

DIRECTORATE-GENERAL FOR EXTERNAL POLICIES
POLICY DEPARTMENT



WORKSHOP
Pooling & sharing:
Member States'
engagement and the
support by the EU

AFET - SEDE



WORKSHOP

**Pooling & sharing:
Member States' engagement and the
support by the EU**

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1 Concept note

Context

The disastrous impact of the fiscal crisis on the EU Member States' (MS) defence capabilities has forced capitals to rethink the way they generate and maintain these capabilities. In order to prevent the further loss of military power, they proclaimed a significant shift in their approach to defence cooperation: The defence ministers of the European Union launched **Pooling and Sharing** (P&S) at their informal summit in Ghent, Belgium, in autumn 2010. In the future, MS should systematically **share**, that is to provide a capability that is missing in other MS, like airlift, or to conduct tasks for them they are not able to undertake, e.g. air policing. To **pool** a capability would mean that contributions by several MS are coordinated to make them available on a more constant basis or in greater numbers compared to individual, uncoordinated contributions, as it is done through the European Air Transport Command (EATC).

However, turning P&S into the default mode of defence cooperation implies significant changes: MS would have to move from an ad-hoc approach and bottom-up approach in cooperation to a more systematic and top-down one. In essence, what is demanded from national politicians and decision makers is not less than a shift in mind-set: the acceptance that sovereignty is no longer based on the notion of autonomy but on the capability to act.

Since 2010, a lot of activities evolved, not only on the national but also on EU-levels, as the Council has tasked EDA and the HR/VP to support the work on P&S on military and political levels. They have added details and action plans with the development of a policy framework to foster more systematic and long-term cooperation, presented in November 2014 by EDA as the latest step.

These various activities, the challenge they aim to address and the high level of attention P&S has received in national capitals as well as within Brussels institutions raises the question of the outcome so far and the future prospects of the initiative.

The aim of the workshop

The workshop will address the question to what extent change has taken place, meaning whether P&S is on track and has started delivering the results that MS have declared they want to achieve. It will therefore assess three crucial aspects:

- the Member States' engagement in P&S efforts and its outcomes: The assessment will look into the political cooperation frameworks and the concrete projects MS have agreed upon, both on EU and multinational levels, and the outcomes this has produced. This includes the industrial impact MS cooperation has had so far.
- the support to Pooling and Sharing by Union level actors (Council, HR/VP, EDA): what kind of picture on problem awareness and strategic guidance emerges from the strategic documents Council and EDA have issued and what kind of support have especially EDA and HR/VP provided, which role have EU-institutions been able to play vis-à-vis MS? What can be learned from comparable efforts made in NATO?
- The future perspective of P&S in terms of challenges, necessities and recommended initiatives linked to the further implementation of P&S: what are the most important concluding observations on the state of affairs, is it worth to continue opting for this change in defence cooperation and if it is, how can the remaining obstacles be overcome, namely the prevailing understanding of sovereignty of EU Member States?

2 Programme

10:30	Opening of the workshop <i>Anna Elżbieta Fotyga, SEDE Chair</i>
10:35	Statement: 'Pooling and sharing in Europe: The state of play and recommendations' <i>Christian Mölling: SWP, Berlin</i>
10:50	Comment: 'Why we should continue the efforts' <i>Alex Nicoll: IISS, London</i>
11:00	Questions and answers session with the MEPs
12.00	End of the workshop

3 Verbatim of workshop

Anna Elżbieta Fotyga, Chair of the SEDE commission

We are now going to start our workshop on Pooling and Sharing (P&S) between Member States and on the EU support of this idea. I would like to welcome our two excellent speakers, Christian Moelling, research associate from SWP and M. Alex Nicoll, senior fellow of the IISS.

Christian Moelling, SWP

State of play of the implementation of EDA'S Pooling and Sharing initiatives and its impact on the European defence industry

Thank you for giving me the opportunity to speak again to the Parliament on the topic of Pooling and Sharing. The Member States (MS) and the European Union (EU) are losing many opportunities regarding this aspect of European defence.

1. The context:

Before getting into the report, I would like to give a little bit of context. The United States is not willing to fund European defence as it has done in the past. There has also been a decrease in our military capabilities in Europe by 20% since 2008 due to the economic and financial crisis. On the other hand, there are and will be new security challenges for EU defence regarding the threats that we are facing, and there will be gaps in our capabilities. This is why P&S can provide an answer.

