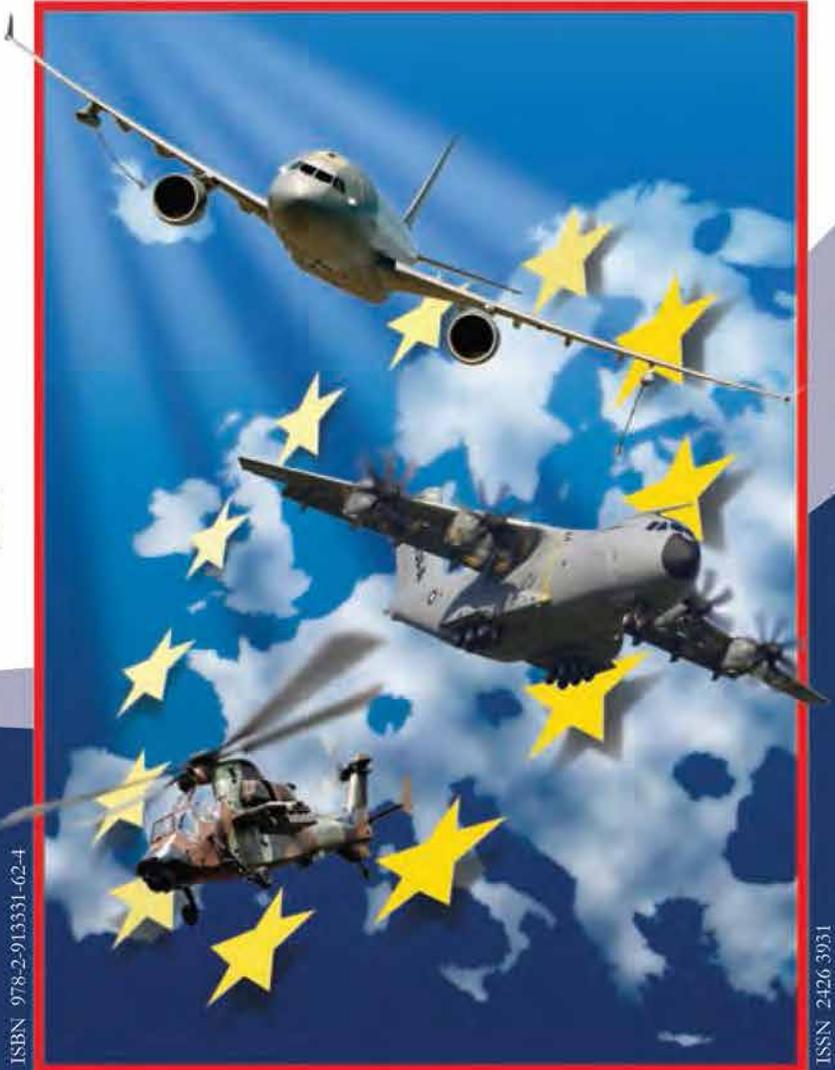




Enabling the
European Defence Agency
to play its role to the fullest

The Opinions



ISBN 978-2-913331-62-4

ISSN 2426-3931

Opinion No. 6 - 2015

€10

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Legal deposit August 2015

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Printed by:

Evoluprint

Parc Industriel Euronord - 10 rue du Parc - 31150 Bruguières

www.evoluprint.fr

ISBN 978-2-913331-62-4

ISSN 2426 3931

Photo credits: © Airbus Group

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1. FOREWORD

Since the creation of the European Union, progress in the European defence capability has mainly been evident in the realm of the Common Security and Defence Policy (CSDP), with operations such as Atalanta. The European Defence Technological and Industrial Base (EDTIB), on the other hand, has unfortunately made very little progress. In the field of weapons programmes in particular, there have been very few joint developments, indeed the lack of any major joint project for new weapon systems raises fears for the future of the European defence industry. A fresh impulse therefore seems indispensable if Europe is to possess effective defence systems in the future.

Such an impulse would require a reinforcement of the role of the European Defence Agency (EDA). This agency was created initially to play an important part in this area but its means and proposal capacities are limited due, among other factors, to the attitude of certain Member States.

The Defence commission of the Air and Space Academy (AAE), after the in-depth work it carried out on the future of European combat aircraft in 2012 and 2013, has now looked into measures capable of revitalising EDA, drawing for example on the very positive experience of the European Space Agency (ESA). Such is the object of this new *Opinion* paper of AAE, adopted at its general assembly of 11 June 2015.

Philippe Couillard

*President of the
Air and Space Academy*

2. EXECUTIVE SUMMARY

Attempts to construct a true European defence capability and provide Europe and its Member States with the means for real military sovereignty have so far met with failure. Apart from the A400M (which eventually came about despite the difficulties inherent to any multinational programme) and some helicopter, frigate and missile programmes, joint developments have unfortunately been on the decline in the past decade and a strong new impulse would seem to be imperative if Europe is to dispose of effective defence systems.

