

The European Defence Pooling & Sharing: from words to deeds.

Europe is losing the ability to undertake military action beyond its own borders. The US announced that it is going to reduce its support for the Europeans within NATO. Furthermore, the chronically underdeveloped military capabilities are at risk of dwindling even further. Defence apparatuses are shrinking rapidly as a result of the financial crisis (cf. *SWP-Comment 38/11*). EU capitals are currently presenting P&S as the silver-bullet solution to this defence crisis.

2010 saw an arduous debate about how to implement Permanent Structured Cooperation (PESCO), a new mechanism introduced by the Lisbon Treaty that could notably make capability development more efficient and coherent. In spite of the lack of common understanding of PESCO, the Ministers of Defence of the EU Member States, urged on by the financial crisis, agreed on the so called Ghent Framework.

Avoiding any explicit reference to PESCO, Ministers focused on the immediate need for coordination in view of the budgetary cuts and proposed a concrete method. Member States were encouraged to “systematically analyse their national military capabilities”, aiming at “measures to increase interoperability for capabilities to be maintained on a national level and exploring which capabilities offer potential for pooling and sharing.

At a time when Europe should come together to increasingly promote the internationalization of its own defence industry - making use of innovative modes of cooperation - several EU countries are currently carrying-out defence budget cuts in an uncoordinated manner. Such uncoordinated defence budget cuts risk placing the EU in a position where it can lose influence as a global actor while jeopardising the EU’s ability to guarantee stability and security in its strategic periphery. Moreover, the BRIC countries have been increasing their own defence spending while the USA has switched its strategic priorities to the Pacific region.

Another important fact is the decrease in the funds allocated towards Defence Research and Development. This produces a negative impact potentially leading in the short term to a loss of the technical knowledge and skills needed to develop next generation capabilities within the EU. According to an EESC report of: “The defence industry is a high technology sector that directly employs 600 000 qualified people and, indirectly, another two million. There are worrying pressures for further cuts. Often production sites have a strong regional concentration which could become centres of excellence but which, adversely, run the risk of being hit by financial cuts. These sites will suffer greatly if reorganization and cuts take place in an unplanned and unstructured way”.

1. What Is Pooling and Sharing?

The term Pooling and Sharing - P&S, describes various forms of defence cooperation:

- a. Sharing: one or more countries provide their partners with capability or equipment (such as airlift) or undertake a task for another country. If this occurs on a permanent basis, the partners can cut this capability – and save on costs. For example, Germany provides maritime surveillance for the North Sea, thus relieving the Netherlands of this task. NATO states take turns to police the Baltic airspace so that the Baltic countries can save the cost of having their own air forces. Other examples of joint procurement and operation include AWACS aircraft and NATO’s command structures.
- b. Pooling: here too, national capabilities are provided to other countries. A special multinational structure is set up to pool these contributions and coordinate their deployment. The European Air Transport Command is one such example. Pooling can occur in the development, procurement or subsequent operation of shared equipment. This enables countries to either obtain a higher number of units or to co-acquire a capability that a state could not supply alone for cost reasons.

2. P&S: Defence Co-operation “Reloaded”

In the Council conclusions on military capability development of December 2010, the EU states declared that P&S was a solution with which they planned to save money and increase the military efficiency of their resources. NATO is pursuing similar aims with its Smart Defence initiative, officialised at the Alliance’s summit in Chicago in May 2012.

Working within the NATO framework has an advantage when compared to the EU’s “pooling & sharing” concept: NATO can much more easily adopt a “bottom-up” approach given it has integrated defence planning through SHAPE.

However, “smart defence” also faces difficulties. On the one hand it is true that NATO seemed to hold an advantage as regards “pooling & sharing”, given its “bottom-up” culture and above all given it includes the USA. On the other hand, however, there is a problem as regards the “technological and industrial interest”: being successful at “smart defence” means increased competition between the USA’s and the EU’s defence industries. And the USA makes no compromises in this field: in times of austerity and declining defence budgets on both sides of the Atlantic increased competition translates into even less business opportunities (world-wide).

But so far, P&S has only been a new catchphrase for the defence cooperation that EU and NATO states have been practicing for decades. Around 100 projects currently exist. Some 20 percent involve bilateral cooperation; 60 percent involve five or fewer partners.

