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In response to the growing interest of the European Parliament in security and defence matters, the 'Parliamentary Update' provides a short report on the latest discussions of the Committee on Foreign Affairs (AFET) and in particular of its Subcommittee on Security and Defence (SEDE) on these issues.

EDA – developing EU's defence capabilities

Since the 1990s, there has been a push towards a single EU defence market, albeit with resistance by some Member States. In May 2007, the European Defence Agency (EDA) met EU Defence Ministers, agreeing upon a strategy for the European defence and industrial and technological base (EDTIB). The EDA newsletter reports that the meeting primarily focused on what governments should do in their role as regulators, customers and investors towards a successful EDTIB that is integrated, less duplicative, and more interdependent.

In the 17 July SEDE session - during an exchange of views between MEPs, the EDA and the Commission on the EDTIB - the SEDE Vice-Chair, Ģirts Kristovskis MEP (Latvia, UEN), stressed the importance of European competition vis-à-vis defence capabilities developing into cooperation.¹ Ulf Hammarström, Director Industry and Market, representing the EDA, argued that the EDTIB needs to be strong to support ESDP: aiming not simply to strengthen the defence industry, but to strengthen the EU in the context of a more coherent defence capability. He said that only when the industry is strong can the EU cope with the increasing costs of developing defence equipment. This, in turn, affects logistical practicalities (including global competition) - as well as the EU's increasing role in, and frequency of, ESDP operations. He argued that the EU is not increasing the defence budget commensurate with the development of these requirements, thereby creating a fragmented capability.

Hammarström also spoke on the modalities of defence capability enhancement. The Code of Conduct on Defence Procurement (agreed in March 2006), commits 26 Member States of the EDA to have the right to compete for contracts in each others' countries for purchase of defence equipment. In theory, this aims to minimise the creative interpretation of the exception of procurement necessary for the protection of "essential security interests"² as stipulated under Article 296 of the Treaty of the EU.³ The current system has enabled some 200 opportunities for Ministries

¹ Commission working document from December 2007 on the application of Article 296 of the Treaty in the field of defence procurement states that most defence "expenditure is split into relatively small and closed national markets. Fragmentation at the national level remains in fact the main feature of Europe's defence sector on the demand and the supply side as well as the regulatory framework. This fragmentation is considered as a costly and inefficient obstacle to both intra-European competition and cooperation"

² The three exceptions to the Code being 1) operational emergencies; 2) follow-on orders (which have the similar exception as for internal market rules); and 3) circumstances based on compelling reasons of national security.

³ "1b) any Member State may take such measures as it considers necessary for the protection of the essential interests of its security which are connected with the production of or trade in arms, munitions and war material; such measures shall not adversely affect the conditions of competition in the common market regarding products which are not

of Defence, valued at some €10Bn and the Code is seen as generally successful. The recently agreed (July 2006) Code of Best Practice in the Supply Chain is designed to further create open competitiveness and fairness down the supply chain to reach even small and medium enterprises (SMEs).

There is awareness that the procedures do not cover the full market, but Hammarström argued that the system overall is enhancing the market. The EDA outlined increased consolidation, integration and co-excellence, as well as decreased incompetence and dependency on non-EU supply, as the fundamentals of a successful future European defence industry. Strategies to ensure this are based on a four-pronged approach: 1) capabilities – improved and earlier clarification of priorities, technological requirements and key industrial areas; 2) harmonise demand; 3) greater investment in R&D; 4) addressing security of supply through increased competition and cooperation with the Commission. Progress along this roadmap of implementation by the EDA will be presented to Defence Ministers in May 2008.

In response, the Commission representative, David Bunch, agreed with the EDA's premise of the need to enhance the autonomy of the EU, with defence industry competitiveness a necessity for ESDP mission capabilities. The Commission work programme includes a package of measures to improve competitiveness of the industry, to be implemented in autumn 2007. This package will focus on first pillar community instruments geared towards creating a less duplicative, more efficient and integrated market. Implementation of such a package is proposed through a Regulation on intra-EU transfers and a Directive on defence procurement. These instruments would include measures for: security of information; a shift to an EU dimension control of assets; access to third country markets and a synergy of defence procurement and R&D. In more detail, the proposed Regulation would introduce a scheme of general, global and industry licenses with flexibility for sensitive products.

