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Defence equipment for European crisis management –
reply to the annual report of the Council

REPORT

submitted on behalf of the Technological and Aerospace Committee
by Mr Meale, Rapporteur

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*Defence equipment for European crisis management –
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on defence equipment for European crisis management – reply to the annual report of the Council

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¹ Adopted unanimously by the Committee on 6 November 2001.

² *Members of the Committee:* Mr Atkinson (Chairman); MM Cunliffe, Kolb (Vice-Chairmen); Mrs Aguiar, MM Arnau Navarro, Azzolini, Ceder, Cherribi, Danieli, Díaz de Mera, Etherington (Alternate: *Meale*), Hauptert, Jung, Le Guen, Luís, Maass, Marshall, Martínez Casañ (Alternate: *Puche Rodríguez*), Mauro, Mrs Melandri, Mr Monfils, Mrs Onur, MM Valk, *Valleix*, Wodarg, Mrs Zissi, N....

Associate members: MM Bergvinsson, Cerrahoglu, Eörsi, Kalkan, Macé, Malat, Marthinsen, Pokol, Saglam, Zemke, Zielinski, Zlotowski.

NB. The names of those taking part in the vote are printed in italics.

RECOMMENDATION 702¹

***on defence equipment for European crisis management –
reply to the annual report of the Council***

The Assembly,

- (i) Welcoming the political will on the part of European countries to plug gaps identified in the framework of the European Union headline goal so as to be able to carry out the range of Petersberg missions;
- (ii) Acknowledging, in the light of the experience of the Kosovo crisis, European nations' need for even higher performance interoperable military equipment for European crisis-management operations;
- (iii) Noting with satisfaction that the countries of the European Union have decided rapidly to develop capability goals in the fields of command and control, intelligence and strategic transport;
- (iv) Sincerely hoping that the difficulties Germany and Italy are experiencing in regard to their participating in the A400M military transport aircraft programme will be resolved without delay so that the production contract can be signed before the end of the year;
- (v) Welcoming the fact that at the Capability Improvement Conference held on 19 November 2001, EU countries made additional contributions to rectify several shortcomings;
- (vi) Recalling that European nations must bring their effort to bear in particular on intelligence capabilities, forces projection, command, control and communications systems and on the means of power projection and forces' protection;
- (vii) Unanimously endorsing the recent agreement between EU member states for a "European Capability Action Plan", mainly designed to rectify the remaining deficiencies, and noting that such plan rightly emphasises the importance of broad public support and that its transparency must be such as to ensure that the public in the member states have a clear vision of the existing shortcomings and the efforts to be made to achieve the objectives set;
- (viii) Welcoming the fact that on 23 November 2001, the Spanish Government officially decided to take part in the Helios 2 optical satellite programme;
- (ix) Considering how vitally important it is to European countries as a whole for Europe to have a credible Common Foreign and Security Policy and, consequently, the capability to carry out crisis-management operations jointly;
- (x) Stressing the importance of European countries as a whole – not just the present fifteen EU member countries, but also the six non-EU European members of NATO and the nine EU applicant states – being involved in European crisis management;
- (xi) Stressing how essential it is to have a competitive defence industrial and technological base;
- (xii) Welcoming the fact that the Council undertook in its reply to Assembly Recommendation 689 to ensure that, as far as the tasking and substance of the work of WEAG and WEAO were concerned, the annual report would continue to reflect their activities;
- (xiii) Taking the view that the reasons given in the first part of the forty-seventh annual report of the Council justifying the Council's decision to place the Western European Logistics Group (WELG), Eurocom and Eurolongterm "in a state of dormancy" are most unconvincing and that these groups are more useful now than ever,

¹ Adopted unanimously by the Assembly on 5 December (10th sitting) on the basis of the amended draft recommendation.

RECOMMENDS THAT THE COUNCIL

1. Reactivate the Western European Logistics Group (WELG) within WEU so as to strengthen cooperation on rationalising and standardising logistic support capabilities to the armed forces;
2. Reactivate the Eurocom Group with a view to promoting interoperability amongst land forces tactical communications systems;
3. Give the Western European Armaments Group (WEAG), which operates within the WEU framework, a more important role in harmonising the operational needs of European nations;
4. Reactivate the Eurolongterm Group to encourage cooperation in long-term military planning, in order to lay the foundation for firmer cooperation over defence equipment;
5. Coordinate and harmonise as far as possible the policies and defence equipment procurement methods of European nations;
6. Envisage a study in this connection, covering European nations as a whole, in order to compare operational needs, evaluate national procurement policies and submit recommendations to European governments on the most promising forms of cooperation to set in train;
7. Take the necessary steps, in line with the expectations of the industry, to facilitate the creation of a European defence equipment market, in the interest of states that need a highly efficient, competitive industry to ensure their operational effectiveness and strategic autonomy,
8. Urge WEU governments and in particular those of the WEAG and WEAO member nations to:
 - (a) devote a larger part of their national defence budgets to equipment procurement and research;
 - (b) ensure that public opinion is aware of the importance of substantial defence budgets to cover European crisis-management tasks;
 - (c) immediately to enter into practical cooperation on projects for equipment for crisis management, as a matter of priority, in areas where deficiencies have been found to be greatest;
 - (d) envisage procurement of real-time intelligence capabilities, satellite guidance systems and capabilities in electronic jamming, command, control and communication, air-to-air refuelling, strategic air and sea lift, precision strike, anti-air defence penetration and damage assessment;
 - (e) guarantee interoperability of all military equipment developed and/or purchased by the various European nations in all fields mentioned above;
 - (f) facilitate, in so far as possible, joint use of military equipment;
 - (g) acquire European command, control and communication systems, which can be projected to the theatre of operations along with the Forces HQ;
 - (h) undertake at the same time joint research projects, mainly through WEAO, so as to work together henceforward on the design of equipment for future decades;
 - (i) take account of new terrorist threats, particularly from biological weapons, and set up a working group to study the capabilities and resources required for integrating the fight against terrorism into the Petersberg tasks framework, whilst also compiling a catalogue of measures to help neutralise any negative effects of such illegal action;
 - (j) reflect, following the 11 September attacks, on the capabilities that urgently need developing so as to deal effectively with humanitarian aspects of the Petersberg tasks;

9. Urge the governments of European Union member states to:
 - (a) secure optimal functioning of the Intelligence Division of the EU Military Staff, demonstrating their firm political will by translating words into deeds and making substantial voluntary contributions to the EU;
 - (b) make use of the defence equipment capabilities pledged by the WEU countries as a whole and in particular those of WEAG and WEAO member states.

EXPLANATORY MEMORANDUM

submitted by Mr Meale, Rapporteur

I. Introduction

1. European crisis management requires military equipment. This a truism that raises several basic questions:

- At the Helsinki European Council (11 and 12 December 1999), the member states took as their headline goal to be in a position by 2003, cooperating voluntarily, to deploy rapidly and sustain forces capable of the full range of Petersberg tasks i.e. humanitarian and rescue operations, peacekeeping and other tasks of combat forces involved in crisis management, including peace-making.
- The 11 September attacks have highlighted the importance of giving special consideration to the capabilities that urgently need to be developed for carrying out the humanitarian aspects of the Petersberg tasks² effectively (food aid to refugees, cooperation with non governmental organisations on the ground, and so on).
- Who in Europe can be expected to carry out crisis-management missions? Should it be European states in the form of bi- tri- or multinational coalitions or under the aegis of international organisations, essentially NATO and, shortly, the European Union?
- In the Helsinki Declaration, the EU estimates it will need some 50 000-60 000 troops, deployable within 60 days and sustainable for at least a year.
- Questions arise detailing what equipment is needed for the command and deployment of forces on the ground, covering the conduct of operations, intelligence (satellites, information processing) and command (C3) systems, forces' deployment and their requirements of tactical intelligence systems (UAVs, planes, helicopters) and military transport capabilities (air, sea and land lift).
- New international terrorism threats, particularly attacks making use of biological agents, make it necessary also to give thought to the necessary protective means and equipment.
- What are our present capabilities? Indeed, what further military equipment do we need? In this respect, a number of initiatives have been taken to assess the gaps in Europe's fighting strength. For example, WEU produced an *Audit of Assets and Capabilities for European Crisis Management Operations* (November 1999). NATO launched its *Defence Capabilities Initiative* (April 1999) and, in the ESDP framework, the EU is currently engaged in identifying Europe's deficiencies.

