

Public-Private Dialogue series

“Moving European Defence to a war footing”

Date: 11th April, 14:00 CET via ZOOM

Main Takeaways

What’s “new” for EU’s Defence and Security?

- There is a shift of the sense of gravity concerning security and there is a strong urge to take tangible actions to further strengthen European defence and specifically its industrial capacity.
- It is important to prompt a deep analysis of defence investments within the EU and try to identify existing challenges and obstacles to find adequate solutions.
- As demonstrated by the EDIS and ASAP initiatives, the direction to pursue is the increase of collaborative projects where Member States and industries are involved in order to bolster the overall competitiveness of the European industrial capacity.
- The target is “8 consecutive years of growth” and a consequent increase of the overall defence spending of Member States up to 20% in the upcoming years. Part of this process is destined for the modernisation of our capabilities.
- Focusing on producing high quality capabilities whilst working on strengthening the production capacity of our industries (achieving quality and quantity).

What are the key words for the upcoming political cycle?

- Member States and industries must act together, faster and identify feasible strategies to make these processes effective whilst reducing costs. It is important to move from rhetoric to actions.
- In order to reinforce European Industrial capacity, it is crucial that Member States and their industries prioritise collective interests over national ones. A fragmented industrial policy represents an obstacle to the overall strengthening of the European defence capabilities.
- Among the imperative priorities, there is the need to work on the EU’s internal stockpiles, which leads to stronger collaboration with European industries and an increase in long-term contracts and orders from Member States.
- Enabling regulations that shorten procurement processes and facilitate cooperation to avoid unnecessary duplications and prevent the creation of multiple initiatives with similar scopes.

Policy Recommendations

1. Enhancing Long-Term Planning and Commitment

- The absence of long-term procurement contracts and insufficient financial support undermine the efficiency of defence procurement. There's a need for sustained long-term commitments, supported by both national governments and European financial institutions, to ensure a stable and predictable defence procurement strategy.
- There is a critical need to strengthen joint procurement efforts, notably for essential needs like ammunition replenishment for Ukraine.

- This requires solidifying long-term commitments and ensuring framework contracts are converted into long-term obligations with less dependence on external suppliers.
- Simplify control approval processes and align intellectual property discussions to reduce bureaucratic delays and enhance the agility of defence operations.

2. Boosting Innovation and Technological Development:

- Address the substantial gap in innovation investment compared to global leaders like the US. Significantly increase funding for cutting-edge defence technologies, including Integrated Air and Missile Defence (IAMD), to close capability gaps and foster technological advancement.
- Set realistic targets for member states to spend a larger portion of their defence budgets within the EU, aiming to build up a competitive and innovative European defence industry.

3. Building Strategic Autonomy and Understanding:

- Develop a clear capability plan beyond 2030 that not only meets current demands based on urgency, but also anticipates future needs with high-end, full-spectrum capabilities focused on technological advancement.
- The EU needs a cohesive and effective defence strategy that aligns with the broader geopolitical landscape, ensuring strategic autonomy that can operate effectively without over-reliance on non-EU sources. This requires a comprehensive understanding of defence needs and capabilities across member states.
- Tackle the systemic issues in defence planning and spending that hinder the development of a unified European defence base. This requires a shift from a peacetime mentality to a more integrated and proactive defence posture.

4. Coordinating EU and NATO Defence Strategies

- Improve the alignment between EU defence strategies and NATO to avoid duplicative efforts and ensure complementary actions. This includes fostering inter-state cooperation and encouraging EU states to embrace EU-wide defence solutions rather than national-specific products.
- As NATO remains the one who sets the standards when it comes to the necessary capabilities, the EU should build enforcement mechanisms and safety requirements to accelerate standardisation.
- Target: anything developed within the EU and NATO should be standardised.

5. Economic Considerations and Financial Strategies

- Promote financial commitments and create guarantee mechanisms to encourage investment in defence infrastructure and innovation; in this it is ensuring that these are backed by sufficient guarantees to attract funding from financial institutions.
- Set realistic targets for member states to spend a significant portion of their defence budgets within the EU to support the local defence industry.
- Encourage the adoption of practices that enhance economic efficiency in defence spending, including better use of economies of scale and reduction of redundant initiatives.

Improving Situational Awareness and Decision-Making

- Political support and leadership: political cycles and financial fluctuations of European economies hugely impact the European defence industrial strategy. If the strengthening of its industrial capacity is a strategic goal for the EU, Member States should always pursue collective policies to adhere to it.
- Enhance the strategic and operational information flow among defence leaders to improve decision-making.

Standardisation and interoperability

- In 2007, the European Defence Agency (EDA) initiated a program aimed at fostering joint projects and enabling industries to publicise material standards. A common reference system was launched in 2011, underscoring the EU's commitment to achieving higher levels of standardisation. However, to cite an example, only the conflict in Ukraine has facilitated the cross-qualification of ammunitions, highlighting how urgency and imminent threats can drive tangible results.
- Foster early engagement between industry and military planners to effectively align procurement strategies with operational needs.
- Interoperability and interchangeability are crucial considerations in discussions about standardisation. If effectively implemented, these measures would instill confidence in military personnel, who would be trained to utilise these capabilities, and greatly facilitate knowledge-sharing—an aspect that is often overlooked.