2. What is Pooling and Sharing?

The term Pooling and Sharing describes various forms of defence cooperation:

- 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.
- 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. Examples of joint procurement and operation include AWACS aircraft and NATO's command structures.

Pooling & Sharing can cover the full spectrum of capability development from the identification and harmonization of military requirements to through-life management and support (including certification and standardization)¹. It can take place at any stage, from research to tactical cooperation.

During the Ghent summit, European defence ministers officially decided to make P&S their default mode of military cooperation. The effectiveness of P&S demands a mind change from Member State to Member State: to shift our understanding of sovereignty from the autonomy to decide to the capability to act.

3. What are the evolutions of this policy?

The EU is losing the battle for an efficient defence.

Although Member States have incorporated better knowledge of the challenges, they are completely overstating what they have done in the past and what they will do in the future. This is a way to mitigate the problem.

In 2009, the main idea was that the political framework should be the core of P&S. However, if you take a closer look at the political framework, you can see that it is mainly based on bilateral agreements for cooperation. These bilateral cooperation are effective but they cannot deliver capabilities where huge collective efforts need to be made (such as UAV or Airlift). Therefore, bilateral cooperation among MS are good but not enough.

Looking below the political level, there are 390 military projects, most of them taking place in the area of training and education. Yet we cannot assess which are the most successful, what are the best conditions for pooling and sharing our capacities. This is because P&S is still defined nationally and not jointly. There is no common plan about which capability Member States are willing to pool and share.

4. Regarding the cooperation within the EDA framework:

We can tell that, contrary to what had been planned for the EDA in 2009, this agency has been pulled out by the Member States and is now merely a facilitator between them.

If you look at the work accomplished within the EDA framework, you can see 59 projects. They are all too small to influence the mind-set of European defence. At the end of the day, the majority of the projects and of the defence spending volume is still controlled by Member States.

The Capability Development Plan (CDP) that has been renewed in 2014 has only marginal interest for MS, since they do not see their national levels of ambition nor their capacity need reflected in the CDP.

5. Is NATO doing better?

NATO is not doing better. The 'twin' project of P&S for NATO is Smart Defence, and the organization is facing similar problems.

NATO currently runs 26 projects under the Smart Defence heading and they face similar problems as those of the EU. NATO cannot shape the defence policy of the 28 allies.

In addition, similar to the CDP, NATO has the NATO Defence Peace Process (NDPP) and the organization has learned that it must adapt to the conditions that the 28 allies define.

However, they are successful in combining the capability priorities that their MS have agreed to with the NATO summits. Therefore, the way to push ahead with capability development is to combine military needs with political attention during the summits, which might be something interesting to take into consideration for the EU as well.

To conclude:

- We are just facing a classic episode in defence cooperation.
- Member States are not keeping their promises and they do not live up to the problems that we are facing in today's world.
- We are missing the criteria to be able to tell when Pooling and Sharing is successful or not.
- If you think about the European Union since 2008, military affairs are going back to Member States, rather than to the European Union.
- NATO is not performing better than the EDA.
- THE CORE PROBLEM: On the topic of sovereignty, Member States want to remain autonomous in their military decisions. This is a political problem.
- Meanwhile, MS have missed many opportunities to safeguard European defence.

Recommendations: Should we give up on pooling and sharing?

No: there is no better alternative; the budgets remain tight and defence needs are growing. Therefore, we suggest four recommendations:

1. Suggest a new politico-military flagship project

- Merge EU-Battlegroups and NATO's Framework Nations Concept
- Point of reference of organizing defence cooperation; overcome EUBG problems, Improve EU-NATO cooperation, table the core question of defence cooperation linked to tangible projects

2. Propose efficiency perspective towards spending and capabilities

- MS capability output should increase by 2% annually
- Top Ten list of contributors to capabilities

3. Initiate the discussion on the future of sovereignty in defence

- Autonomy or Capability?
- How to transfer sovereignty?

4. Task a European Defence Review

- Offer a sober assessment of the current and future European defence landscape, opportunities for cooperation
- Enable a public debate on Europe with or without defence

4 Questions and Answers

Ms Ines AYALA SENDER, Group of the Progressive Alliance of Socialists and Democrats in the European Parliament – Spain, Partido Socialista Obrero Español: *I would like to comment on the first recommendations from Dr Moelling: what do you mean when you talk about the Possibility to cooperate with NATO? I can understand an ad-hoc necessity, but is Europe not able to create its own structure of defence (like the Galileo project)? Can you give us more inputs on successful cooperation?*

Christian MÖLLING: On the question of EU and NATO, both structures are political frameworks and are basically entitled to do what their Member States want them to do. On the other hand, those two organizations share the same problems.