2. The main question therefore is how can one ensure that military equipment is interoperable? What's more, how should this equipment be used? Nationally or jointly at European level (by pooling assets, particularly in the fields of intelligence and strategic transport). Indeed, how should such equipment be procured? Nationally, through joint manufacture (R&D and production), through interdependent countries developing specialised production or through a common range of off-the-shelf purchases? Or indeed, what reforms would it be useful to make in the various national procurement systems?

3. Just as important is who are the main players involved in the design and production of the military equipment necessary in European crisis management? Particularly as both industrial and political participants are involved.

4. Primary political responsibility lies of course with the governments of the 15 EU member states; also those of the non-EU European members of NATO (6), of the European Union applicant countries

² At the informal meeting of EU defence ministers on 12 October 2001, the CFSP High Representative and WEU Secretary-General, Mr Solana, noted that the war on terrorism did nothing to diminish the importance of the Petersberg tasks, but that it could put pressure on resources as some countries might wish to develop additional capabilities in order to make a military or police response to terrorism.

(9) and of Europe's North American allies (the United States and Canada) when Europe uses Atlantic Alliance capabilities for European-led operations.

5. With regard to military equipment, European countries operate both nationally and through intergovernmental cooperation frameworks such as WEAG or NATO. National parliaments of those countries too have a say in the choice of military equipment whilst at the same time Europe also has a competitive and dynamic defence industrial and technological base³.

II. Defence equipment necessary for crisis management: needs and gaps

1. Work on identifying the gaps

6. NATO's intervention in Kosovo, although militarily a success, revealed that Europeans had a number of operational weaknesses such as: procurement, real-time integration and analysis of intelligence; satellite guidance systems, electronic jamming devices; in-flight fuelling; transport and precision strike capabilities; anti-aircraft defence penetration and damage assessment capabilities⁴.

7. In November 1998, at their Rome meeting, WEU Ministers took the decision to draw up an *Audit of Assets and Capabilities for European Crisis Management Operations*⁵. Prior to the drawing up of the EU "forces catalogue" in autumn 2000, Western European Union had already carried out an audit in November 1999. The Ministers' report, prepared by the Luxembourg Presidency, identified a number of gaps. In terms of joint capabilities in support of crisis-management operations, it recommended the introduction of a more coherent strategic intelligence and information pooling and management policy. Communication and information systems (CIS) also needed upgrading. With regard to the deployability and strategic mobility of forces, capabilities for projecting forces to theatres of operations, even distant ones, should be improved. For operations at the higher end of the Petersberg task spectrum, military air and sea transport assets and capabilities should be considerably reinforced.

8. The Capabilities Commitment Conference held in Brussels on 20 November 2000 made it possible to translate the political objectives defined in Helsinki into operational requirements. Following this the 15 EU member states, along with the applicant states and non-EU European NATO members voluntarily pledged their contributions to the EU rapid reaction force. These national contributions could then be compared with the capabilities needed to achieve the headline goal "(...) to be able, by 2003, to deploy rapidly and then sustain forces capable of the full range of Petersberg tasks as set out within the Amsterdam Treaty, including the most demanding, in operations up to corps level (up to 15 brigades or 50 000-60 000 persons).

9. These forces should be militarily self-sustaining with the necessary command, control and intelligence capabilities, logistics, other combat support services and additionally, as appropriate, air and naval elements.

10. Member states should be able to deploy in full at this level within 60 days (...) They must also be able to sustain such a deployment for at least 1 year militarily (...) Member states also decided rapidly to develop capability goals in the fields of command and control, intelligence and strategic transport, areas also identified in the WEU audit⁶."

11. Thus, the areas where effort is needed have been identified. Forces contributions by states are adequate, having reached a total of 100 000 persons, 400 combat aircraft and 100 ships. Command, control and communication capabilities are also adequate from a quantitative point of view although qualitative evaluation is needed. Intelligence is based on the image interpreting capability of the Torrejón Satellite Centre and on member states' resources, which need to be improved. The catalogue of forces and capabilities takes in requirements from 2003 and in some cases earlier (2001) and those still to be covered, due to give rise to national or joint European commitments and projects with

³ See European Council Declaration on strengthening the CESDP, Cologne, 4 June 1999.

⁴ "Les Enseignements du Kosovo", *Défense Actuelle* No 37, 20 November 1999. French Ministry of Defence.

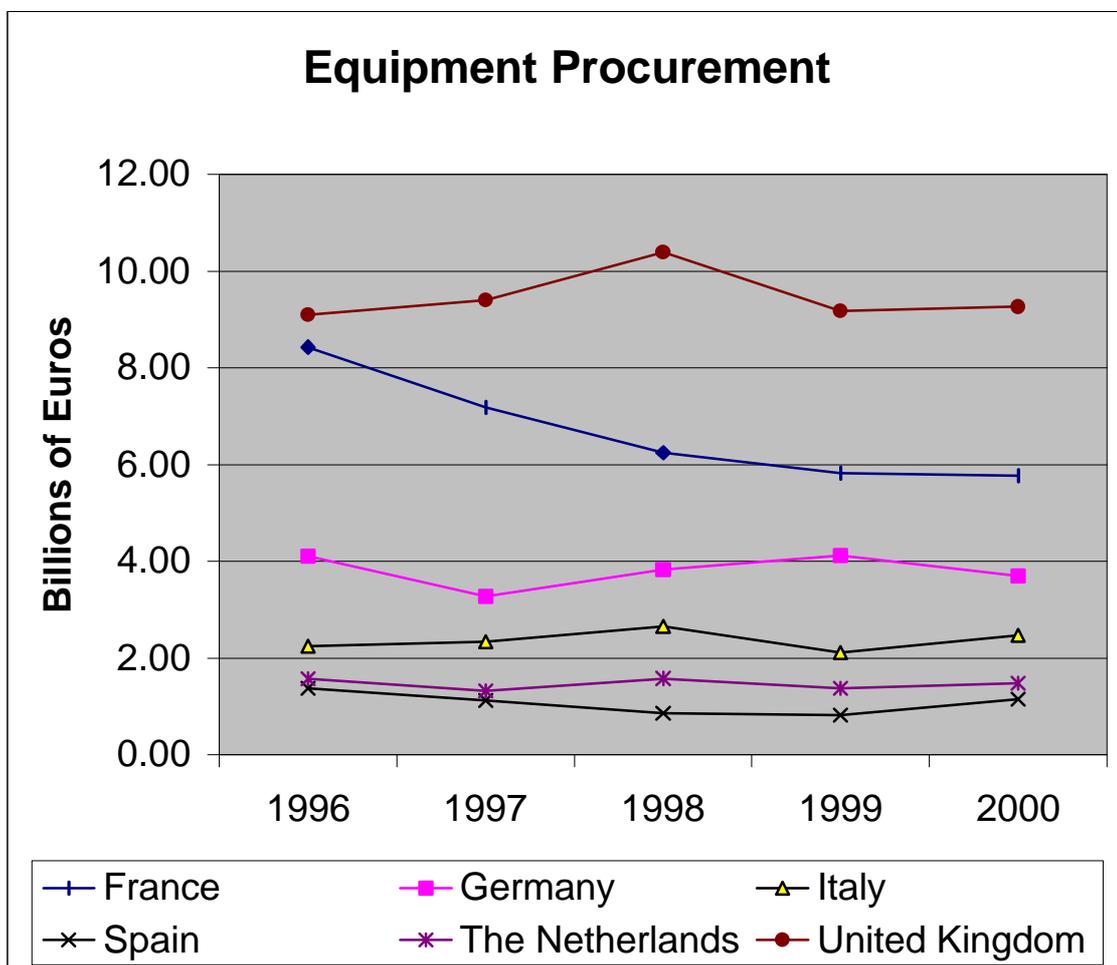
⁵ Council of Ministers of WEU, Luxembourg, 22-23 November 1999.