The ambiguous performance results from the fact that states have different ideas about which equipment and services can be subject to P&S. However, saving money has rarely been a motivation. The aim was to co-use equipment (such as tanks) or to fill a specific capability gap (such as air transport) that could only be accomplished in cooperation with other states.

The challenge will then become finding new ways to shorten the capability development cycle: the fact of the matter is that the A400M program¹ dates back to 1991; so does the NH90 program (initially planned to equip a French frigate type). It seems that procurement will require a dialogue at planning level in the future, as equipment acquisitions are set to require a minimum level of coordination among European Union Member States (EU MS) as regards defence planning (this is not something new and was suggested as a means of solving the Ghent difficulties). Involving the defence industry might prove beneficial, especially as regards the EU's "national champions" in the defence sector such as Thales, or BAE.

For P&S to be successful, additional factors are needed, including a similar strategy culture, regional proximity, similarly sized countries and armed forces, the same understanding of the cooperation objectives, trust and solidarity among the partners and equal competitive conditions for the defence industries.

3. New Activism, Modest Results

Bilateral and multilateral P&S initiatives are experiencing a renaissance among the EU states since 2010. The most important initiatives are the Franco-British Defence Treaties, the cooperation between the Visegrád states (the Visegrád Four), the Weimar Triangle Plus (Germany, France, Poland Italy and Spain) and the Ghent Initiative. Only this last initiative, in which all EU states are involved, is really new.

So far, these initiatives have been disparate, with the aims and number of participants varying widely. Apart from some positive developments such as air-to-air refuelling, the results have not been satisfactory or adequate to meet the scale of the challenges involved.

Albeit the present threats to the EU's security require a level of capabilities that the EU does not have but that it *could already have*, we have to consider following points:

¹ The EDA/OCCAR agreement is a noteworthy example.

- a. “air to air refuelling”, which seems crucial these days, was not deemed important when the ESDP seemed to be oriented towards “crisis management” the area of interest being Africa and the need to project air power (combat aircrafts) not the main planning option. Currently no single EU country has the resources to maintain an air-to-air refuelling capability² in the medium to long term by itself at the required levels (British aircraft engaged in Libya reportedly had to refuel six times before reaching the area of operations).
- b. “strategic transport”, which for some time was not identified as an EU capability shortfall till US was favourable to provide it, being one of the reasons affecting the Battle Groups (BGs) deployment never happened in the field³ so far. As at today, it has been identified as medium term issue by Nations due to US willing not to provide this support anymore. Whenever achieved this stage, it might bring to a capability endorsement for P&S.

It is worth noting that in the initial phase, there were three hundred proposed pooling & sharing projects for cooperation, but the majority of them were geared towards fulfilling “national interests” (perhaps with the exception of a few projects proposed by countries from member states from central Europe). It was then left to the European Defence Agency (EDA) to make a selection, out of the 300 projects of those that had the most interest and potential. As a result, the debate is limited to a few military capabilities.

Some initiatives even duplicate or block each other. For example, the Franco-British Defence Treaty duplicates a mine-clearing project by the EDA. In order not to endanger this pact, Paris has abandoned the project to set up an EU headquarter, while Italy responded to the deal by signing a bilateral treaty with Germany so as not to fall behind in the un-manned aerial vehicle (UAV) industry.

4. Neglected Aspects

Three topics are consistently ignored: role specialisation, the defence industry and additional investments.

Role specialisation takes place if a state gives up certain capabilities and concentrates only on a few others. Many European states refuse to do so as they are afraid of mutual dependence. Nevertheless, such role specialisation is already taking place – but it is involuntary, uncoordinated and has major consequences for the capability of all partners. When the Dutch military decommissioned its battle

² As regards air-to-air refuelling the “pooling” model is yet unclear: will it be based on the acquisition of “time-slots” for example? The SALIS system is an example (which dates back to the 1990s), likewise there’s the “C17 consortium” (born within NATO), which is an example of “pooling”.

³ Moreover, the BGs concept has been changing towards needing an air power element, because anti-air capability (stinger missiles for example) is presently within the reach of Africa’s non-state actors. Libya (stolen stockpiles) and now Syria are but two examples of this fact.

tanks in 2011 following spending cutbacks, the Netherlands was not the only country to specialise. By default, Germany and France became role specialists, as they are the only countries in the region to have significant battle tank arsenals. In the medium term, P&S can help to dismantle superfluous and costly industrial structures when identical material is procured. However, this process must be steered in order to avoid a specialization by default that has already occurred with capabilities and to ensure that vital and rare industrial skills are not lost.

