

## **Annual Conference of the EU Institute for Security Studies**

**Paris, 10 September 2004**

### **ESDP: the next five years**

***speech given by Nick Witney,***

Chief Executive, European Defence Agency

Thank you, Christoph.

Nicole's instructions were very stern for this intervention. I was to look to the future, not the past and to talk about the challenges. Very easy to comply, since there is no past for the European Defence Agency and looking into the future I find no shortage of challenges to identify. I guess the master challenge is simply to get the Agency up and running and producing results and fulfilment of its mission, which, as Christoph has alluded to, is a pretty broad one. I think it is rather clear from our founding documentation that we are not to meddle with military operations. I think it is rather clear that our views and contributions on defence policy are not sought. But pretty much everything else seems to be covered by the rather broad mission statement of "supporting member states in their efforts to develop capabilities in support of the ESDP". That is expanded in the Joint Action to cover the fields of capabilities and research and technology and armaments and the European Technological and Industrial Base and the European Defence Market. So, that gives us plenty of scope for choice.

I think what this is all about - my own interpretation of this slightly cumbersome remit is that really what we are asked to do is try to do something about Europe's underperformance on defence. I don't think I need say more about capacities, about capabilities. We heard from Javier Solana about that this morning, Jean-Paul has emphasised the point. We're at the stage when Europe is becoming operational, when the ambition in the sense of what Europe could and should do militarily in the world is increasing almost by the month. And although the capacities are also increasing, I suggest that the first are increasing faster than the second. There is a gap. We didn't hit the Helsinki Headline Goal; we shall struggle to meet the new Headline Goal 2010. I think an important part of what the Agency will be attempting to do is to act in close concert with the EU Military Committee, the EU Military Staff to try to persuade the Member States to do what is necessary to deliver the capabilities that ESDP needs.

But the remit runs wider than that, and so does the evidence of European underperformance on defence, if you look at the state of the health of the European defence industry. It compares pretty poorly with the situation in North America. Many European defence countries struggle to turn in proper levels of profitability, they find it difficult to compete against global companies nourished on the enormous American defence budget. And, it is a common-place that Europe's Research and Technological Base, the seed-corn of the future, is in need of attention. This is what the Lisbon agenda told us across the piece and it is certainly true in the defence sphere as well. A nice way to fix the problem would be more money, but we know that this is not going to happen. And anyway, when you have 24, 25 Member States spending something like €160 billion a year on defence, looked at from another perspective you have actually a pretty massive sum of money being spent on defence in Europe. And the question is why don't we get a better return on our investment?

The answer, I think, is not far to seek; it is simply that everything is done at the moment too much on a national basis. We have that money divided between defence ministries who form national defence plans and conceive national requirements which they source from national industries who operate primarily in what are still national defence markets. In an increasingly globalising world this is simply an inefficient way to use resources. So I think that the Agency has a very fundamental vocation to, if I can express it in this colloquialism, help European governments and industry get their act together. A mission too, as Javier Solana said this morning, to encourage co-ordination, to encourage a moving-away from this fragmentation towards doing more things together and doing them more efficiently.

Another shorthand would be to say that I guess success in 5 years time, in 10 years time would look like a better funded, better focused European Research and Technology effort; many more armaments procurement collaborations, conducted within a much more integrated European Defence Market: a further consolidated and healthier defence technological and industrial base. And better defence capabilities in line with the aspirations of Headline Goal 2010. So the challenge is to produce an Agency which contributes to these happy outcomes.

There are a series of subordinate challenges, which I am very conscious of right now. Starting with some rather mundane ones like making a reality of the Agency. I sit before you as 50 % of the Agency's staff complement at the moment. So, we have a short-term challenge in finding some staff, finding somewhere to live, getting going. A particular challenge for the autumn is discovering whether the participating member states, the 24 members of the Union who are shareholders in this enterprise, really mean what they say, when it comes to getting out their wallets and putting some money on the table. We have no guaranteed budget beyond the end of this year, and it is going to be interesting and important to find out whether we are going to be given the means to recruit staff and run the programmes that will be necessary to actually do some of things we want to do. There is also a little challenge in the short-term certainly about managing expectations, given that we are not functioning and operational, we won't be in any meaningful sense until the end of the year. But I am not too concerned about managing expectations. I would much rather that people continue to have extremely ambitious expectations of what the Agency may be able to deliver, provided only that the resource arrives to help us fulfil them.

I think the two most difficult things, at least initially, will be, first, choosing the right agenda, because there is this massive waterfront that we could operate across. I think it is very important actually that we should operate right across it, we must attack our task in a balanced way. But rather than trying to make uniform progress in all directions, we shall have to pick a series of interesting, important, politically-relevant targets and get after them quite quickly and try all the different ways in which the Agency can make a difference. Either by orchestrating activity undertaken by others or by, within the limits of its own resources, undertaking programmes of its own. There is an interesting provision in our founding document, which allows subgroups of member states to bring projects to us and ask us to look after them within the context of the Agency, including the possibility that they will provide us with the budget to get on with them on their behalf. So, in the first year at least I hope that we will be able to operate across quite a wide front, and a lot of it in terms of piloting different approaches and see what pays dividends and what works, what produces results.

Second, if I am allowed to quote the boss a third time, I was pleased to hear him talking about the importance of results, because my final challenge on my list today is getting the culture of the Agency right. It is an odd beast: it is an Agency of the Union in much the same way as the ISS is an Agency of the Union, but it is not quite autonomous or freestanding in that sort of way. It was born in the European Quarter in Brussels, its agenda is intimately interlinked and mingled with that of many other extant actors and institutions. So, it would be all too easy for it to collapse into just another part of the Brussels bureaucracy producing papers and recommendations and servicing the Council machinery. That would be the death of it. The culture must be very much results-oriented, concerned with changing things in the real world and mixed in with a healthy dose of impatience.

In doing that we will have to, because no matter how large the budget, it will still in effect be a small Agency, we will have to work very hard at building partnerships. There are many extant actors, institutions who have responsibilities and indeed already achieve impressive results in the areas that we are invited to concern ourselves with. And the trick will be, I think, to forge partnerships with them, to discover where our agendas overlap, to travel the same road with them, to the extent that we want to travel the same road. In many cases to leverage their resources and to be very open to their ideas. And although it won't happen this week or this month, or possibly this year, one of the things that I would like to see happen is that the Agency develops a very open relationship with people who can do our thinking for us about the future; and the sort of community in this room is one that I hope that we shall a good relationship with.

My last instruction from Nicole was on no account to exceed 15 minutes. So I will close at that point.

Thank you!

---