⁶ Helsinki European Council, 11 and 12 December 1999. Presidency Conclusions. Annex IV.

schedules extending beyond 2003. The commitment document also describes a process for evaluating the degree to which these goals are being met.

*Evolution (1996-2000) of Defence Equipment Budgets for the six LoI countries
(France, Germany, Italy, Netherlands, Spain, United Kingdom)*

Equipment Procurement in billions of Euros					
	1996	1997	1998	1999	2000
France	8.43	7.19	6.25	5.83	5.77
Germany	4.12	3.29	3.84	4.13	3.70
Italy	2.25	2.33	2.66	2.12	2.47
Spain	1.38	1.12	0.87	0.83	1.16
The Netherlands	1.58	1.32	1.58	1.38	1.49
United Kingdom	9.10	9.41	10.40	9.18	9.27



Source: *The Military Balance 2000-2001*, International Institute for Strategic Studies, IISS, London.

12. The *Headline Goal Task Force* (HTF), a group made up of national representatives, has the task of monitoring and facilitating progress towards achieving the goals defined in Helsinki. A special catalogue (the *Headline Goal Progress Catalogue*) will provide a record of progress achieved. The joint NATO/EU group (known as HTF+) maintains coordination with NATO.

13. However, so far EU countries have declined to prioritise the fifty or so gaps already identified. Countries must now set up projects to make them good. At the Capabilities Enhancement Conference

scheduled for mid-November 2001, countries are to put forward national and multinational projects whose feasibility and suitability are to be evaluated. Following the terrorist attacks of 11 September 2001, Europeans must undoubtedly take account in the Petersberg tasks of the war on international terrorism and reassess the gaps in order to develop appropriate capabilities and resources.

14. It therefore would be desirable from now for the follow-up work on the operational goals defined in Helsinki to concentrate for the most part on the defence equipment that will be needed in the longer and shorter term in order to enable crisis-management operations to be undertaken as from 2003. European countries must immediately enter into tangible cooperation arrangements for equipment, giving priority to the areas they have found most wanting. At the same time, they must make equipment projections for the decades to come and by looking ahead guarantee the credibility of their present and future military assets.

2. Intelligence

15. As we are aware, in Helsinki in December 1999, the European Union decided to develop and coordinate monitoring and early warning systems so as to be able independently to assess crisis situations and carry out military operations, in response to international crises, where NATO as a whole is not involved. The relevant concepts here are “know”, “select”, “command” and “control”. Operations in Afghanistan in the context of the international coalition against terrorism once again serve to demonstrate the vital importance of intelligence.

16. The question is, do Europeans have the necessary intelligence means (for gathering, processing and transmitting information)? Information gathering is presently carried out largely through the use of airborne (aeroplanes and UAVs) and space-based (satellites) assets. Information processing consisting of the merging of data from different sources now has to be done in real time. Transmission of information has also to be made secure. The question is, is Europe equipped for this?

(a) Information gathering

17. The importance of military intelligence in decision-making, the drawing up of strategic options, and in political control over crises is such as to justify the EU having its own independent collective means⁷. These must therefore have all-weather capability (radar and infrared imaging systems). Your Rapporteur considers that the few existing examples of cooperation over the reciprocal exchange of images and information are totally inadequate. Collective procurement of one or more observation satellites, is thus regarded as a decisive investment for the EU if it is to move ahead in this field.

18. The reality, however, is that up to now most European projects involving shared use of observation satellite capabilities have come to grief – with the exception of the Helios 1 optical satellite programme, involving France (78.9%), Italy (14.1%) and Spain (7%). Helios 2 will have a fair-weather optical and infrared (night) observation facility. France is the only European country to have committed itself to any significant extent. Belgium has nevertheless decided to take a 2.5% stake in the Helios 2 programme and Spain is due to announce its participation. (...) Cooperation with Germany covering both Helios and Horus (radar satellite) was envisaged but came to nothing. Lastly, Germany is developing a constellation of radar satellites (SARlupe) with night vision capability in cloudy skies. In June 2000, France and Germany made public their intention to swap Helios 2 and SARlupe images. Spain is developing the optical system known as Ishtar. France and Italy have signed an agreement to put up a constellation of national satellites between 2003 and 2006 with optical sensors (Spot and Helios 2) in France’s case and radar (Cosmo-Skymed) in Italy’s. The United Kingdom has opted not to have its own observation satellites and will only have receiver and communications satellites, relying on bilateral cooperation with the United States to meet its other intelligence needs⁸.

⁷ European ambitions for using space for military purposes are limited. The United States spends 11 billion dollars annually in this area whereas spending by Europe is unlikely to exceed 1 billion dollars in the near future. Cf. “European military satellites – New tools for defence cooperation”, *Strategic Comments*, Volume 6, Issue 10, December 2000, The International Institute for Strategic Studies.

⁸ “European military satellites – New tools for defence cooperation”, *Strategic Comments*, Volume 6, Issue 10, December 2000, International Institute for Strategic Studies.

19. Together with satellite-based systems, there is also a need for European battlefield surveillance assets in the form of UAVs (engine-driven unmanned aerial vehicles), capable of flying at altitude, with a significant range and an array of sensors capable of round-the-clock observance of theatres of operation where European forces might be engaged, as has already happened in Kosovo. However, when it comes to UAVs, are Europeans really up to scratch⁹? Initiatives are in progress. For example the Franco-German Brevel UAV programme is being carried out under the auspices of OCCAR (Organisation for Joint Armament Cooperation). This is an area where it would be desirable for other European countries to join existing projects or launch joint ones.

20. Europeans must also improve their capabilities in radar reconnaissance. In this context, French Horizon helicopters were used successfully to gather information during operations in Kosovo. Improvements are also necessary in the area of electromagnetic intelligence based either on mobile (“listening” ships and planes) or fixed assets (advance listening centres).

(b) Information processing

21. The WEU Satellite Centre at Torrejón, which has been operational since 1997, was recently transferred to the European Union¹⁰. The Centre’s essential task is to provide information based on the interpretation of satellite images for security with decision-making and with crisis prevention, evaluation and management. The Centre provides the EU with extremely useful information, by exploiting the intrinsic nature of space imagery (combination of detail and breadth of observation, non-intrusive nature of satellites) and of the Centre itself (multinational staff, range of experience of experts). Throughout its existence the Centre has produced dossiers, for example on the crisis in the Great Lakes, Albania and Kosovo. At the EU’s request, the WEU Satellite Centre has been monitoring the situation in Kosovo, since November 1998.