Talking about burden sharing, the question is rather between the US and Europe. The question is: what inputs can we bring to European defence?

If you look at MS individually, even if you take the big countries such as France, Germany or the UK, you see that they can do very little only on their own. Another interesting geostrategic aspect of cooperation between EU and NATO is that Finland and Sweden have to be kept politically and militarily in the loop, because of the crisis in the East. Finland and Sweden could participate, via the Framework Nation Concept, to the response in an article 5 scenario¹.

¹ Article 5 of the NATO treaty: *The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defence recognised by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area. Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security.*

Mr Charles TANNOCK, European Conservatives and Reformists Group – United Kingdom, Conservative Party: *Can you define the difference between **Pooling and Sharing** and **Smart Defence**?*

Christian MÖLLING: On the difference between **P&S** and **Smart Defence**, the difference is that NATO has been tougher on what is needed. It asked for specialisation of its MS, which made them give up many capabilities related to the immediate question of sovereignty.

Ms Sabon LÖSING, Confederal Group of the European United Left-Nordic Green Left – Germany, Die Linke: *Are you not overlooking the role of the European Parliament regarding this subject? None of you is actually pointing or evaluating the competence of the European Parliament.*

Christian MÖLLING: On the role of the EP, the debate needs to take place between the European Parliament and National Parliaments. Discussions should also be conducted among National Parliaments. We need to find the hub or the place where MS will transfer their sovereignty.

Mr Bogdan Andrzej ZDROJEWSKI, Group of the European People's Party (Christian Democrats) – Poland, Platforma Obywatelska: *You talk about the opportunity to save Pooling and Sharing to save money, can you detail?*

When you mentioned the loss of 20% of Europe's defence capacities since 2008, are you only talking about the defence budget or do you include anything else? How was it calculated?

Christian MÖLLING: On question of the 20% decrease in military capacities, it is the overall number of soldiers that European Member States are willing or able to deploy as well as the formations: how many **brigades** we are able to deploy. This tells us a lot about what scenario we are able or willing to fight. However, this number does take into account the question of logistics.

Mr Victor BOSTINARU, Group of the Progressive Alliance of Socialists and democrats in the European Parliament – Romania, Partidul Social Democrat: *We now know that Europe can be self-sufficient in defence and security, but is this not only theoretical? Do we have the genuine will to do it?*

When we talk about European Defence, this assembly makes it an oxymoron, because Common Security Defence Policy is not different from NATO. Our common defence goals are no different from those of NATO. Is that a deliberate will?

Christian MÖLLING: On the question of the willingness to build a European Defence capacity, the European Army is already there, if you consider the 25 years of successful military operations such as in the Balkans, Northern Africa or Afghanistan. Even France's intervention in Mali received military support from other EU countries. The question for MS is rather to know which capability they want to keep and which they want to give up.

On the security needs, keeping 28 national armies is not an option for the future.

Mr Michael GAHLER, Group of the European People's Party (Christian Democrats) – Germany, Christlich Demokratische Union Deutschlands

Mr Javier COUSO PERMUY, Confederal Group of the European United Left-Nordic Green Left – Spain, Izquierda Unida

Jean-Luc SCHAFFHAUSER, Non-attached member – France, Rassemblement Bleu Marine

Can we agree that pooled or shared sovereignty is now the critical thing for saving our respective national sovereignties?

Elżbieta FOTYGA: Regarding the question of sovereignty, when we talk about NATO vs. EU, we are not making a comparison between them. We have to discuss on how much we share our sovereignty between NATO and EU, acknowledging the fact that some MS are not members of NATO. We have to find the way to fit our engagement between both organisations.

Christian MÖLLING: On sovereignty and NATO, both institutions are MS driven. The fact that six MS are not part of NATO complicates our defence policies and therefore we need to have bridges between the two organisations. On the transfer of sovereignty, we have already done it in many cases, aerial, fiscal etc. Hence, we have already found many common grounds. There are models that we can refer to and we do not have to start from scratch.

