



## **NOTE ON THE XVIII INTERNATIONAL MEETING OF EURODEFENSE HELD IN MADRID. 19-21 SEPTEMBER 2012**

### **1. DEVELOPMENT**

From 19 to 21 September 2012 took place, at the CESEDEN and the CEOE in Madrid, the EuroDefense (ED) fall meeting, which includes the Presidents Meeting, the active Working Groups Meetings, along with the specific panels on actual and non-permanent topics, and finally the annual International Conference with the title of "Europe of defence, the crisis and the future."

The Meeting was organized by ED-España acting this year as President of the Network of Associations, and has been attended by all delegations but Italy, Luxembourg, Hungary and Romania, which have excused by various messages or letters to the Secretary General.

Particularly noteworthy is the large number of participants from ED members who have attended to this meeting: France, with 14 participants, Portugal and Germany, with 5 participants each, or the UK with 4 participants.

The International Meeting was organized in two parts. The first one with two half-days, in the afternoon of Wednesday 19 and in the morning Friday 21 for meetings of Presidents, Working Groups and Panels. The second part, on Thursday 20 and early morning Friday 21 was dedicated for the celebration of the International Conference.

The program and the time schedule were very adequate and the facilities of CESEDEN and CEOE were very convenient, providing a sufficient number of meeting rooms for the various active working groups. ED-España actively participated in all of them.

ED-España, in charge of the organization, developed a social program that included a Royal Audience with His Majesty the King to the Presidents and Vice Presidents of the Associations of EuroDefense, a reception at the Palace of the Community of Madrid to all attendees. Furthermore, there



was a touristic tour for accompanying persons on the morning of the 20th, with a visit to the Royal Palace, and a lunch at the “Café de Oriente”, finally there was a dinner for all participants hosted by our Association in the restaurant of the Royal Theatre.

ED-España in collaboration with ED-Portugal have confirmed the organization of the International Youth EuroDefense Meeting, to be held in the summer of 2013, probably in Madrid. Therefore a Joint Organizing Committee will be constituted to prepare it, taking the lessons learned from past meetings with similar characteristics.

## **2. MEETING OF PRESIDENTS**

After the welcoming remarks by the lieutenant general De la Rosa, Director of the CESEDEN, Mr. Arturo Fernandez, President of ED-España and Chairman of the Meeting, opened the session welcoming all Delegations and giving the floor to the Secretary General, general Guinard who reported the absences of Italy, Luxembourg, Hungary and Romania, which have given excuses for various reasons. Ambassador Calamia, President of ED-Italia has informed the process of reorganization of its Association, which so far has not been successful. The President of ED-Luxembourg, J. Santer tried until the last minute to attend this International meeting and both ED-Romania and ED-Hungary also reported unable to attend.

At the first session, they proceeded to the approval of the agenda (Annex 1). Subsequently, the decisions taken at the meeting of Presidents held in Bucharest in June of this year (Annex 2), were also approved unanimously by all presents.

The next item on the agenda was the Secretary General's report, stating that some contacts had been started with various European organizations which have expressed interest in collaborating with EuroDefense. Specifically, the Inter-parliamentary Security and Defence Association (AESD) through its Secretary General, Colin Cameron, who is also a member of ED-France, has proposed the signing of a partnership agreement between the two entities. The project has been sent to the Secretary General, general Guinard, for approval at the next meeting of Presidents.



The Secretary General also stated that the report on defence budgets prepared annually ED-France had been sent to the European Parliament.

In addition and in accordance with the mandate of all EuroDefense national associations, informal contacts have been established with various EU nations to report on our activities, arousing interest in the creation of new partnerships and try to integrate them into our network. So far we have contacted Poland through its Ambassador in Paris and also using several channels with Finland, Sweden and Lithuania. The ability to integrate Cyprus in our network has caused misgivings among some of the Presidents, having decided to keep the initial contacts, without expressing any reservations about the inclusion of EU member countries.