22. Up until now, by agreement with the WEU Council, the Satellite Centre has been able to supply its products to WEU member and associate member countries, and to observer countries and various international organisations. It is to be hoped that this open access policy will continue under EU auspices.

23. Unfortunately, the Centre has at present no observation facilities of its own and uses images from commercial satellites (Spot 1, 2 and 4 (France), Landsat 4, 5 and 6 (United States), IRS-1C and D (India), Radarsat (Canada) Russian satellites and especially the American high-resolution satellite Ikonos. It also uses images from the military satellite Helios 1 (France, Italy, Spain). The *Audit of Assets and Capabilities for European Crisis Management Operations*¹¹ recommends that “improved WEU Satellite Centre access to commercial – and above all military – high resolution satellite imagery should be fostered” and that “procedures for cooperation between the Satellite Centre and other international organisations, particularly the European Union, NATO and the OSCE should be clarified”.

24. Because of this, the Assembly recently recommended “a redefinition of the Satellite Centre’s mission that both confirms the dual nature of its tasks and the importance of the civilian market in European space strategy whilst also making provision for the establishment of a military unit within the Centre’s organisational structure given that intelligence and battlefield management missions require special equipment and appropriately trained staff”¹². The Assembly has only recently recommended that the capacities of the WEU Satellite Centre in Torrejón be placed at the disposal of

⁹ While American Predator drones can operate at an altitude of 7 600 metres with a 24-hour range, the CL-289 used, for example, by the French and Germans have a ceiling of 600 metres and a range of only 30 minutes. See Information Report No. 2254 on European Union common foreign, security and defence policy, submitted by Mr Alain Barrau, French National Assembly, Paris, March 2000, page 51.

¹⁰ Joint action by the EU Council of 20 July 2001 concerning the creation of a European Union Satellite Centre (2001/555/CFSP).

¹¹ WEU Council of Ministers, Luxembourg, 22-23 November 1999.

¹² See Recommendation 691 in the report on “A joint European space strategy: security and defence aspects”, submitted on behalf of the Technological and Aerospace Committee by Mr Maass, Rapporteur; Assembly Document A/1738, 17 May 2001.

the international coalition against terrorism as a European contribution to the operations in Afghanistan¹³.

(c) Information transmission

25. Of course, sending intelligence between European states and institutions or down the European chain of command of a crisis-management operation will necessarily lead to examination of the need for a special EU intelligence network. As regards early warning in particular, much remains to be done.

26. At present, the European Union Military Staff (EUMS) has five divisions including an Intelligence Division of some 30 officers. This Division deals only with assessment and early warning and relies on the member states for its intelligence material. Unfortunately, a common vision of intelligence is still some way off, therefore there is a need to ensure optimum functioning of the EUMS Intelligence Division which must be capable of synthesising intelligence from existing sources (national services, NATO, the Satellite Centre) and then processing it upstream (to the Council, Policy Planning and Early Warning Unit, Political and Security Committee, etc.) and downstream (to any Forces HQs involved).

27. In order to achieve this, states must demonstrate the political will to translate their words into action by ensuring that their voluntary contribution is substantial. EU capabilities depend entirely on the calibre of national contributions. Intelligence, if it is to be effective, must be the product of a combination of means (human, airborne, satellite). At present, France is the largest contributor, slightly ahead of the United Kingdom, and ahead of Germany. Italy, Spain, the Netherlands, Greece and Sweden have also entered such capabilities as they have in the catalogue¹⁴.

3. Means of projection and strategic transport

28. The *Audit of Assets and Capabilities for European Crisis Management Operations*¹⁵ recommends considerably strengthening military air and sea transport assets and capabilities. It states that, if possible, “a common European approach could be adopted. A number of ideas have been mooted in this regard, for example a “Eurolift” force or a structured European transport capability”. The report goes on to state that “even in cases where recourse to civilian assets may be inevitable, the capability for strategic projection within short time frames should be maintained”, then later, “at the tactical level, mobility, particularly theatre helicopter transport capability, should be improved¹⁶”. In terms of forces projection, it will be necessary in particular, to plan for the projection of European multinational forces like the European Corps (Germany, Belgium, Spain, France, Luxembourg) the Multinational Division (Central) (Germany, Belgium, Netherlands, United Kingdom) or EUROFOR (Spain, France, Italy, Portugal).

29. As we are aware, Europe’s strategic transport capability is ageing and inadequate (particularly France and Germany’s C160/Transall fleets). It is therefore essential to strengthen European strategic airlift capability. Recent progress has been made in this respect. At the Le Bourget Air Show in June 2001, nine European countries decided to order 212¹⁷ A400M transport aircraft, to be built by the Airbus Military Company. This aircraft will have the capability to transport 35 tonnes maximum over an operating range of 3 700-6 500 km. The A400M’s maiden flight is scheduled for 2005 and the first

¹³ Report on “Europe’s security confronted with international terrorism”, submitted on behalf of the Political Committee by Mr Marshall, Chairman and Rapporteur, adopted by the Standing Committee of the WEU Assembly on 18 October 2001 (Document A/1754).

¹⁴ Proceedings of the seminar: “Quel enseignement pour le XXIème siècle?” Organised by *Democraties*, Carré des Sciences, 3 April 2001, Editions Lavauzelle, page 43.

¹⁵ WEU Council of Ministers, Luxembourg, 22-23 November 1999.

¹⁶ According to EU Military Staff estimates, the EU countries have sufficient transport helicopters. However there are still question marks over just how available these are.

¹⁷ Germany: 73, Belgium: 7, Spain: 27, France: 50, Italy: 16, Luxembourg: 1, Portugal: 3, United Kingdom: 25, Turkey: 10. However Italy has made known its intention to withdraw from the A400M project. The decision was made public by the Italian Defence Minister in October 2001.

delivery for 2007. If things go to plan, a first multinational transport squadron could be operational in 2008 and national squadrons in 2009/2010.

30. Pending the introduction of the A400M, alternative solutions have to be found (maintaining the present fleet or off-the-shelf purchases but also chartering foreign aircraft). Only the Americans, Russians and Ukrainians can supply outsize air lifters. WEU's negotiations with Ukraine and Russia regarding framework agreements to make available long-haul transport aircraft must be resumed at European Union level to ensure that additional capability is on hand pending the entry into service of the A400M and, as necessary beyond 2010.

31. In terms of strategic sea transport, only a few European countries have military vessels that are suitable for this purpose: essentially amphibious vessels known as Landing Platform Docks (LPDs). The lack of RoRo (Roll on/Roll off) merchant vessels that can be used in military operations and the limited unloading capabilities of ports at potential theatres of operations threaten to prevent European countries from attaining the force projection goals they set themselves at Helsinki. There is thus a need for all European countries to organise their strategic transport effectively and procure RoRo transport that is either wholly financed from their defence budgets or owned by private shipping companies but made available in times of crises. The United Kingdom¹⁸, Germany, the Netherlands¹⁹, Belgium and Luxembourg²⁰ have already taken steps in which they are likely to be joined by others. In order to optimise management of the existing fleet it might be useful to consider European coordination of maritime strategic transport capabilities²¹.

4. Command, Control and Communications

32. The *Audit of Assets and Capabilities for European Crisis Management Operations*²² also refers to the need for a "consolidated, high-performance, strategic and tactical communications and information system (CIS) for the rapid exchange of classified documents".

33. Therefore to improve its decision making, Europe firstly needs systems for data acquisition, transmission and analysis, then, secondly, decision-making and command support systems, and finally communications systems to give orders and control operations.