In this regard the “old” notion of “specialization” comes to mind (Czech Republic example can be quoted as regards CBRN specialization). This notion was based on the logic that if an EU Member State (EU MS) developed a specific capability and if that capability was considered as being adequate and sufficient taking into account the EU’s needs (therefore meeting the EU’s defined requirements as regards that given capability) it would then become redundant for the EU to develop that specific capability.

While P&S can halt the deterioration of existing capabilities, countries can only share what they have. Gaps that are found all over Europe, for example in reconnaissance, can only be filled by extra investments. NATO’s operations in Libya in 2011 showed just how large these gaps are.

In fact, the recent EU engagement in Libya exposed capability shortfalls already known since the Headline Goal (HG) 2003 and HG 2010, that had since then been somewhat ignored – one needs only to recall the 60000-strong force and the Tervuren command proposals. Paradoxically, Libya can be roughly described has a limited conflict: it had no “boots on the ground” (land operations), the naval operations took place in a supremacy role as did the air operations (given there weren’t significant air defences) except maybe as regards the destruction of the communications infrastructure. Nonetheless, Libya’s main “lesson-learned” seems to have been that the EU displayed a lack of capabilities, resorting to NATO and US support inaugurating the “leading from behind” framework of transatlantic cooperation.

Moreover, the recent interventions of European countries (not the U.S.) in Africa, particularly in Mali, brought to bare vulnerabilities in the European forces, such as the intervention of combat aircraft and strategic projection of significant contingents, for which Europe was and is not prepared and had to continue to rely on U.S. support. Taking into account the most recent developments in North and Central Africa, the pooling and sharing aim should be to enable the EU to intervene in its immediate neighbourhood.

As regards the uncoordinated defence cuts perhaps the EDA could add value by assisting member states to better identify those areas where they can “safely” reduce their budgets. This would therefore free-up much needed resources for essential projects such as those related with collective

“enablers”, which are crucial in order to ensure the EU’s force projection capability in the aforementioned context of EU defence budget cuts.

Recalling the beginning of “pooling & sharing”, back in September 2010 – a time when the global financial and economic crisis had already began⁴ – Sweden and Germany identified an opportunity to give a new impetus to international cooperation in the field of defence (event though this was an old idea within NATO, albeit from a different perspective). The difference this time around was that the objective of this new initiative was to fulfil *common interests* with *common capabilities* under unique accepted standards of production and interoperability among Nations. The goal for the future would be to transform the *sharing* of capabilities that can be ascertained at present, in a *pooling of capabilities* and, eventually, in *pooling through acquisition*. The pooling of capabilities is seen as a prerequisite for Europe to turn into an effective actor in the field of security and defence, moving European integration forward in the area of defense.

5. Fight against conservatism.

P&S is of course not new. For decades already many Member States have pooled important capabilities with others, through various bilateral and multilateral arrangements, and some have even engaged in role and task sharing or specialization. But they have never surpassed the tactical level, and have not solved the strategic shortfalls. There certainly is scope therefore to create many more synergies and effects of scale, as well as an increasing necessity, in view of the budgetary pressure and the ever reduced size of most Member States’ defence budgets and armed forces. The current window of opportunity is not to be wasted. However, after the initial enthusiasm, conservatism might yet gain the upper hand. Defence establishments focusing on maintaining national structures and stepping on the brakes to protect what they have, risk losing the chance of getting more, and will probably end up with less.

Two important aspects, concerning the pool and sharing, should be kept in mind when the Chiefs of State and Primes Ministers will meet on December 2013:

- a. **due to the crisis, there will be no second chance.** If the conclusion of the December Defence Council is that all 27 push for pooling & sharing, but in some peripheral areas only, that will not change the face of European defence. A critical mass of Member States must take ambitious initiatives, including in some significant capability areas.