General Guinard also said that as Secretary General of EuroDefense wanted to make some considerations about the lack of interest that, in general, have different associations in carrying out a work well done. He said that in many cases there are not answers to the messages sent by himself or by other national association leaders of Working Groups. He even commented that if things continue as they are, he would not like to remain as Secretary General. He suggested that we need to push ahead and to put more interest in our activities. To be a member of ED, cannot be to assist to the meetings and then forget about ED till the next one.

The next point of the Agenda was planning activities. At this issue, it was clear the lack of candidates to organize the Autumn Council 2013. After some discussions, ED-Netherlands offered to take responsibility for the preparation of a meeting in the second half next year, but not an International Conference but a Presidents Meeting. ED-France, meanwhile proposed on 18 and 19 April, in Paris, to celebrate the spring meeting of Presidents of 2013. Greece will organize the meeting on the spring of 2014, and Germany the meeting on the autumn of that year.

The next point of the Agenda was "the review of the activities of the various Associations", several associations reported their activities: ED-Belgium has been devoted primarily to the preparations of the EWG; ED-Portugal, has carried out a first seminar on "pooling and sharing", and will try to make a second one to deepen on technical and industrial issues; ED-Netherlands is also going to organize a seminar in close collaboration with the European Movement on the Development of a EU Strategic Concept; ED-Germany meanwhile has collaborated with the German Ministry of



Defence in the publication of various documents and ED-France has also participated in developing the forthcoming Defence White Paper, and is preparing a seminar for this month of December that addresses issue of capacity, particularly in the areas of technology and research; ED-United Kingdom reports its interest in deepening relations with Russia and is preparing various activities on which it will keep us aware; ED-Greece has shown its interest in participating actively in the works in progress, while ED-Spain displayed the work done to date, with utmost dedication to the organization of this meeting in Madrid, and the development of various internal documents.

He then turned to the presentation of the reports of the various working groups, starting with the permanent development of the website. ED-España was represented by generals Juan Santos and Jose Sanchez Mendez. The Chairman reported on the measures to improve the efficiency of network usage and the current situation of the websites of the different associations.

On EWG-11bis activity, its Chairman, general D. Jean Paul Perruche, summarized the activities undertaken to date, the objectives to be achieved and the possibility that other association will take the direction of the work of this group. The meeting was attended by general D. Juan Jose Garcia de la Vega and general D. Javier Pardo de Santayana. ED-España accepted the French proposal to lead the group from now.

The Chairman of the EWG-17 Cyber security, John Howe, broadly outlined the work to be carried out, with a precise definition of the problem and the legal framework in which we operate. The EWG discussed the most appropriate strategies to strengthen cyberspace and discussed the issue of cyber-attacks a new paradigm for collective defence that was presented as a challenge in the XXI century. Both ED-United Kingdom and ED-Romania submitted a paper on this topic that can be the basis for this study. ED-España was represented by the Doctor D<sup>a</sup> Natividad Carpintero and general D. Antonio Nadal. It was agreed that the work is not finish yet and was emphasized the need to do it through urgent proceedings between representatives of each nation attending this meeting and others who want to join, exchanging proposals via e-mail.

The report presented by the Chairman of the EWG-16, reaffirmed the role the EWG-16 should play in the development of EU CSDP, proposing to



write a letter to the Community authorities trying to expose the weaknesses that can be found in the implementation of an operation exclusively European. The representative of ED-España General D. Federico Yaniz proposed to prepare an outline of the planning for the implementation of the CSDP. This idea was included in his paper "Some Considerations on the Implementation of the Common Security and Defence Policy", sent in response to the first document of the EWG-16, prepared by the President of EWG-16 in January 2012. In any case, when the EWG-16 meeting began in Madrid the Chairman of the Group was decided to send the letters, presenting a draft that was slightly discussed. Some of the members of the different ED even though they did not oppose to the idea of further study on the future of the CSDP, considered EURODEFENSE was unable to do so. General Yaniz clarified that it would be a sketch or outline of how to advance the process of implementing the CSDP. Any way and with the proposal of ED-France and ED-Belgium the Group approved the resolution of writing the letters, as soon as possible, and that they should be approved by the administrative silence procedure, so they could be sent to the European authorities before year end.