Such an impulse would require a redefinition and reinforcement of the role of the European Defence Agency (EDA). This agency was created initially to play an important role in this area. Its initial analysis of capabilities met with general approval, but its limited means and the very strict limitations imposed by certain Member States consigned it to an almost marginal role in proposing and managing new programmes.

EDA should on the contrary have complete freedom of initiative to suggest the development of new weapons systems to any Member States who may be interested. Its proposals could be based on the progress anticipated in terms of harmonising operational needs.

The main objective being to facilitate the joint development of weapons systems in all fields, the organisation of the European Space Agency (ESA) for optional programmes can be directly transposed here. Indeed, the role and methods of ESA, which have enabled Europe to acquire an enviable position in the space sector, could provide an interesting example.

After deciding on a new opt-in development programme with variable geometry, the management of the programme should logically be entrusted to a programme management team belonging to EDA. However since EDA has limited programme management capabilities it could in certain

cases fall back on OCCAR (*Organisation Conjointe de Coopération en matière d'Armement*) with which it concluded a cooperation agreement in 2012. Indeed OCCAR, whose purpose is to manage and conduct new weapon systems programmes decided by its Member States and which has acquired a solid experience in this area, could act on EDA's behalf as a programme manager by delegation. Such an arrangement would be similar to that practised by the European Commission with ESA for management of the EU space programmes Galileo and Copernicus.

In its founding texts, EDA has a broad power for initiative which until now has been difficult to implement. And yet in

its very essence, EDA represents a fundamental element for implementing European cooperation in the area of armaments, which is more than ever necessary.

Revived cooperation in the area of new developments would be likely to significantly enhance and strengthen European defence. The successful example of ESA's optional programmes may be a promising way forward; the proposal is thus to give EDA a new, decisive role in proposing and implementing such programmes.

3. INTRODUCTION

It must be acknowledged that attempts to construct a true European defence capability and provide Europe and its Member States with the means for real military sovereignty have so far met with failure. Despite considerable expenditure and over a million personnel in the armed services, the 28 armies of the 28 European states, acting separately, with insufficient and often incompatible means, do not provide any of the States in question, much less Europe, with a real defence on a level with the threats that are emerging today.

The absence of political will on the part of the governments of the Member States of the European Union to build shared military sovereignty, the only effective substitute for the illusion of national sovereignties, is leading to missed political and economic opportunities over the whole of the European Union.

It is essential for Europe's long-term survival to turn this situation around and

inconceivable to concede defeat. But one should perhaps be realistic, accept that the initial objective may have been too ambitious given the highly nationalistic vision which prevails currently in many Member States and search for the means to improve Europe's defence capability step by step.

It would be less politically sensitive for instance for a few States to harmonise and develop future arms systems in cooperation. This would nonetheless represent a considerable saving for State budgets, on condition of setting up determined, disciplined management, particularly important in a period of economic crisis leading to cuts in defence budgets. Such an initiative would provide Europe with a greater number of effective weapons systems and constitute a sound basis for later development of reinforced joint operational actions. A dynamic policy in this area is alone capable of contributing decisively to stabilising the European defence industry.

Leaving aside the A400M (which eventually came about despite the difficulties inherent to any multinational programme) and some helicopter, frigate and missile programmes, joint developments have unfortunately been on the decline in the past decade and a strong new impulse would seem to be imperative if Europe is to dispose of effective defence systems.

Such an impulse would almost certainly require a redefinition and reinforcement of the role of the European Defence Agency (EDA). This agency was created initially to play an important role in this area. Its initial analysis of capabilities met with general approval, but its limited means and the very strict limitations imposed by certain Member States consigned it to an almost marginal role in proposing and managing new programmes.

EDA can only be what its Member States wish it to be. If it is to carry out its role to the fullest, Member States must recognise its mandate for proposing and coordinating initiatives, and allocate the corresponding budget. But this is clearly not the case. The “larger” States often do not wish to share their know-how with the “smaller” States, which anyway have other economic and social priorities (and frequently prefer the easy option of buying from the United States, with political and economic compensations).

Excessive dependence on the United States for critical capabilities is very

dangerous for Europe in the sense that American interests could differ from those of Europe in the future. The recent strategic shift on the part of the US towards Asia is a good illustration of this.

In order to change this state of events, the role and methods of the European Space Agency (ESA), which have enabled Europe to acquire an enviable position in the space sector, could provide an interesting example. They are summarised below and followed by suggestions for how to transpose them to the functioning of EDA. Such a transposition is all the more relevant since ESA, which was at the outset explicitly a “peaceful” and not a military organisation, has now taken over certain questions linked to security such as in the Galileo programme (Public Regulated Service, PRS).