Let us also take into account that if there is a case of article 5 happening in Europe, then all the MS will be involved, whether they are members of NATO or not.

Alexander NICOLL: I will say three things that answer all questions that have been made.

We have to remember that what we are talking about is Europe and European countries individually retaining control of their own destiny, and this is the most important point. This situation is not only due to budget cuts, since the European military cooperation started before the financial crisis. So, when we talk about changing our conception of sovereignty, we are not talking about giving it to the US, to NATO or the EU, we are talking about trusting each other with our sovereignty.

If we are talking about how to get more effective collaboration, how to better spend the money on defence, it will not be possible without political involvement, both from national parliaments and from the European Parliament.

If there is to be a turnaround, an increase in military spending, it has to come out of a political sense of a threat. Citizens have to be convinced that there is a threat, and therefore a necessity.

We do have to send the message to threatened countries, particularly on the eastern side of Europe, that this is a mutual issue and we are all together in this.

5 Presentations and notes

5.1 'Pooling and sharing in Europe: The state of play and recommendations' - Christian Mölling: SWP, Berlin

SWP

SWP Stiftung Wissenschaft und Politik
German Institute for International and Security Affairs
Berlin

German Institute for International and Security Affairs

Pooling – Sharing – Loosing

The State of the EU's Pooling and Sharing Initiatives

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SWP

An increasingly challenging context

- The drivers for a re-think in European defence:
 - End of “defence decadence” and “peace dividend”:
 - The US is unwilling to subsidize European Defence
 - Defence budget crunch since 2009
 - Towards critical limits: more than 20% capabilities less since 2008
- 2015:
 - arc of crisis: New tasks for European Defence through the changing security environment
 - The strain on defence budgets continues
 - Future gaps in capability spectrum foreseeable

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What is Pooling and Sharing?

- More efficiency in output through cooperation
 - **Share:** provide a capability that is missing in other MS, (airlift) or conduct tasks other MS are not able to undertake, (air policing)
 - **Pool:** contributions by several MS are coordinated to make them available on a more permanent basis or in greater numbers: European Air Transport Command (EATC)
 - **Along the full spectrum of capability development** from research to procurement to operation and overhaul

3

Pooling & Sharing in the EU

- Since 2010 EU MS made Pooling & Sharing the default mode for their defence cooperation
- Mindset change demanded...from MS for MS:
 - Sovereignty is based...
 - NOT on autonomy to decide
 - BUT on capability to act
- What is the state of Pooling and Sharing?

4

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The EU is loosing the battle for a more efficient defence

- EU (Strategic documents):
 - Better understanding of the problem and the urgency
 - MS overstate their current and future contributions

- Defence industry: almost no impact

3

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Political frameworks among MS

- Multilateral cooperation frameworks
 - Most have not delivered significant capability improvement

Cooperation Framework	Program
Weimar Triangle (1998): Germany, France, Poland	✓
Weimar Plus (2012): Germany, France, Poland, Spain, Italy	→/✓
Vesegrad Group (V4) (1991): Poland, Hungary, Slovakia, Czech Rep.	→/✓
NORDFCO (2004): Denmark, Sweden, Finland, Norway, Iceland	✓
RENELUX: Belgium, Luxembourg, Netherlands	→/✓
SEDM (South Eastern Europe Defence Initiative) (1999)	→/✓
Framework Nations Concept (NATO) (2014)	✓
Dutch-German Defence Cooperation (2012)	✓
Polish-German Defence Cooperation (2012)	✓
France-Polish Cooperation	✓
France-British Defence Cooperation "Lancaster House Treaties" (2010)	✓

- consist of bilateral cooperation
 - More active and effective
 - Cannot deliver where huge collective efforts need to be made (investment: UAV; capability: Airlift)

4

Military projects

- 393 projects – most in “training and education”

Category	No. of Classified Projects	No. of CSDP PMS Projects	% Classified Projects	% CSDP PMS
Arms and Armaments	41	16	21.2%	51.6%
Operational Capability Assessment	49	17	22.4%	24.3%
Training & Education	117	6	39.8%	1.6%
Intelligence Supply & Logistics	51	6	11.5%	1.6%
Structures & Infrastructure	19	1	7.8%	1.3%
Transport	13	2	11.8%	7.0%
Other (that are category per projects possible)	303	38		