It was agreed to raise a new EWG on budgets, an initiative of France supported by Spain, represented by D. Javier Ruiz de Ojeda. Accordingly, it will be launched a new EWG-18, that will begin its work on the basis of two studies, one presented by ED-Nederland about the need for a European defence industry, and other presented by D. Jean Rannou, ED-France, on R & D.

In the last item of the agenda, during the meeting that took place on Friday 21 on the CEOE, the members of ED warmly thanked ED-Spain the magnificent organization of the meeting, congratulating ED-Spain for their development. Furthermore, it was made an explicit recommendation to follow this model for the development of similar programs on future occasions. It was also approved the submission of a new application for the commission we received last year to conduct the Youth Days of ED, and an study on the creation of a flag of ED, based in the flag of the Union with our logo in the centre.

### **3. INTERNATIONAL CONFERENCE**

On Thursday 20 and in the morning of Friday 21 am, the XVIII International Conference of ED on "The Europe of Defence: The Crisis and the Future "



was held in the auditorium of the CESEDEN and in the hall Jose Maria Cuevas of the CEOE. The Conference, which brought together leading figures and authorities relating to European defence, was structured in an opening session, three different panels, and a closing session.

On the 20th of September, the Conference was opened by the Director of the CESEDEN, the President of ED-Spain and by the Secretary of State for Defence, Don Pedro Argüelles, on behalf of the Minister of Defence.

Lieutenant general de la Rosa welcomed the people attending the XVIII Conference of EuroDefense. General de la Rosa said the CESEDEN is a meeting place of knowledge, research and reflection in the field of Security and Defence and he warmly welcome all participants and attendees to the International Conference.

The Secretary of State of Defence presented the main elements of the security policy of his Ministry and in his speech he referred to the current challenges facing the defence industry. Among them, a highly competitive global market that Spain faces within a framework in which both the balance of government accounts and deficit reduction. For that reason Spain have to promote the export of our international competitive capabilities. With regard to the Security and Defence policy, the Secretary of State said: "The crisis has adversely affected Defence budgets. In this respect, Europeans must be aware that to seek solutions to economic problems in the drastic reduction in defence spending is a temptation that can lead to problems. Among these, the slowdown highlights the initiatives for developing a genuine European Security and Defence. It also highlights the negative impact on the consolidation of the European defence market, already too fragmented and the loss of investment in R & D, and also the danger to the maintenance of highly skilled jobs. "

The President of EuroDefense-España highlighted a number of important issues in the context of Security and Defence policy of the European Union. Among other things, he said: "The development of the Common Security and Defence Policy in the framework of the Common Foreign and Security Policy of the EU is essential to give Europe the right elements for self-defence, to be developed in close relationship with NATO. The economic situation in many countries of EuroDefense, are forcing painful cuts in Defence budgets and given the undeniable relationship between Defence spending and Defence industries, the impact of the cuts may



result in a problematic loss of jobs and a delayed innovation and technological development. The Defence industries are essential, not only for capacity but also for the development of our countries. Therefore, we must find new ways to prevent the loss of essential defensive skills and much needed jobs”.

After the words of Mr. Arturo Fernandez the panels began and were dedicated to the following subjects:

The first panel “The Defence industry in the current environment,” was moderated by D. Eduardo Serra and had as speakers: D. Jacinto Garcia Palacios, EADS, D. Carlos Suarez, INDRA, D. Jaime de Rabago, Navantia, D. Francisco Torrente, EXPAL; D. Jesus Redondo, G.D. Santa Barbara, D. Andrés Sendagorta, SENER and to D. Daniel Garcia Calleja, Director General of industry in the European Commission.