⁴ In February 2008, the first year of the crisis affecting Europe, the European Parliament published a study by the Directorate-General External Policies of the Union, entitled “Pooling of EU Member States Assets in the implementation of ESDP”, in which explicit reference is made to the enormous cost to taxpayers not to pursue European integration in the area of defense. Sharing resources can minimize costs resulting from the duplication of facilities for defense by MS. In this study four types of pooling of capabilities are pointed out: sharing, pooling of capabilities, pooling through acquisition and role sharing.

b. P&S does not get more to the countries. Pooling and sharing will allow us to make existing capabilities more cost and operationally effective. But it does not automatically lead to solutions for the capability shortfalls. The Ghent Framework not only has to be long-term, it also has to create a platform to launch new capability initiatives. For the Ghent Framework to yield results, it must be top-down. Not in the sense that Brussels dictates to the Member States, but in the sense that the Chiefs of State and Primes Ministers personally take the lead and steer their armed forces towards greater convergence in order to meet the common capability objectives.

Nonetheless, the need is there to safeguard the interest of the industrial and technological base: “economies of scale” in the maintenance field may produce negative externalities for the industry. Obtaining real gains from “economies of scale” in the field of aircraft maintenance, for example, will require close contacts between the companies performing the maintenance and the manufacturing companies. This seems to be necessary in order to really achieve “economies of scale” without negatively affecting the industry’s interests.

One possible solution could be the creation of “smart pooling inter-disciplinary contact/negotiation teams”. The main point here is that progress on the political field needs to be complemented with the negotiation of deals at business level to off-set potential losses resulting from readjustments.

Accordingly, procurement is set to become “a topic for the future” (the UK has very recently taken the decision to privatize the management of its procurement and support arm with the help of a US consultancy⁵). If one considers that the price of weapons systems doubles every 7 years, soon the time when the entire defence budget will be required to acquire new generation capabilities will be upon the EU. Therefore, making sure dual-use⁶ is a main priority when developing new technologies is increasingly important: this should be an objective present at the initial stage of capability development and not a secondary objective.

6. A permanent capability generation conference.

Useful inspiration for dealing with commonly identified objectives can be found in the method used to launch Common Security and Defence Policy (CSDP) operations: a Force Generation Conference. Once the capabilities required for a specific upcoming CSDP operation are identified

⁵ Government ministers recently approved a deal for Jacobs to take on the role of “delivery partner” to the MoD’s Defence Equipment & Support (DE&S) as it develops a business model for the handover of procurement activities to industry in a government-owned, contractor-operated (GOCO) arrangement.

⁶ “R&D performed outside defence organizations plays an increasingly important role due to progress in independent science and technology in many areas. Often it is only in the last phases of development that the ultimate application determines whether the R&D can be identified as “defence” or “civil” R&D. “Dual-use” R&D is of growing importance for defence applications, see for instance IT. It is thus of primary importance for the European Defence Technological and Industrial Base (EDTIB) to stimulate “dual-use” R&D, in particular as it enables funding from outside the defence communities” see CCMI/100 - CESE 761/2012 report, June 15 2012.

and listed in the Statement of Requirements, a Force Generation Conference is organized among the potential Troop Contributing Nations. This process goes on until the entire list of requirements has been met by voluntary contributions by the Member States.

In a similar vein, the Ghent Framework could be the first step towards a “capability generation conference” of the Ministers of Defence of the willing Member States. The aim of such a conference would be to create a durable *strategic-level* framework for systematic exchange of information on national defence planning, as a basis for consultation and top down coordination, on a voluntary basis.

However, the “Ghent initiative”⁷ seems to have incurred in a mistake for which there is no easy solution. Firstly, this mistake relates to the fact that a *common policy* necessarily equals a sum of *different national interests*. Secondly, it’s worth noting that the Lisbon treaty dates back to 2007 and that the pooling & sharing initiative dates back to 2010. This being said, one needs to recall that the Ghent proposal established three different levels of cooperation: a first level of cooperation regarding exclusively national capabilities; a second level of capabilities which could be “pooled”; and, finally, a third level of capabilities which could be “shared”. Thirdly, “pooling” on the one hand and “sharing” on the other hand were two concepts or notions that were “separated at birth” the understanding of which the EU is only “now” truly defining⁸.

The mistake made at Ghent seems to have resulted from a “top-down” construction of the “pooling & sharing” concept: the capabilities were the starting point to strategic thinking. On the one hand, “pooling” was meant to refer to capabilities developed in order to meet and serve national interests. At the same time, the objective was to develop such capabilities with a degree of “economies of scale” while keeping operational control separate⁹. On the other hand, the notion of “sharing” seems to relate to a very advanced integration of European Defence that matches the concept of a truly “Common” Security and Defence Policy. Overall it embodies the logic according to which the defence priorities of the Union could be better defined at EU-level: one set of priorities, instead of multiple and different sets.

