agencies and institutions have worked in partnership with other nations to reduce tensions and strengthen civil society.

38. The UK's recent military exercises in Bosnia and Albania (the largest foreign exercise in Albanian history with a British amphibious taskforce) show just how far the Balkans have progressed. These demonstrate how we are already working closely with potential EU partners to strengthen the security of European nations, and to help transform their armed forces.

39. But we need to improve. Using the institutions, structures and scarce resources we have to the best possible effect. So having established a need for CSDP and recognised its value, the December Council provides a real opportunity to improve its effectiveness where it counts- on the ground – and that's where the UK's priorities lie.

Priorities for December Council.

40. To this end the UK has four objectives for the December Council.

41. First, we strongly support a truly Comprehensive Approach, at all phases of the conflict cycle; solutions which integrate and coordinate diplomatic, development, humanitarian and military

expertise; and which are deployed in the field in a coherent and effective way. And in coordination with other actors.

42. That is a principle that should apply not just to crisis management, but also to conflict prevention and post conflict stabilisation. With more integrated analysis and early warning activities across the EU's institutions, early intervention would be easier – potentially eliminating the need for costly and dangerous crisis management.

43. And we need to do more to ensure interventions follow a seamless transition between institutions, within the EU, but also when the responsibility moves to or from other partners. We must be clear when the EU's role is finished and we should not be afraid to close missions when they cease to be useful.

44. This requires the EEAS and the Commission to work more closely together. We look to Baroness Ashton's Joint Communication – now long overdue – and the December Council to give the strongest possible direction to ensuring a truly comprehensive approach on the ground.

45. Second, although issues of sovereignty will have to be sensitively negotiated, the assumption that every nation can afford to maintain the full spectrum of military capabilities has already been broken. We must get better at developing – in partnerships - the right capabilities, and make them available for

the EU or NATO. We know we cannot afford to duplicate or compete with others.

46. The future will demand broad co-operation, but also smaller groups of the willing. For instance, the Lancaster House treaties commit the UK and France to sharing the use of aircraft carriers and collaboration on unmanned air systems.
47. Such bilateral pairings like this, if properly planned across the network can ensure capabilities are not lost – and be of value to both nations independently as well as to NATO and/or the EU.
48. But there is no fixed model – we need flexible frameworks. Bilateral, multilateral, regional. Such as the Northern Group (where the British have put a great deal of support), Benelux defence cooperation or at a more practical level the UK-NL Amphibious Force or EATC (European Air Transport Command) show these work. The UK's help in developing these continues to be valued by partners.
49. It is also clear that in some areas there are critical capability gaps, while in others there is over capacity. The December Council should focus on making the most of existing processes which we know work (such as NATO's Defence Planning Process) and being selective about how and where we invest.

50. We expect the European Defence Agency, to focus on how best to develop and deliver the capabilities we need, both military and civilian - despite the intense pressures on defence budgets.
51. These should not just be 'flagship' EU projects, but should enhance our ability to conduct operations wherever those capabilities are needed - be they EU or NATO or national. For example, the UK has offered its spare Air to Air refuelling capacity through the European Defence Agency although this will also help fill a critical NATO requirement.
52. But this is not just about high end military equipment, it's about common political purpose, using existing NATO common standards, to improve interoperability with others rather than inventing new ones.
53. It's also about human capabilities – ensuring missions have the best people in the right place at the right time - training, skills, leadership.
54. For example, I went this morning to the re-opening of the FCO Language Centre and it underlined the importance of effective language training for the military as well, where we are aware we have gaps.

55. That's why we, together with Sweden, are funding and organising a bespoke leadership course at the end of this month. This will help prepare senior military and civilian personnel to deliver CSDP missions, drawing on the experience and expertise of the UK's Stabilisation Unit.
56. It also means having the right administration, procurement and planning processes in place – unglamorous but essential elements that will improve CSDP missions' delivery on the ground. And we think the December Council can play a part in moving forward these important and fundamental issues.
57. Third, tough choices have to be made about finite resources. We have seen this across our own defence spending. Hard decisions to reduce the number of personnel serving in the regular armed forces, to decommission HMS Ark Royal, and to scrap our nimrod and harrier fleets were not taken lightly.
58. But these were done in order to develop safeguard our future capabilities. Everyone is having to take these tough decisions, but it requires political courage and a commitment to investing in the right resources over the long-term. The UK has made that commitment. Against the continuing and very unpredictable security climate, it is all the more important that we share views with each other on how to do likewise.

59. Finally, strengthening and supporting an innovative, open and competitive UK defence manufacturing and service sector remains a priority. We need a defence industry capable of providing battle-winning capabilities, that offers value for money and helps to boost long-term economic growth.

60. The UK defence industry forms a substantial part of our economy, providing 300,000 jobs and generating annual revenues of around £22bn.

61. Strengthening the defence industrial base across Europe is a long term process, requiring a more open and competitive internal market while sensitively protecting Member States' national security interests. We've been round the circle on European defence industry since 1965 with some progress but some way to go. The priorities should be improving the workings of the defence internal market, supporting SMEs across the EU, promoting co-operation, and prioritising research and development. But we would oppose any new regulations, any extension of the EU's competence, institutional growth, or duplication of work being carried out by other organisations.

62. For instance, the UK believes that Europe should be at the forefront of technological development – particularly those with dual civil-military applications – and welcome the Commission's efforts to maximise the synergies between defence and dual-use

research. However, we do not see any necessity or role for the Commission seeking to own such technologies or capabilities.

63. The December Council should provide the incentive for our industry to invest in developing both the cutting edge technology to compete in a global market and the human capital required to deliver it.

Conclusion

64. The UK will remain at the forefront of improving European defence as we have been since the St.Malo Agreement in 1998 through contributing at present over 200 of the best and brightest from our military and civilian fields to 14 of 16 active missions; through thought leadership such as sponsoring a Wilton Park conference last December; through leading the current EU Battlegroup; by hosting and commanding the only EU OHQ active on operations; and through stepping up when it matters such as Mali or Libya.

65. The need for Europeans to work together to improve their defence capabilities has never been stronger or more compelling.

66. Fifteen years since the launch of CSDP, we do now face a very different concept of European and national security. But the December Council is an opportunity to consolidate the progress

and lessons learned of 15 difficult years and taking a series of small, but vital steps to transform the way CSDP operates, and ensure that when called upon to act, it has the right capabilities to make an effective response.

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