The moderator began saying that in Europe there is a very low perception of the threat, which together with the current economic crisis, makes Defence budgets (although there are clear differences between nations) are now at a minimum. This has made the Defence industries are in a situation that is difficult to imagine worse. However, he strongly believes that the solution is more Europe. But that will only be true if everyone plays with the same loyalty and only in this case the nations can carry out the construction of Europe and ultimately save us all from the crisis. He concludes that Spain is the 5th industrial power in Europe and is the same or even more European-oriented than any other, but we are also a proud people and if the Spanish citizens or their Defence industries see someone intends to deceive us, the first temptation is to break the deck.

The speakers make very interesting presentations matching in many points. We can draw the following ideas:

- a. The Defence industry is a strategic sector, not only for national Defence, but for the economy through the multiplier effect on growth and employment.
- b. There should be greater integration of Defence industry companies at national and European level.
- c. Need for internationalization. Exporting is almost an unavoidable need.



- d. The Armed Forces must be reformed. It may have to be smaller, but not necessarily less expensive.
- e. It is wrong to think that there are fewer threats in Europe.
- f. Europe must respond to the Security and Defence commitments, and therefore we should increase the budgets or it will be difficult to meet them.
- g. The current success in exporting will have difficulties in the future if we have no new programs or if we reduce research budgets.
- h. We cannot admit that in a single market some EU countries open their borders and others maintain restrictions.
- i. If we want to make Europe an attractive area for investment, we must develop a European industrial policy and not 27 different national policies
- j. The European Commission will allocate 80 billion euros to cover R & D + I (Horizon 2020). It is not a military program but has areas of double use technology. We will have to pay attention to that money.
- k. It is a must to build as soon as possible the Europe of Defence as the foundation of an strong and competitive European industry, while respecting the sovereignty of member states and the legitimacy of national Defence ministries, but moving toward that strong and competitive European industry is vital for the growth, for the economic development and for job creation.

The second panel discussed "The Europe of Defence and crisis", moderated by D. Julian Garcia Vargas and having as speakers to general D. Jean Paul Perruche, President of EuroDefense-France, general D. Federico Yaniz of EuroDefense-España and colonel D. José M. Sevilla, of the Spanish Representation in the Military Committee of the European Union.

On this panel some of the findings were:

The future of the European Defence industry will be influenced by the institutional crisis stemming from the euro crisis, so the present and future of these industries can benefit by initiatives like pooling and sharing, although this process can also be seen affected by the lack of



resources and lack of legally binding agreements on the security of supplies.

Several projects on pooling and sharing have been launched, the most significant ones are: the aerial refuelling, the building of medical capabilities and campaign hospitals, naval training and counter IED (Improvised Explosive Devices).

The first panellist after making a complete description of the current situation of the CSDP, summed up by saying: "The EU is working hard in its efforts to be a global player in the field of Common Foreign and Security Policy. It has come a long way and still has a long way to go. Success will only depend on the interest that member states put in to get it".

However, the current situation brings us some disturbing data: the fact that in recent years the EU has not launched any new military operation and only a few very small civilian ones; that the High Representative and the European External Action Service have a vision perhaps too civilian of the CSDP; the slow progress in pooling and sharing; or the crisis being experienced by the battle-groups. All these facts could lead us to a pessimistic view regarding the CSDP. However, the major asset of the EU is its ability to act in a comprehensive manner, the Comprehensive Approach, and in this regard we cannot have any pessimism. Our EU knows that is the champion of the Comprehensive Approach, has bet heavily on it, and knows that no other organization can make it shadow in that field.

In the second presentation of this second panel, general Yaniz also noted the lack of specificity of the objectives of the Common European Security and Defence Policy and the lack of an updated strategy, which would be caused by: 1) The lack a common vision of the member states on the ultimate goal of European integration; 2) The difficulty of achieving convergence between national interests and ambitions and the European Union; 3) The lack of convergence between the Foreign and Defence policies of the member states; 4) competition restrictions set by treaties.