⁷ The concept of P & S was to be permanently on the agenda of the Common Security and Defence Policy (CSDP) following the Informal Meeting of Defence Ministers of the EU, held in the city of Ghent on September 24, 2010, during the Belgian Presidency becoming known as “Ghent Initiative”.

⁸ For discussion of the concept in Ghent, was presented jointly by Germany and Sweden a background document designated as “Food for Thought”, proposing the P & S as a way to cope with the impact of the financial and economic crisis would have on European military capabilities. The document identified the need for a systematic analysis of military capabilities and support structures of the various EU MS, categorizing them for the S & P in three classes defined below:

- Category 1: capabilities and support structures considered essential for EM and therefore kept strictly national, limited cooperation seeking measures to increase interoperability;
- Category 2: capabilities and support structures that enable closer cooperation without creating excessive dependencies and can be summarized under the concept of pooling.
- Category 3: capabilities and support structures, which is acceptable mutual dependence between MS within a framework of international job type “role and task-sharing”.

⁹ The Battle Group concept is a good example of this “pooling” notion, because it allows the protection of the “national interest”. Although the BGs have never been deployed in the field the BG concept is positive because it enables a “collective thinking mind-set” while forcing member States to have a coordinated approach.

In the future, a national defence white book ought no longer to be the end of the process, but the starting point for an open dialogue among partners. As defence planning concerns the long term, such a dialogue will be permanent, hence a Permanent Capability Conference. Such a forum will create the certainty and confidence that capitals need in order to really align their national defence planning with fellow Member States and to focus it on the commonly identified shortfalls. The aim is not in any way to transfer sovereignty over defence planning to the EU level. National governments and Chiefs of Defence will still decide in which capabilities to invest or disinvest. The aim is to restore the sovereignty that each individually we have all lost, being unable to sustain significant crisis management operations on our own, which pooling and sharing alone has not been able to remedy.

7. Advantages for a strong military cooperation.

Only in the framework of a Permanent Capability Conference that provides them with a view of all participants' plans and intentions can Member State reliably assess the relevance of their national capabilities. It functions in effect as a peer review mechanism of national defence planning. The advantages for national capability decisions are:

- a. Member States can confidently choose to strengthen their relevance by *focusing* their defence effort on those capabilities required for crisis management operations that are in short supply and therefore critical at the EU level.
- b. Member States can safely decide not to expand or even to disinvest in national capabilities of which at the EU level there already is overcapacity. Actually, Member States spent far more money on maintaining redundant capabilities than would be needed to solve the priority shortfalls. Avoid these redundancies in a concerted way is the most effective cost saver way. Furthermore Member States can without risk decide to disinvest in a capability area either because existing national capabilities are obsolete and non-deployable or because participating Member States have agreed on specialization among them.
- c. In those capability areas in which they do remain active, Member States will be easily able to identify opportunities for increased pooling and sharing of capabilities, allowing them to organize them in a more cost effective manner and increase operational effectiveness.
- d. Pooling and sharing, specialization, avoiding with redundancies, will create budgetary margin allowing Member States to find partners to launch multinational programmes to address the strategic shortfalls and generate new capabilities, including in those areas which a combined initiative at the EU level is necessary. The European Defence Agency can and should act as the

organizer and the secretariat of such a process. A permanent capability generation conference would also result in a permanently relevant EDA.

At the beginning, not all Member States will be willing to subscribe to a permanent and structured process along the lines of the Ghent Framework. It is crucial that those who are willing can do so within the EU and can make use of the EU institutions, notably the EDA. That will ensure that something like a Permanent Capability Conference remains fully in line with the overall development of CSDP, and will easily allow other Member States to join at a later stage, whenever they are able and willing.

In order to solve this impasse, the concept of “smart pooling” has been proposed. The EU, acting through the EDA is already cooperating with NATO’s ACT (which has a French commander) and is working towards joining the EU’s top-down approach with NATO’s “bottom-up” approach. The best way to achieve this may perhaps be to promote specific objectives and thus be able to generate gains at regional level. The main argument is that there are sub-regional synergies that can be tapped into while at the same time integrating NATO’s top-down approach and culture (NATO’s force planning is not supra-national). Plus, the EU’s intergovernmental culture may very well allow both approaches to be integrated. Accordingly, from all the areas already identified those which seem to hold more potential are those related to training, logistics & maintenance.