Responding to the discussions, Angelika Beer MEP (Germany, Verts/ALE) argued that a Parliamentary Green Paper had recommended the (unsuccessful) deletion of 296 from the Code of Conduct and questioned what she saw as possible problems emerging from not tackling the ambiguous interpretation of 296.

Tobias Pflüger MEP (Germany, GUE/NGL) expressed concern at the increase in military spending⁴ as well as EU-NATO cooperation and asked what this meant for EU member states and any possible conflict of interest. The EDA response was that there is no such conflict, just a different dimension. They added that the strategy was to channel spending into coherence, R&D and cooperation and, as such, was not concerned with the level of spending *per se* – although it would be monitored. The Commission iterated that the money spent can create value added for the EU if “spent in a more intelligent manner”.

Other MEPs debated the need for EU strategic lift capability (Christoph Konrad – Germany, PPE-DE) and lack of US market access for the EU defence industry (Ģirts Kristovskis – Latvia, UEN). The Commission replied that it will look at the question of obstacles to third country market entry. However, the EDA noted that with its small staff and mandate, it is not involved in investigating EDA programmes at this stage. It said that defining EU defence industry technology and capabilities was the key and that this is considered by the United Capability Group.

intended for specifically military purposes.” Article 296, Treaty of Amsterdam, amending the Treaty on European Union, the Treaties establishing the European Communities.

⁴ The EU increased spending by 0.5% or 1.5b to 257billion (2006 US dollars). SIPRI 2007 yearbook.

SEDE Gender Mainstreaming Action Plan and Gender Training in Hungary

The European Parliament High-Level Group on Gender Equality's⁵ note on 'Establishment of a process for the gender mainstreaming of committee work' adopted on 26 October 2005, requested the establishment of a SEDE Gender Mainstreaming Action Plan in order to "close the gap between the dynamism of the Council in the field of gender mainstreaming into ESDP" and the SEDE. The plan is being implemented under the guidance of Ana Gomes MEP (Portugal, PSE).⁶ In the SEDE meeting on 17 July, Gomes reported on the plan.

Gomes also reported on the training initiative by Hungary on 'Gender and ESDP', held in Budapest in April 2007. Gomes explained the importance of this initiative (Hungary being the first to implement the Council recommendation for training, as stipulated in the GAERC conclusions on "promoting gender equality and gender mainstreaming"⁷) as being a moral imperative and practical. She emphasised that gender mainstreaming is not just about women, but about the core of security, which should take into account the perspectives of both sexes. Gomes gave the example of the recent EUFOR RD Congo mission as an example of best practice on implementing gender perspectives, comparing this to the EU efforts in Kosovo, where women felt under-represented. It was also noted that the EUPOL Afghanistan mission and EUBAM will have gender advisors. She also pointed to the lack of female Special Representatives in the EU.

In the name of democratic oversight, Gomes pointed out that the European Parliament should have access to internal EU documentation on gender (such as the recent review of best practices in implementing gender mainstreaming), some of which is still restricted under constraints in the name of military defence.

In response to some critical comments from some MEPs on the risk of women being "jeopardised" by involvement in military service, or there being unnecessary positive discrimination towards women (Konrad - Germany, PPE-DE and Kristovskis - Latvia, UEN), Gomes responded that there is still a problem of discrimination against women and their equal capability. Annemie Neyts-Uyttebroeck MEP (Belgium, ALDE), pointed out that the issue should not be belittled and that the important interaction between the Commission, Council and European Parliament on gender perspectives is making a difference to ESDP.

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⁵ The High-Level Group on Gender Equality was established by the Bureau to comply with paragraph 2 (a) of the European Parliament's resolution of 13 March 2003 on gender mainstreaming in the European Parliament (A5-0060/2003).

⁶ See "The Importance of Gender in ESDP" Giji Gya, *European Security Review* Number 34, July 2007 for further information. www.isis-europe.org

⁷ Conclusions of the General Affairs and External Relations Council (GAERC) of the Council of the European Union Secretariat document (14884/1/06 Rev1) on promoting gender equality and gender mainstreaming in crisis management. www.consilium.europa.eu/ueDocs/cms_Data/docs/pressData/en/gena/91617.pdf