34. As essential to military operations, especially those carried out jointly, are the communications satellites which serve to transmit essential data. So far, cooperation has achieved little in this area. The only successful programmes have been national ones. Italy launched the Sicral satellite (on 7 February 2001). France should launch a Syracuse III communications satellite in late 2003. Germany is planning a D-Milsatcom satellite. The United Kingdom is continuing with the Skynet programme, with the Skynet 5 satellite due to come on stream in 2005. Spain is developing the Hispasat series. In early 1998²³ the United Kingdom withdrew from Trimilsatcom, a military communications satellite it was developing jointly with France and Germany.

¹⁸ The UK Royal Auxiliary Fleet is the part of the Royal Navy that is concerned with forces projection. This has 19 ships including three 24 000-tonne RoRo. This is not however sufficient to project the force of 12 000 men which the UK declared as its contribution to the Helsinki headline goal. In 1998 the decision was taken to build six RoRo vessels funded by a Private Finance Initiative (PFI) contract over a term of 25 years. These will be owned by a private shipping company that undertakes to make them available to the Ministry of Defence. At the same time, the British are having four ALSLs (Alternative Landing Ship Logistic) built to transport amphibious equipment and troops.

¹⁹ Apart from the procurement of A400Ms and two amphibious "Rotterdam" LPDs, the Netherlands intends to become party to the UK procurement contract for the six RoRo vessels under the PFI.

²⁰ The Belgian Government recently decided to procure, jointly with Luxembourg, a military vessel with amphibious capability, to transport amphibious equipment and troops.

²¹ For a detailed analysis of these issues reference may be made to the report on "European strategic lift capabilities", to be submitted by Mr Wilkinson on behalf of the Defence Committee to the December 2001 session.

²² WEU Council of Ministers, Luxembourg, 22-23 November 1999.

²³ Because of divergent schedules, requirements and industrial priorities (cf. "European military satellites – new tools for defence cooperation", Strategic Comments, Volume 6, Issue 10, December 2000, International Institute for Strategic Studies).

35. Navigation satellites emit signals picked up by users' receivers, enabling them to plot their position very precisely at all times. As far as security is concerned satellite navigation systems are of crucial importance in fields such as transport, telecommunications, control over orbit trajectory, synchronisation of systems. At the present time only two systems exist: the American GPS and Russian Glonass systems both financed and controlled by the military authorities of the relevant country, who are able to "scramble" the signals. This might have serious consequences in view of societies' increasing dependence on such systems, which is why Europeans have embarked on a programme for an independent navigation system known as *Galileo*, a capability equally of interest in the security and defence fields.

36. There is also a need for C3 (Command, Control and Communication) systems capable of projection with the Forces HQ (the HQ projected into the theatre of operations). Kosovo served to demonstrate for example that the first HQ projected (that of the ARRC – Allied Command Europe Rapid Reaction Corps) had this kind of equipment but that, when it was relieved, recourse had to be had to mainly civilian assets achieved to continue to have capabilities.

37. It is absolutely essential therefore that Europeans should have European Forces HQ assets that are interoperable, can be projected into theatre and have computerised systems to assist command. It is to be noted that in the European Corps the French and Germans are cooperating on the development of an interoperable Command, Control and Communications system²⁴.

38. At present, the EU Military Staff has embarked on an initial study to identify existing C3I capabilities within the EU. As stated earlier, the main national systems of which the various states are in charge need to be interoperable. Standards currently exist (NATO) but states are chary of their own industrial interests and security questions for these communications systems must also be secure. There thus is a need to undertake a practical survey of the technical specificities of systems already installed in the various joint forces operation centres at Potsdam, Creil and Northwood.

39. In an EU-led operation, the HQ will be designated on a case by case basis: NATO HQ or national operations centre of a given European country). Interoperability of C3 systems is equally crucial. Joint development of C3I systems or their development to commonly defined standards would be especially welcome. However, under the present arrangements, this is up to the member states.

40. As we are aware, as far as C3 is concerned, norms are the key to interoperability. NATO has standards (STANAG or Standard Agreements) which are constantly being brought up to date. The new generation technical standards are fortunately currently under study by a group of European defence firms within the framework of NATO's Conference of National Armaments Directors (CNADS) with a view to preparing future standards in this area.

41. Similarly within WEU, the Eurocom group was responsible for promoting interoperability amongst land forces tactical communications systems. This working group was made up of 16 full members (all European Atlantic Alliance member states with the exception of Iceland). WEU Ministers had approved the involvement in the work of the Eurocom Main Group of those associate partner countries that so wished²⁵. The future of that group is uncertain. WEU ceased to be operational at the end of June and its capabilities were transferred to the EU. Notwithstanding the Group Chairman's proposal that its work should continue to be developed in the EU, no decision to that effect has been taken.

42. The Group was therefore "rendered dormant" by decision of the WEU Permanent Council on 15 May 2001²⁶. A decision like this will have serious long-term consequences. Far from closing this

²⁴ In the European Corps in which five countries (Belgium, France Germany, Luxembourg and Spain,) participate, clear progress has been made with the adoption of a common C3I (Command, Control and Communications and Intelligence) system. The SICAF forces intelligence and command system will be used for the first time during the COBRA exercise scheduled for November 2001.

²⁵ Cf. Erfurt Declaration, 18 November 1997, paragraph 33.

²⁶ See Written Question 371 put to the Council by Messrs Cox, Hauptert, Wilkinson and Pálsson, 13 March 2001 and the reply of the Council; also the first part of the forty-seventh annual report of the Council to the Assembly (1 January to 30 June 2001), Chapters II and XIII.

Group down, it would be worthwhile strengthening and expanding to encourage the interoperability between European nations assiduously sought in the headline goal framework.

5. Power projection

43. The *Audit of Assets and Capabilities for European Crisis Management Operations*²⁷ states that “the organic air assets of maritime forces should reinforce their air defence and offensive capability (...) Therefore capability to conduct integrated air defence and air operations using precision-guided munitions should be developed”.

44. As far as air defence goes, the future air-to-air Meteor (BVRAAM: Beyond vision range air-to-air missile) which are to equip the Eurofighter, the Rafale and the JAS 39 Gripen, will improve European capability in that area.

45. Capability to conduct electronic warfare operations also needs to be improved, especially in the area of offensive operations and suppressive electronic countermeasures in an air force context.

46. Europe lacks suppression of enemy air defence systems (SEAD). To rectify this deficiency, it needs long range general-use cruise missiles such as the SCALP/EG (*Storm Shadow*). It must also develop an anti-radar missile capability (which some countries: Germany, Italy and the United Kingdom, already have) and jamming systems (provided for under France’s Defence Programming Act: 2003-2008, for example). Electronic warfare and anti-radar missile capabilities are complementary and it would seem a good idea for European nations to share the areas in which deficiencies need to be made good.

47. Europeans also need to plan to develop and procure all-weather, high-precision guided missiles. During operation “Allied Force” in Kosovo, certain capabilities were provided almost entirely by the United States as was the case for all-weather precision munitions. Europeans, although reasonably well provided with such capabilities²⁸ have begun to develop higher performance systems for the future. For precision strikes by cruise missiles, some countries will, in a few years time, have the Scalp/EG missiles already referred to). For conventional air strikes a number of countries still have to improve their laser guided systems and acquire bad weather launch capabilities. This is, for example, the purpose of a system such as the AASM (Armement Air Sol Modulaire) for which a start should be made towards development of the metric version via international partners²⁹.