4. THE EUROPEAN SPACE AGENCY

The European Space Agency (ESA) is an intergovernmental organisation set up in 1975 to reinforce European capabilities in the space sector. Its aim is to promote European cooperation in this area, particularly in terms of space research and technologies as well as their applications.

4.1. Missions

To this end, ESA:

- implements a **long-term European space policy** and encourages its Member States to pursue joint goals in the space domain,
- implements **activities and programmes in the space sector**,
- **coordinates the European space programme and national programmes**,
- **defines the appropriate industrial policy** for these programmes, and encourages Member States to carry out a coherent industrial policy.

ESA currently comprises 20 European Member States including Norway and Switzerland, countries not belonging to the European Union, and has signed a cooperation agreement with Canada. Its annual budget is of the order of 3.5 billion euros. It is managed by a Council comprising representatives of Member States, which convenes four to five times a year at a level of the civil servants representing Member States, and every two years on a level of ministers in charge of space in their respective countries. In the latter case it is known as the ESA Ministerial Council.

4.2. Programmes

Two kinds of programme are carried out by ESA:

- a mandatory programme – the Science programme – funded by all Member States on a pro-rata scale based on their national GDP,

- optional programmes involving a limited number of Member States which are free to decide on their level of involvement and funding, the only rule being that the sum of contributions covers the total cost of the programme.

The Science programme is decided each year by the ESA Council on the basis of proposals from a 'Science Programme Committee', themselves based on recommendations from a consultative committee made up of high-level scientists from the different Member States.

Optional programmes are proposed in different areas (launchers, space station, Earth observation, meteorology, telecommunications, navigation, etc.), more often than not by the ESA Executive. They can be put forward initially by certain Member States, in which case they are analysed by the Executive for presentation to the other Member States. Each optional programme (or group of programmes) is supervised by a Programme Board made up of a

representative of each Member State taking part in the programme. This committee has full power to make decisions on technical, financial and timeline issues. It is governed by a specific Agreement or Arrangement drawn up between the different Member States participating in the programme. The decision for ESA to embark on an optional programme is ratified on a case by case basis by the Council.

Each programme is managed by a programme management team appointed by the ESA Director General. This team can in certain cases rely on teams from the national space centres (as was the case for launchers, for instance) according to terms set out in the Arrangement between the States taking part in the programme.

5. THE EUROPEAN DEFENCE AGENCY

5.1. Possibilities offered by EDA's founding texts

Elements can be identified in the EDA founding texts ('Joint action' adopted in 2004 and updated in 2011 by the Council's decision 2011/411) on which to found a stronger initiative in the area of new development programmes.

Indeed, EDA has a clear mandate to initiate projects and programmes. The texts (articles 2 and 5) in effect state that EDA has a mission to:

- **encourage** a harmonisation of operational needs and the adoption of effective, compatible acquisition methods,
- **propose** multilateral projects,
- **coordinate** and **plan** joint research activities and studies of technical solutions.

In practical terms, Articles 19 and 20 provide for two categories for *ad hoc* projects or programmes:

- Category A, which concerns all States participating in EDA (with an opt-out option), at the initiative of one or more Member States or **the EDA Director**.
- Category B, which can include only certain Member States (i.e. with optional participation), on the initiative of the Member States concerned but not the EDA Director.

We can thus see that EDA actually has a legal mandate for initiative which it could put into practice without difficulty since it is the agency itself that prepares the annual Work programme for approval by Member States.

It emerges therefore that EDA's statutes provide for the agency to become a real force for promoting, proposing and coordinating, missions for which it was created.

The obstacles presented by certain Member States could be overcome by emulating the European Space Agency (ESA) model. It is indeed interesting to

note parallels between on the one hand EDA's category A programmes and the ESA mandatory programme, and on the other hand the category B programmes of EDA and ESA's optional programmes.

5.2. Mandatory programme

The notion of mandatory programme within ESA, essentially relating to the Science programme with no equivalent in the field of Defence, is not easy to transpose to the context of EDA.

There is however a field – that of Research and Technology (R&T) – where a mandatory budget would make real sense and would make a significant contribution to building a European defence technology base. If EDA were to receive a significant budget (a few hundred million euros) financed by all States on the basis of their GDP, without political strings, it would be able to carry out objective action in this field, thus largely contributing to its credibility in the eyes of industrialists.

Such a mission for EDA could prefigure a future mission comparable to that entrusted to DARPA (Defense Advanced Research Programmes Agency) in the United States, which plays a major role in developing innovation in the country by directing an ambitious policy of research contracts in broad areas of science and technology and by providing venture capital to a multitude of innovative SMEs.