8. The need of an EU defence White Paper.

Since more than a decade, questions related to the nature, the development and the future of the European Union’s Common Security and Defence Policy (CSDP) are high on the politicians’ agenda. In this context, one of the major deficits repeatedly diagnosed is the lack of a strategic-conceptual basis for CSDP that exceeds the European Security Strategy (ESS) of 2003 or its implementation report of 2008 in scope and precision. Hence, the development of a new basic strategy document, such as an EU security and defence White Paper, has been presented as potential remedy for better implementing the CSDP. In fact, the ESS is frequently evaluated as insufficient in terms of strategic basis for CSDP and rather incomplete, not meeting the criteria of a classical security and defence strategy. A White Paper could function as a tool to directly ensure that the ESS is implemented in a satisfactory way. The mentioned document should define, for the EU countries, priorities in the defence field and assure a more proactive engagement and real support by stakeholders, in order to assure sufficient congruence among member states’ security and defence policies to identify shared interests and inform a joint, coherent strategic vision. The difficulty will be to harmonize different ‘strategic cultures’, influenced by diverse history, culture and geography, political experiences as well as the self-conception of security and defence actors. Political

leadership should take advantages from diversity and create a real and feasible CSDP necessary for pushing a credible capability integration using, as mean, the Pooling and sharing concept. Factor of success remains the tempo: each Nation should put all its efforts in elaborating own paper at the same time optimizing effectiveness and coordination of all of them.

9. Towards a Comprehensive P&S Approach

P&S is not a panacea. However, it is a necessary pillar to save future European defence. Accompanying measures are needed to shape current role specialisations and additional investments in the acquisition of the required capabilities in a way that allows states to maintain Europe's defence capability.

P&S can only help to provide solutions if states are willing to rethink the precedence of political sovereignty over military effectiveness and economic efficiency. In concrete terms, this means that they must ask three questions as regards future P&S projects. First, under what conditions do they trust a cooperation partner and to what extent can they curtail their wish to make unilateral decisions in the interests of the defence needs of others? Second, is the co-operation effective in military terms? And third, does it enable for savings?

In addition, states must establish a joint framework for the counterproductively wide range of current cooperation projects in order to focus on the political, military and economic value added of P&S initiatives. This might include the following measures:

- a. **Set up a permanent European Council on defence affairs.** Europe needs to decide about the shape of its future defence capabilities and about the industrial basis that builds and backs this capability. As it is likely that Europeans will cooperate more often on multilateral military activities in the next 20 years, the current national reforms, plans and P&S projects should primarily safeguard joint operations. Hence, the aim should be to have efficient European armed forces rather than to give preference to national plans, as has been the case so far. These priorities can only be set by heads of state and government in a resolution that commits their defence, foreign and finance ministers to concrete aims. The success achieved should be checked every year.
- b. **Draw up a joint capability chart as the basis for role specialisation and cooperation.** A European capability chart could be drawn up on the basis of the priorities set by the heads of state. This chart will provide information about how capabilities can be sensibly built up or scaled down. Along with preventive consultation, the chart could enable Europe to avoid further drastic cutbacks.

- c. **Overcome distrust.** There are two ways of dealing with a lack of trust: states could either sign legally binding agreements on the provision of capabilities, as is the case in the Franco-British Defence Treaty. More-over, they could compensate for the possibility of a partner’s non-participation with redundancy in their military capabilities. For example, the decision of a state to withdraw its airplanes from a mission must not lead to a collapse in European air transport capability. Partners that withdraw from an operation could undertake to use their aircraft to carry out routine duties in compensation, thus relieving those who want to deploy their aeroplanes in the operation of such tasks.
- d. **Use price tags.** Anyone wanting to save money first needs to know how much he is spending. For the most part, it is not possible to prove the savings that have been attributed to P&S. It is also difficult to provide figures for the costs of non-cooperation. Every task undertaken in or by Europe’s armed forces therefore needs to have a price tag. It is not easy to calculate prices – then again, it is not impossible. NATO has already presented a list of savings made through smart defence projects affecting P&S projects as well..
- e. **Exploit industrial savings potential.** Rapid success has been the main aim of P&S projects so far – the idea is to create a positive attitude towards P&S. However, genuine savings result from long-term commitment and solidarity. In order to achieve this, states need to reach mutual agreement on the development of their capabilities and on the arms process. This should range from research and development activities, which have been severely reduced, to the joint procurement of identical equipment or unique productive and interoperable standards. This will also make it possible to tap into the large savings potential found in the national capacities of Europe’s defence industries. Conversely, the strengths and specialisations of the individual national manufacturers and suppliers provide impetus for a future industrial division of labour in Europe.
- f. **To invest in military capabilities autonomously required to defend permanent national interests should not prevent the development of permanent multinational military capabilities** (Euroforces) as a method of *pooling* – especially in areas not strictly military, such as medical support, CIMIC, Engineering, among other.