6. Protection of troops in external operations

48. The conduct of Petersberg missions will inevitably mean that ground troops are employed. This will require forces protection systems. Germany, for example, is planning new armoured carriers and has equipped its motorised infantry armoured combat vehicles with anti-landmine protection.

49. A number of countries have also embarked on infantry protection programmes. The protection of forces from biological weapons will also have to be improved by developing warning and detection systems and immunisation, medical protection and decontamination measures. Many European countries do not have defensive equipment that would allow their troops to operate when nuclear, biological and chemical weapons are used.

50. To take account of the new terrorist threats, especially from biological agents, European nations must set their minds to the creation of a working group to study the capabilities and resources needed to integrate the war on terrorism into the Petersberg tasks. Europeans must carry out a study of the

²⁷ WEU Council of Ministers, Luxembourg, 22-23 November 1999.

²⁸ For example the Tomahawk cruise missiles launched from British submarines or, in France’s case, other laser-guided weapons systems from assault planes. See “The NATO capabilities gap and the European Union” by David S. Yost, “*Survival*”, Volume 42, Winter 2000-01 page 104.

²⁹ *Projet de loi: Programmation militaire française 2003-2008*, Assemblée Nationale, Paris, Document No. 3255, 31 July 2001.

equipment and assets necessary to counter chemical or biological attack. The anthrax scare shows how important and urgent such steps are³⁰.

51. Europe should also examine the possibility of acquiring a theatre missile defence capability to intercept hostile missiles over a regional theatre of operations, and thereby protect military units on the move, or even wider areas. Studies are in progress within the Atlantic Alliance on TMD (theatre missile defence). Various systems are being developed like the Medium Extended Air Defence System (MEADS) in which the Germans and Italians are involved alongside the Americans. The FSAF future surface-to-air family of missile systems are also being developed jointly by France and Italy, and are another means of achieving a theatre missile defence capability. The French Defence Programming Act: 2003-2008 states that attempts will be made to develop a theatre missile defence component in a European framework³¹. The European Union should eventually seriously consider obtaining its own missile early warning system which would give it autonomy in this area and the capability to intervene alone in regions where it faced the threat of weapons of mass destruction delivered by ballistic missiles.

III. Defence equipment funding

52. Currently defence spending in the 15 EU member states as a whole has been reduced by 22% since 1992. However, the situation varies from one country to another. For example, in the United Kingdom the budget was cut by 43% over the period 1990-96. Subsequently, spending remained stable, particularly as regards equipment for the armed forces. In Germany the cuts were larger (50% over the period 1990-1996) and this process is continuing, with the result that whereas the share allocated to defence ten years ago was 3.4% of the country's GDP, it now stands at only 1.5%. Only a few countries, in particular the United Kingdom, France, Germany and Italy distinguish themselves by their far higher levels of defence spending. Three main questions arise in this connection:

- In the first place, can the goals fixed by the Fifteen in Helsinki be attained within existing budgets (constant cost) or do they imply an increase?
- How are individual European countries' contributions to the new European capabilities to be costed³²?
- How can one avoid duplication of assets?

53. Account has also to be taken not only of the differences in GDP percentage rates allocated to defence spending by European countries but also of the different priorities accorded to the various types of expenditure. Five countries (Germany, Spain, France, Italy and the United Kingdom) taken together alone account for over 80% of European countries' defence expenditure. What is more, some countries devote a higher proportion of their budget to expenditure on equipment than others.

³⁰ Since late September, a number of people in the United States have been infected with anthrax bacteria. These "bioterrorist" attacks, for which no one has claimed responsibility, are calculated to create complete panic. Infected letters have been sent *inter alia* to the US Senate and some organs of the mass media. Some forty people have been infected to date and three of them have died. Funds have been released for the purchase of antibiotics effective against anthrax and also to speed up production of vaccines against smallpox, an extremely infectious and contagious disease, representing an even greater danger than anthrax, vaccination against which ceased during the 1980s. Other pathogens might also be used to criminal ends.

³¹ *Projet de loi: Programmation militaire française 2003-2008*, Assemblée Nationale, Paris, Document No 3255, 31 July 2001.

³² France's Defence Minister, Alain Richard, proposed that every EU member state should devote 6.7% of GDP to expenditure on military investment. However, there would appear to be no unanimity among EU nations over defining indicators quantifying whether costs are convergent or in line.

**Defence, equipment procurement and research and development (R&D)
budgets for WEU countries**

Countries	Defence Budget 2000 (million euro)	Defence Budget 1999 (% GNP)	Equipment Procurement 2000 (million euro)	Equipment Procurement 2000 (% of total defence budget)	R&D 2000 (million euro)	R&D 2000 (% of total defence budget)
Germany	24826	1.6	3704	14.92	1410	5.68
Austria	1625	0.8	339	20.86	11	1.00
Belgium	2607	1.5	254	9.74	1	0
Bulgaria	(a) 342	3.3	N/F	N/F	N/F	N/F
Denmark	2478	1.6	361	14.57	1	0
Spain	7445	1.3	1156	15.53	190	2.55
Estonia	*75	1.5	*15	*20	*0.2	*0.27
Finland	*1648	1.4	(2001) 536	(2001) *34.8	N/F	N/F
France	28813	2.7	5770	20.00	3313	11.50
Greece	3469	5.0	1466	42.26	26	0.75
Hungary	842	1.6	255	30.29	13	1.54
Ireland	772	0.9	51	6.60	0	0
Iceland	N/A	N/A	N/A	N/A	N/A	N/A
Italy	17046	2.0	2470	14.49	361	2.12
Latvia	*77	1.0	*8	N/F	N/F	N/F
Lithuania	(2001) *260	1.0	*47	*18.25	N/F	N/F
Luxembourg	107	0.8	7	6.54	0	0
Norway	3061	2.2	855	27.93	25	0.82
Netherlands	6564	1.8	1486	22.64	72	1.09
Poland	3369	2.1	756	22.44	90	2.67
Portugal	1654	2.2	403	24.37	4	0.24
Romania	*846	1.8	*293	*34.6	*5.0	*0.6
Slovakia	*360	1.9	N/F	N/F	N/F	N/F
Slovenia	(a) 276	1.8	N/F	N/F	N/F	N/F
Sweden	4781	2.3	2365	49.46	113	2.36
Turkey	8225	5.5	3387	41.18	51	0.62
Czech Republic	1228	2.3	222	18.08	23	1.87
United Kingdom	36793	2.6	9266	25.18	4371	11.88
For comparison:						
United States	310554	3.1	56160	18	36412	11.72
Canada	8055	1.2	1385	17	128	1.58

Source: *The Military Balance 2000-2001*, International Institute for Strategic Studies, IISS, London.
Euro exchange rate at 19/09/01 or 23/10/01

N/A: not applicable; N/F: not found; *: national data.