General Yaniz continued by saying that in order to have a realistic view of the context in which we have to develop the Common Security and Defence Policy, it seems necessary to make some considerations on the evolution of Defence spending of European Union and NATO countries.



There are several studies on these reductions on Defence spending. One of them analyses the evolution of Defence spending in the period 1988-2009 for the 34 countries of NATO and the European Union. The study shows that the Defence spending of Germany, France, UK and the Netherlands in 2009 was below the levels of 1988. A similar decline occurred in other countries of the Union.

General Yaniz also said that: "Given the reality that Defence spending will continue to decline in relative terms, and in some cases even in absolute terms, at least temporarily, it seems necessary a profound rethinking of Defence planning . This review should also take into account the existence of new weapons systems with the latest technology, which are changing the art of war and non-war confrontation. These new technologies are also changing the nature of the threat. New weapons systems have been made available to many, including terrorist groups, capabilities previously only available to sovereign countries, and not for all of them.

After further observations, general Yaniz continued his lecture by saying that the Defence of Europe in the defence of a political model, which inspired by the Christian tradition, has three fundamental pillars: Freedom, Democracy and the Rule of law. To defend Europe is primarily to defend a way of life in which the rule of law protects the integral development of the human being. That defence requires an effort and costs that Europeans must accept and assume. Both NATO and the EU are committed to the Defence of Europe, in which the European states will continue to have a key role.

Other considerations to take into account, mentioned by the speaker, referred to the importance of jobs, especially in these hard times of crisis in which many people are unemployed. According to point 2.9 of the Opinion of July 2012 of the Economic and Social Committee, the Defence industry is a high-tech sector that directly employs in Europe about 600,000 workers and indirectly another 2 million people. Those skilled workers use advanced technology that requires significant research and development activity. This technology can be, and frequently is also used to develop equipment and products which have civilian applications.

Finally, general Yaniz said that unless it is applied a Comprehensive Approach, that takes into account the European Defence Industrial Base, for the development of the Common Security and Defence Policy, the EU



will be, sooner rather than later, with same problems found by failing to apply this approach to the development of Economic and Monetary Union.

In the third presentation of the second panel, general Perruche spoke about “The Future of European Defence” under three main ideas:

The first one was “Why does it make sense to develop the European Defence in the EU?”, explaining that full dependence on the US is no longer a reliable option, that no single EU nation is any longer able to afford the necessary assets to cover the full spectrum of required capabilities, and that EU is likely the most realistic and effective framework to set up the required European capabilities.

The second one was “Why doesn’t it move forward faster?”, and pointed out the following determining factors: the evolution of the EU integration, it is to say, to make the European Union project clearer, more credible and better accepted for the European citizens and abroad, with the creation of a common military culture and the ability of the European to deliver in term of capabilities (pooling and sharing). Other factors were to achieve the support of the US to an autonomous military EU capabilities, and to create the condition for an EU-NATO complementary.

And the third and last idea was “What should be done as a matter of urgency?” giving the following answers:

- To define the spectrum of possible missions for which the European will likely have to operate autonomously (without the US) in order to list their minimum military requirements.
- To develop more and more the defence aspects of CSDP in order to raise the level of interest of member-states in CSDP capabilities.
- To lift the restriction put to the competence of the EU in defence by the treaty because of the NATO existence (need for either an EU caucus in NATO or a full capable ESDP).
- To take a reflexion about pooling and sharing seriously, considering also how to deal with sovereignty sharing to accompany an effective pooling and sharing.



The third panel discussed "The European Union and global security," moderated by D. Antonio Figueiredo, President of EuroDefense-Portugal, and acting as speakers D. John Howe, President of EuroDefense-United Kingdom, D. Rafael Calduch, Professor in the University Complutense of Madrid, D. Manuel Carpio, Telefónica, and finally, D. Alejandro Alvargonzález, Secretary General for Defence Policy MOD.

Some of the conclusions of this panel could be summarized saying that the European Union's main challenge now is to overcome the international financial crisis and its impact on the member countries. Another major challenge is to contain the deficit and public debt, although it is unlikely that this could be overcome by 2020.

