

# IA OBSERVATORY ON EUROPEAN DEFENCE

## JULY - AUGUST 2009

**JULY 1**

### **MEETING OF NATO DEFENCE MINISTERS**

The Stockholm government published the work programme of the EU Swedish Presidency. Beginning in July, the Presidency will run through the second half of 2009. The main goals highlighted were the recovery from of the economic crisis and the fight against climate change. Defence did not seem to feature among the priorities of the new Presidency.

Nevertheless, the Swedish Presidency intends to keep working to strengthen the role of the EU in the world, as well as the European capabilities of intervention in international crises. The specific goal is to **enhance the European capabilities of crisis management**, both in the civilian and the military dimensions. During the first informal meeting of the EU Defence Policy Directors, the debate was focused on the potential harmonization of civilian and military capabilities development plans, which are currently separate. The idea of creating guidelines for the two processes was suggested. This would avoid duplications and permit a more efficient use of the resources.

Always on crisis management, Stockholm intends to promote a debate on the employment of European battlegroups, the rapid reaction forces which, despite being fully operational since January 2007, have never been deployed. Battlegroups are units

of limited dimensions (2500-3000 units) created to intervene rapidly during crises.

The programme of the Swedish Presidency also stresses the importance of the **development of cooperation in the field of armaments**, as well as of an **efficient defence market**. The Presidency intends to focus its action on the promotion of more transparency in public contracts and on the harmonization of national legislations on defence procurement.

**JULY 1**

### **EDA CODE OF CONDUCT ON OFFSETS COMES INTO FORCE**

The code of conduct on offsets comes into force in the EU Member States (with the exception of Denmark and Romania) and in Norway. The goal of the code is to mitigate the market distortions produced by the use of offsets, though it does not forbid it completely. A complete elimination of the offsets remains a long-term goal, but the EDA accepts that this is not achievable in the short-run.

“Offsets” are investments made by a firm (eg, the building of a factory) in a country which is purchasing products produced by the firm itself. These investments are normally part of sale agreements of defence products and equipments. Offsets are forbidden in every other commercial sector because they produce significant market distortions.

The EDA code, which is not legally binding, provides for various initiatives to limit the use of offsets.

Firstly, it establishes that offsets cannot exceed the value of defence goods purchased (they are often much higher). Then it prescribes that offsets investments must only be used to develop the industrial basis of European defence (states shall amend their legislation by October 2010). Furthermore, the code promotes more transparency in the use of offsets. A page on the EDA website has already been created in order to provide information on offsets legislation of all participating states. Finally, the EDA has issued a monitoring system intended to ensure transparency and compliance with the code of conduct.

#### **JULY 6**

##### **OPENING OF THE DEBATE ON THE NEW NATO STRATEGIC CONCEPT**

NATO Secretary General de Hoop Scheffer officially launched the public debate on the new strategic concept of the alliance with a high-level conference held in Brussels.

Among the participants in Brussels were Scheffer's Danish successor, Anders Fogh Rasmussen (who took office on August 1), the former US Secretary of State Madeleine Albright, and the director of the UN International Atomic Energy Agency, Mohammed El Baradei.

The current NATO strategic concept was elaborated in 1991 and then modified in 1999. Allied powers agree on the need to update the document, but there is no consensus on the extent of the revisions to be made. While some members would like to elaborate a completely new document (the United States seems to be among these), others would prefer a simple revision of the current strategic concept.

#### **JULY 22**

##### **NATO-RUSSIA COUNCIL**

Ambassadors of NATO countries and Russia met during the first session of the NATO-Russia Council since the Russian-Georgian conflict of August 2008. The Council represents the main forum of dialogue and political cooperation between the Alliance and Moscow. The Council's meetings, however, had been suspended since the war.

The meeting focused on the possibilities of cooperation and also on the differences between Russia and Allied powers. No decisions were made. Russian Security Council Deputy Secretary, Vladimir Pavlovich Nazarov, explained the new Russian security strategy, passed on May 12. Nazarov also confirmed Russian availability to take part in NATO-led naval operations, such as the operation off the Somali coast or Active Endeavour in the Mediterranean.

#### **JULY 24**

##### **AGREEMENT BETWEEN ESA AND EUMETSAT FOR THE USE OF GMES**

The European Space Agency (ESA) and the European Organization for the Exploitation of Meteorological Satellites (EUMETSAT) signed a framework agreement for the cooperation in the programme of Global Monitoring for Environment and Security (GMES). The agreement set out roles and responsibilities for the management of Sentinel satellites designed for GMES (Sentinel 3, 4 and 5).

#### **JULY 27**

##### **GREATER EU COMMITMENT IN THE HORN OF AFRICA. EXTENSION OF THE EUMM GEORGIA MANDATE**

On July 27, the General Affairs and External Relations Council (GAERC) approved the

proposal of the High Representative Solana for a greater European commitment in the Horn of Africa. Along with raising the European contributions to Somali institutions and to the operation of the African Union AMISOM, the EU will examine some initiatives to strengthen Somali institutions. One of the seemingly concrete possibilities is to launch an ESDP civilian mission for the training of the Somali Coast-guard. The mission could be based in various states in the region (Yemen, Djibouti, Somalia and Kenya) and would encompass the creation, training and equipping of the coast-guards of such states.

The CAGRE also extended the mandate of the European monitoring mission in Georgia (EUMM Georgia) for one year. The mission will end on December 14, 2010. The Council also reasserted its support for the independence and territorial integrity of Georgia.

### **AUGUST 3**

#### **RASMUSSEN PRESENTS HIS PRIORITIES**

NATO's new Secretary, Anders Fogh Rasmussen, presented the priorities of his mandate in an inaugural press conference.

The situation in Afghanistan remains the most important issue. If NATO intends to become an international security pillar, success in Afghanistan is necessary. The Secretary defined success as being able "to have the possibility of putting responsibilities for security into Afghan hands".

Relations with Russia represent the second priority of the new Secretary. Secretary Rasmussen hopes to relaunch the relationship with Russia while making it clear that there are some positions that NATO refuses to negotiate. For example, NATO's door remains open for the future accessions

of Georgia and Ukraine. The new Secretary also committed himself to improving NATO-EU relations, and welcomed the return of France to NATO's military command.

### **AUGUST 20**

#### **DIRECTIVE ON DEFENCE AND SECURITY PROCUREMENT PUBLISHED**

The Directive on defence and security procurement has been published by the Official Journal of the EU. Member States now have two years to implement the Directive and amend their national legislations.

The Directive is intended to create homogeneous and transparent sale procedures for the purchases of military materials and equipments, while also safeguarding the security interests of military procurement. The initiative stems from the desire of European institutions to develop a truly European defence market--combining the need for security and maintenance of national industries capacities with the need for more open and transparent competition among suppliers.