(a): source: *Stockholm International Peace Research Institute*; <http://www.sipri.se/>

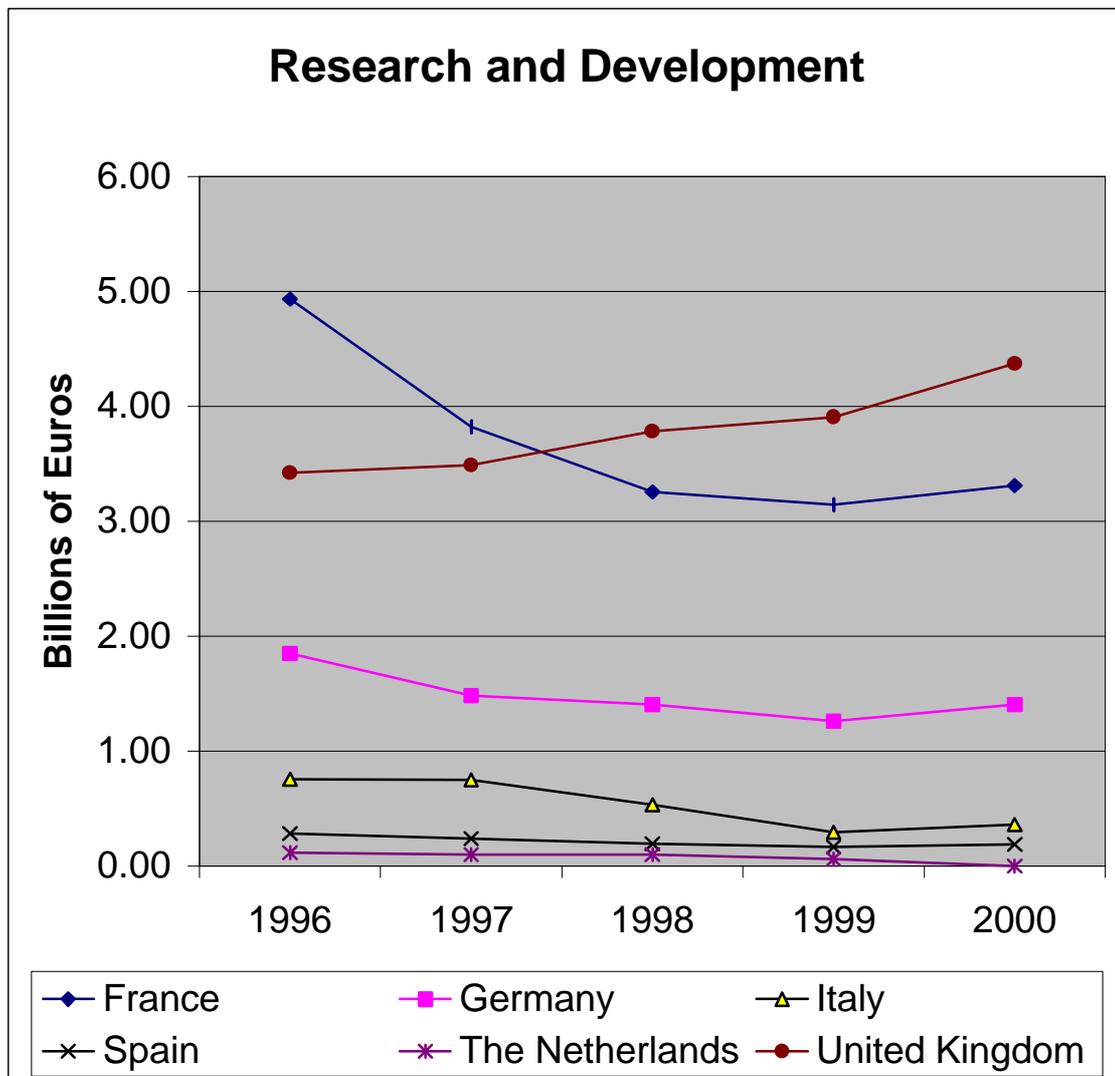
54. For the time being the idea of harmonising EU countries' operational needs using indicators quantifying whether costs are convergent³³ seems to have been dropped in favour of the more pragmatic method of participation in specific programmes. For the first time a joint statement of needs has been issued. Currently, it is up to individual countries to make a voluntary contribution towards meeting gaps that have been identified, which implies costs and equipment expenditure freely entered into.

³³ This was the line taken by the *Audit of Assets and Capabilities for European Crisis Management Operations*, (WEU Council, Luxembourg, 22-23 November 1999) in arguing that strengthening assets and capabilities for European crisis-management operations "could be facilitated through flexible mechanisms which would identify common goals and criteria for those goals, encouraging nations to indicate how they could be fulfilled".

55. There is general agreement on the fact that 30% of the defence budget should be spent on defence equipment development and procurement. However the reality is quite different. There is nothing to force a country to meet that target and maintain a given level of expenditure. Some senior military staff would like to see more political commitment to defence spending which has to compete with other areas of major concern to public opinion (health, social welfare etc.). For this to come about there needs to be more public debate on the need for high efficiency equipment in the service of European crisis management, giving priority to interoperability and preparing for the future.

*Evolution (1996-2000) of research and development (R&D) budgets
for the six LoI countries (France, Germany, Italy, Netherlands, Spain, United Kingdom)*

	Research and Development in billions of Euros				
	1996	1997	1998	1999	2000
France	4.93	3.82	3.25	3.15	3.31
Germany	1.85	1.49	1.41	1.26	1.41
Italy	0.76	0.75	0.53	0.30	0.36
Spain	0.28	0.24	0.20	0.17	0.19
The Netherlands	0.12	0.10	0.10	0.06	0.00
United Kingdom	3.42	3.49	3.78	3.91	4.37



Source: The Military Balance 1999-2000, 2000-2001, The International Institute for Strategic Studies.

56. Indeed, there is a need also to think about the future and the equipment that needs to be developed. For instance, R&T spending is less (almost 4 times less)³⁴ and more fragmented in Europe than in the United States. Most European countries officially make R&T cooperation a priority. However they still have to translate words into deeds, perhaps by using the Western European Armaments Organisation, a WEU subsidiary body.

57. The goal of managing at least 5% of national R&T budgets through WEAO is nowhere near being achieved. WEAO, which was established five years ago, would like to increase the value of contracts it awards annually from the current 90 million euros to 125 million euros in 2003³⁵. It all depends on countries' willingness to cooperate through it.

IV. Harmonisation of operational needs, national procurement policies and cooperation

58. In a document entitled "The Future Strategic Context for Defence", published in February 2001, the UK Ministry of Defence states (in paragraph 64) that "No conventional military threats to the UK are likely to emerge over the period to 2030. Arising from this view, the UK has recently indicated that the present generation of main battle tank will be its last". In this respect a few months ago the British Chief of Defence Staff, Admiral Sir Michael Boyce, said that the tank era was over. Similarly, the NATO Secretary-General, Lord Robertson, recently stated, "The Defence Strategies of the Fifties and Sixties are of no use now. Tanks rolling into a country are of no use any more. Then we knew the enemy, but no longer"³⁶. Most other European countries currently have armoured combat and armoured transport vehicles as their priority³⁷. But one should not, however, exclude the other. Tank deployment conveys an important political message in any show of force. Tanks will, in any event, remain useful in operations involving the separation of forces.

59. Consideration now has to be given to the evolution of (or indeed to a revolution in) European nations' military equipment procurement policies. What underlying concept should apply to procurement policies? What are the most appropriate investments for the future? To what ends and strategies for use? Is close convergence among European countries on a procurement strategy for the longer term a feasible prospect? At what pace? What form should it take?³⁸ Should priority be given to notions about interdependence and specialisation in the debate on procurement policies?

60. National defence equipment procurement policies are gradually converging of themselves and innovative elements have appeared in procurement and funding methods. Plans for investment in capabilities need to close the gaps identified by the EU in relation to crisis-management operations. Some interesting experiments were carried out in quite a number of European countries³⁹.

61. Here we have focused attention mainly on those countries from which we have talked to experts or received substantial information, in particular the United Kingdom Belgium, France and the Netherlands. Other countries' experience would of course also be worth studying. Therefore we would recommend that a study covering all European countries be envisaged to compare operational needs, evaluate national procurement policies and submit recommendations for European governments as to the most promising forms of cooperation to be set in train.