- No winning formula:
 - Regional proximity
 - Pre-existing political cooperation
 - P&S content still defined nationally
 - Neglected lessons from multilateral operation for cooperation

Cooperation in International and Security Affairs

7

Cooperation within the EDA Framework

- EDA: From an innovator to a facilitator
- 59 projects
 - Too small to influence mindset or structure of the defence landscape
 - “4 Flagship projects” make some headway but MS dominate the navigation and pace of the projects
- CDP (capability development plan) only of marginal interest to MS
 - Does not reflect capability needs or national levels of ambition

Cooperation in International and Security Affairs

8

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NATO

- Smart defence
 - 26 projects
 - Similar setup and problems like the EU: Cannot shape defence policy of 28 allies
- NDPP (NATO defence planning process)
 - Perceived as mature and influential
 - In fact NDPP has adapted to the conditions of the 28 nations – does not guide defence planning
 - Success in combining capability priorities with Summits!

9

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Conclusions

- Just another episode in classical defence cooperation
- Output neither lives up to the commitments nor to the real world problems
- Official and objective measures for success of P&S are missing
- Takes place in the context of the overall derogation in importance of the EU as a framework for defence
- Nato does not perform better
- Sovereignty remains the core of the problem
- ... Meanwhile, MS have missed many opportunities to safeguard capabilities

10

Recommendations

More efficiency through cooperation remains on the agenda:

- Need for defence is growing
 - Budgets remain tight.
1. **Suggest a new politico-military flagship project**
 1. Fuse EU-Battlegroups and NATO's Framework Nations Concept
 2. Point of reference of organizing defence cooperation; overcome EUBG problems, Improve EU-NATO Cooperation, table the core question of defence cooperation linked to tangible projects
 2. **propose efficiency perspective towards spending and capabilities;**
 1. MS capability output should increase by 2% annually
 2. Top Ten list of contributors to capabilities
 3. **Initiate the discussion on the future of sovereignty in defence;**
 1. Autonomy or Capability?
 2. How to transfer sovereignty?
 4. **Task a European Defence Review**
 1. offers a sober assessment of the current and future European defence landscape, opportunities for cooperation
 2. enable a public debate on Europe with or without defence.

5.2 'Why we should continue the efforts' - Alex Nicoll: IISS, London

Remarks to European Parliament workshop: Pooling and sharing

Thank you very much for inviting me to comment on Dr Mölling's report.

I share the views of Dr Moelling. His study shows that Pooling and Sharing, which was an intelligent and creative idea from the EU, has in fact made disappointingly low progress. Bottom-up processes also have a very limited success.

I would like to make a very brief comment on the study and then talk about why is it important to persevere in this kind of initiative.

First, on the P&S initiative, we must acknowledge that there are people who believe in defence cooperation and who are working hard to achieve it. Nevertheless, we still need to create trust, and take advantage of the experience that the troops from many countries already have in cooperating with each other.

The key barrier of P&S that I have identified is the tension between national priorities and the need to ensure that we have effective defence against today's threats. There is a very difficult balance here. It requires a partial sacrifice on national autonomy. In the area of defence especially, the sacrifice of autonomy is very sensitive.

However, we need to think in a cold, rational way: we are in a situation of drastic cuts in defence budgets while the cost of maintaining our defence has been rising. The plain fact is that no country can no longer afford to build a complete defence. We can only deal with the most difficult crisis by cooperating. We are already dependent on each other and we need to acknowledge this fact more explicitly.

The maintenance of sovereignty provides a false, illusory feeling of control that, in the end, costs more to the governments. As Dr Moelling said, cooperation gives us the ability to act. Therefore, we need a change of mindset at the political level. Hence, we should see our cooperation as a strength rather than as a weakness.

It really does not matter whether the discussions take place at the bilateral or sub-regional level, the most important point is that they result in decisions that will boost Europe's ability to defend itself. These

discussions really have to be about specific aspects of defence: technology, weapons systems, or industries etc. Moreover, they must provide specific answer to those aspects. It is not a good option to merely say that we should increase military spending.

So actually, the framework that I am talking about can be Pooling and Sharing or the Smart Defence initiative. Those arrangements are the way to go; we just need more of them.

Finally, that leads us to the question of why it is especially important now. Europe is now facing new challenges; we now face new immediate threats. That can also give us an opportunity. We need to use events in Ukraine, in Syria, in Iraq to drive more effective cooperation, so that we can defend ourselves better.

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