In terms of *sharing of capabilities*, there are possibilities for the **joint use of infrastructures**, either for training (live or simulation), **to avoid duplication of structures between countries geographically close** (regional synergies), and the opportunity to use strategic transport (air and sea) avoiding the independent acquisition of these type of assets or having to rely on the civilian market for strategic deployment.

- g. **Set up joint (re)investment pools as an incentive for cooperative saving.** EU finance and defence ministers should set up a joint investment pool funded by defence savings. It would serve as an incentive for states to find Europe-wide solutions to joint capability gaps. This pool should be available to states for joint projects if they contribute equal amounts of their own budgets and the projects lead to savings. Compared with individual acquisitions, EU defence ministers would then have twice as much funding available. However, this would mean that they need to agree on joint acquisitions. The savings from these projects should be returned to the pool. The states would benefit from the resulting greater operational efficiency and interoperability. This more efficient use of defence budgets over the long term could serve as an argument to persuade finance ministers to allocate the necessary resources. The starting capital should be provided as an interest-free loan by the countries that will benefit the most politically, militarily and industrially from this investment pool: Germany, France and Great Britain.
- h. **Combined employment of forces by geographically close countries,** as Portugal and Spain agreed, in operations within NATO, EU or UN in situations that represent a common interest. For example: Non Combatant Evacuation Operations (NEO), support for natural disasters or humanitarian emergency. The same document also suggests the deepening of cooperation in the defence industry, with priority given to aspects of aeronautics, communications, information technology and demilitarization. Other example is France, Spain and Portugal border air defence data exchange tracking all possible threats approaching countries' air space (renegade case just to mention an example).

10. Conclusion.

European armed forces are simultaneously facing budgetary austerity and increasing deployment for crisis management operations. In spite of this, the political circumstances at first sight are not propitious to a new step in European defence cooperation. With Member States divided over the military dimension of Syria crisis management, the enthusiasm for pooling & sharing of capabilities may have slackened. Yet, operations in Libya and Mali have also highlighted once again the already well known capability shortfalls. The solution requires thinking out of the normal schemes, of which “Ghent” was the starting point. Only by aligning their defence efforts and collectively focussing on those shortfalls can Europeans remain militarily relevant. And that is the first step to develop a truly common CSDP strategy, on which debate should start simultaneously.

The planned European Council meeting on defence should serve both as a deadline to stimulate concrete progress on specific projects in the short term, which is necessary to keep the dynamic

going, and as a moment to chart the strategic course for the future. On the one hand, the European Council should take stock of implementation of the projects already prioritized. On the other hand, it could formally launch a permanent and structured approach for European defence in the long term, prepared by and under the clear ownership of Member States.

While EU Defence pooling is easily achievable, sharing remain difficult especially at high specialized level (for example high precious assets like anti-misl systems, minesweepers and so on).

Another tasking, to a group of Member States or to a panel of personalities, could be to draft strategic guidelines and priorities for a European White Paper.

It is perhaps necessary to consider a set of additional elements or pre-requisites:

- the existence of the same strategic culture;
- regional proximity;
- countries with equivalent size, including its armed forces;
- the same understanding about the objectives of cooperation;
- trust and solidarity between the partners; and,
- equal competitive conditions for the defence industries.

Trying to navigate sensibilities in the political field towards agreements, while at the same time managing the interests of the EU's fragmented defence industry is no easy task. But one thing is certain: persisting with traditional approaches will only result in continued fragmentation, redundancies and diminishing interoperability as regards EU's defence capabilities.