On the other hand, we must bear in mind that the current threats to the European Union has, together with the diversification of risks, can only be addressed effectively with efforts, decision-makers organs and multilateral action formulas.

NATO-EU duality has proved successful and both must act as partners and not as competitors. Although NATO represents a huge investment in capabilities, doctrine, force structure and experience, the EU must assume a leadership role within NATO without implying a doubling of existing capacity, but an effective attitude to address critical military is needed.

The issue of cyber security and vulnerabilities in the data transmission and in protecting them through the network were also considered. Currently we are working on addressing security challenges as holes in applications, and in programs and operating systems, through tools that include data protection systems that are inherent to the data transmission, with integrated security systems and security intelligence systems.

It is noteworthy that the three panels were moderated by three ex – Ministers of Defence (two Spanish and one Portuguese) and also that the very interesting presentations, were followed by a very wide comprehensive and interesting questions and answer period.

As reflected above, both the development of the program and the presentations of the speakers responded to a careful preparation and high technical level.



It is a must to remark the numerous and selected public attendance at this International Conference of EuroDefense. The auditorium of CESEDEN (300 people) was full and on several occasions the public expressed their satisfaction at the high level of the presentations and interesting development of the Conference.

On Friday 21, the closure of the EuroDefense International Conference took place at the headquarters of the CEOE. The closing ceremony was chaired by the President of ED-España and the Director of the CESEDEN and included a keynote address by the Director General of Foreign Policy, Don Santiago Cabanas, which clearly set out the guidelines of the Spanish foreign policy. After his interesting presentation, there was a long and intense questions and answer period with the participation of members of different EuroDefense countries. The event finished with a few heartfelt and endearing words of the President of ED-España, D. Arturo Fernandez that thanked the presence and active participation of the attendees.

#### **4 CONCLUSIONS**

The celebration of this important event organized by ED-España has been very successful and the following conclusions are worth highlighting.

- The excellent cooperation, extended to the smooth running of the International Conference, of the Higher National Defence Studies Centre (CESEDEN), the Spanish Confederation of Business Organisations (CEOE) and the sponsors of the Defence sector (see Annex 3)
- Congratulations received from the Secretary General of EuroDefense Europe, general Guinard, and other members of the organization at European level, stressing their satisfaction and gratitude for the great effort made by ED-España and the warm welcome they have received.
- The high level of both the topics, speakers and moderators, whose most outstanding ideas are highlighted in the text of this note.
- The large number of attendees to the International Conference, which reached the capacity limit of the Aula Magna of CESEDEN (300 people), having noted the high level of this audience among whom were diplomats, defence attaches, military, teachers Spanish universities, researchers, staff of the defence industry, university students, etc..



- Special interest and satisfaction had the reception hosted by HM the King to EuroDefense group representatives attending the Meeting in Madrid
- The scheduled social events were held in a cordial atmosphere and were greatly appreciated by all attendees.
- The Inter-parliamentary Security and Defence Association (AESD) have proposed the signing of a partnership agreement with EuroDefense whose project has been referred to the Secretary General of ED for approval at the next Meeting of Presidents.
- Following the conclusion of the International Conference, the Secretary General emphasized the need for more dedication and effort to work for EuroDefense, having laid a solid foundation of cooperation which must continue projecting in the common effort.
- Continue active the EWG 11bis, 16 and 17 and a new EWG 18 will be activated to study the need for a European Defence industry and R & D. The EWG-11bis will be led by ED-España.
- In the absence of candidates to organize the International Conference Autumn 2013, ED-Netherlands has offered, instead, to prepare a meeting of Presidents next autumn.
- ED-España supported by ED-Portugal will be in charge of the organization and development of EuroDefense Youth Days taking place in Spain in the summer of 2013. Maximum cooperation of all member countries is requested concerning the participation of university students and students of military academies.

Madrid, January 2013