It is probably premature to seek to introduce this component immediately in order to strengthen the role of EDA, and would seem more reasonable to focus on increasing the agency's freedom of initiative to put forward and develop new weapons systems. When it has achieved concrete results in this area, it will undoubtedly be easier to plead the case for implementing an R & T programme with associated budget, based on partially mandatory (linked to GDP) and partially optional (opt-in) funding as appropriate.

5.3. Optional programmes

The main political goal is here to facilitate the joint development of weapons systems in all fields. The example of ESA's organisation for optional programmes can be directly transposed here.

This means that EDA should have complete freedom of initiative to suggest the development of new weapons systems to any Member States who may be interested. Its proposals could be based either on the progress anticipated in terms of harmonising operational needs, or on requests from certain States that have identified new needs and wish to put them forward for joint action, or more generally on its overall knowledge of capability needs and the European situation.

On a formal level, the founding texts would be relatively easy to adapt. It would be sufficient to stipulate that category B

programmes could also be launched **on the initiative of EDA's Director.**

After deciding on a new opt-in development programme with variable geometry, the management of the programme should logically be entrusted to a programme management team belonging to EDA. However since EDA has limited programme management capabilities it could in certain cases fall back on OCCAR (*Organisation Conjointe de Coopération en matière d'Armement*) with which it concluded a cooperation agreement in 2012. Indeed OCCAR, whose purpose is to manage and conduct new weapon systems programmes decided by its shareholders (the A400M programme being the most well-known) and which has acquired a solid experience in this area could act on EDA's behalf as a programme manager by delegation. Such an arrangement, at least in its broad outlines, would resemble that practised by the European Commission with ESA for management of the EU space programmes Galileo and Copernicus.

In the history of ESA, an identical arrangement was decided for the Ariane programme in the 1970s-1980s, the French space agency CNES then playing the part of programme manager by delegation from ESA because of its experience with the Diamant B programme since ESA did not at the time have the necessary experience in the field of space launchers.

Another issue that should be examined is that of the London Treaties (known as Lancaster House Treaties), signed in 2010 between France and the United Kingdom. These are at the origin of Franco-British programmes (currently in the field of combat UAVs) and could either be a driver or a barrier to any evolution in the responsibilities of EDA, according to whether the programmes concerned would or would not be open to significant participation from other States. However, it is clear that major European programmes in the future will require the financial and industrial involvement and purchasing commitments of more than two European States.

5.4. Initiative to be taken immediately

In late 2013, the Air and Space Academy published its *Opinion* no.5 on the future of the European combat aviation industry¹, in which six recommendations were put forward to safeguard this sector.

EDA would be perfectly within its mandate, as defined by its founding texts, if it were to take the initiative of implementing Recommendation No.1 (*'Defining a*

¹ 'Recommendations to avoid the strategic downgrading of Europe in the field of Combat Aviation' following the European forum organised by AAE and CEAS on May 16, 2013 at École Militaire, Paris, Air and Space Academy, *Opinion* No. 5, 2013.

joint European operational vision for air combat systems) and Recommendation No.3 (*'Orientation of research with a roadmap centred on the next generation combat aircraft system*').

This initiative could either be included by EDA in its Work Programme for 2016, or feature in the agency's proposals on the occasion of the next European Council devoted to defence.

6. CONCLUSION

In its founding texts, the European Defence Agency (EDA) has a broad power for initiative which until now has been difficult to implement. EDA is however, in its very essence, a fundamental element for implementing European cooperation in the area of armaments, which is more than ever necessary.

Revived cooperation in the area of new development would be likely to significantly enhance and strengthen European defence. The successful example of the optional programmes of the European Space Agency (ESA) may be a promising way forward; the proposal is thus to give EDA a new, decisive role in proposing and implementing such programmes.

In the event of certain States being reticent about this evolution, a specific 'Permanent Structured Co-operation', whose principle was introduced into the Treaty of Lisbon, could unite all States eager to promote this step. It would be governed by an Agree-

ment between these States defining the new role of EDA to their benefit and specifying how the opt-in, variable geometry optional programmes decided by these States would be set up and managed. The Agreement instituting this PSC should of course receive the ratification of the EDA Steering Board.

The States concerned could, at least initially, be all or some of the signatories to the Letter of Intent (LOI)². Such an approach would finally pave the way to implementation of the intention expressed in the LOI, until now unheeded, to develop programmes in common.

² *LOI : Letter of Intent, refers to the Framework Agreement signed on 27 July 2000 by the Ministers of Defence of six European countries (France, Germany, Italy, Spain, Sweden, United Kingdom), to implement the measures envisaged in the Letter of Intent of 6 July 1998 to facilitate reorganisations and the functioning of the European armament industry.*

It is essential that a real will emerge to set up a strong structure, possessing a significant budget, to launch and manage the key major European programmes to come. It alone will reinforce the European Defence Technological and Industrial Base (EDTIB) and avoid greater strategic dependence on the United States.