³⁴ See paragraph 35 of the report on "The gap in defence research and technology between Europe and the United States" submitted by Mr Arnau Navarro on behalf of the Technological and Aerospace Committee, Document A/1718, 6 December 2000.

³⁵ Source: WEAO Research Cell, Brussels, September 2001.

³⁶ See *The Mail on Sunday*, 23 September 2001. Article by Fidelma Cook.

³⁷ Belgium, like some other countries (United States, Italy) is moving towards the concept of a "medium-size" brigade, made up essentially of wheeled vehicles of varying types (troop carrier vehicles, vehicles equipped with heavy cannons etc.) but as far as possible based on a common chassis.

³⁸ The drafting of a "White Paper on Defence", proposed by the Belgian EU Presidency would undoubtedly be one of the key elements in this process, providing European states as a whole with a basis for their acquisition policy. See "Présidence Belge: priorités pour la PESD" by Mr André Flahaut, Minister for Defence of Belgium, *Revue Défense nationale*, No. 7, July 2001, page 24.

³⁹ See in particular "NATO's role in defence reform", Draft report submitted by Giovanni Lorenzo Forcieri, Sub-Committee on future security and defence capabilities, NATO Parliamentary Assembly, August 2001; www.nato-pa.int

62. For example, France's Defence Programming Act: 2003-2008, was adopted by the French Cabinet on 31 July last. For the first time, equipment procurement was divided into major operational functions instead of types of equipment. Equipment expenditure is probably around 80.04 billion euros, an annual average of 13.34 billion euros, including funding for research (706 million euros per annum). The Law on Defence Programming by and large takes account of needs identified by the EU for crisis management (SYRACUSE 3 communications satellite; Helios 2 observations satellite; medium-altitude long endurance UAVs; A400M military transport aircraft; New Landing Platform Docks(NLPD); NH90 transport helicopters; Rafale Air and Marine fighter aircraft; Scalp EG cruise missiles; HAPs (Helicopter Assault Primary); Leclerc tanks; infantry combat vehicles (VBCIs) and armoured vehicles; Horizon anti-aircraft defence frigates.

63. For the past five years France has been modernising its procurement methods and has thus been able to cut the cost of its armaments programmes by some 9 billion euros. In order to achieve this it has set up integrated teams of military staff officers, engineers from the DGA (Délégation générale pour l'armement) France's government procurement office, and defence industry representatives, all working towards common goals. It encourages competitive tendering (as necessary, second-tier, at subcontractor level), holding project managers responsible overall (for costs, schedules and performance), grouping of orders (by global orders extending over a period of years). The main goal being pursued at present is to cut down on waiting times. The aim is to shorten the development phase for a piece of equipment, which is the most expensive, by lengthening the risk reduction phase and more systematic recourse to technological demonstrators.

64. France has defined 30 technical areas for which "technical and sectoral policies" have been drawn up. The technical and industrial policy process provides an in-depth analysis on all aspects of the area in question, then, on the basis of equipment plans drawn from the forward plan and of general policies (industrial, cooperation, procurement, export, research and technology) provides answers to questions on such subjects as: the need for national or merely European project management, the R&T directions to be supported or allowed to develop under market pressure, the amount of technology oversight required, which industrial players are likely to be called upon to play key roles, possibilities for cooperation with other countries, export control arrangements, risk reduction phases prior to the procurement phase etc. Adopting this approach at European level might also be very useful. France is also considering innovative procurement methods such as contracting out⁴⁰, private finance⁴¹, partnerships including various forms of incentive gain⁴². In particular, contracting out the telecommunications network infrastructure or procurement of some consumable aeronautical equipment spare parts for the armed forces is being envisaged.

65. The Belgian Government has, for its part, evolved a strategy plan for modernising the Belgian army over the years 2000-2015 (*Plan stratégique pour la modernisation de l'armée Belge 2000-2015*) published in May 2000, containing the directives for Belgium's involvement in international crisis-management operations. The Strategy Plan also identifies the new armed forces structures, in particular a single military staff, cuts in manpower and increased investment. The investment expenditure has increased in percentage terms from 23.5% in 1981 to 16.4% in 1999 while personnel expenditure has risen from 49.7% in 1981 to 58.7% in 1999. The aim of the Strategy Plan is to reduce the number of soldiers and improve defence equipment primarily through cooperation.

66. Most of the major equipment projects Belgium has embarked upon are directed towards strengthening military capabilities with a view to crisis-management operations. Some, for example, are concerned with telecommunications, intelligence (Helios 2), mobility (armoured combat vehicles) strategy (A400M), engagement (guided precision missiles, reconnaissance vehicles, troop search and rescue capabilities) or logistic support (containers, lorries).

67. Belgium has decided to direct the thrust of its procurement policy towards international cooperation (for example, Helios, A400M or sealift projects). It is also giving priority to a joint

⁴⁰ A process consisting of having recourse to a private contractor for operations formerly undertaken by the state.

⁴¹ Providing incentives for private funding of long-term delivery of public services, as in the UK "Private Finance Initiative" (PFI).

⁴² Spin-off from innovation shared between the public sector contractor and the industrial project manager.

services approach to procurement (e.g. jeeps, lorries and transport helicopters). Lastly, in an unprecedented development, the 2000-2015 strategic plan has been translated into an “investment target for security and defence” which covers the entirety of the major re-equipment needs of the armed services for that period and can be updated.

68. In its Strategic Defence Review (SDR) in 1998, UK develops its “Smart Acquisition”⁴³ process in order to get the maximum output in capability for the money invested in defence. It is based on acquiring military capability progressively, at lower risk, and with optimisation of trade-offs between equipment performance, time and whole-life cost. This is to shorten project length, thus reducing cost and cutting the time for key new technology to be introduced into the front-line, ensuring better relevance.

69. It also reflects a shift towards capability-oriented acquisition⁴⁴. “Smart Acquisition”: this is a process based on new principles such as integrated project teams (HQs, engineers, financial experts and firms); streamlined processes; more front-end investment; whole life culture; best practice acquisition; a new relationship with industry.

70. The United Kingdom has been one of the first to design and implement innovative procurement strategies through its “Smart Acquisition” Policy. The Private Finance Initiative launched in 1992 involves the private sector funding of the construction and management of public service equipment. To date, seven PFI contracts have been notified and 20 are in preparation. The policy of the relevant UK defence equipment procurement body, the Defence Procurement Agency (DPA) is that any new programme should first be examined with a view to the PFI, an approach to which there is a very strong political commitment. The main programmes currently being negotiated are the FSTA (Future Strategic Tanker Aircraft), the RoRo (Roll on/Roll off) ship, satellite communications (Skynet 5), utility vehicles or submarine and flight simulators/trainers (Eurofighter Mission Support). A 20% saving is estimated as compared to public sector management.

71. Another major trend observable in the United Kingdom as in other countries is for the maintenance to be provided at joint service level. This is the job of the Defence Logistics Organisation (DLO) set up in 2000.

72. In the Netherlands, programmes in connection with European defence are concentrated in the areas of command and control, intelligence (UAVs) and transport (planes and helicopters but also RoRo ships perhaps in conjunction with Britain). The Dutch also plan to acquire precision-guided munitions and improve their logistic support system⁴⁵. They are also introducing several methods of implementing their military equipment procurement process; interministerial and international coordination, contracting out maintenance, competition between suppliers, new logistic concept (market influence, introduction of civilian standards, improved stock management, etc).

73. Germany took into account the requirements established by the NATO Defence Capabilities Initiative and the European Headline Goal in the framework of European Security and Defence Policy when conducting the German Armed Forces Review. Germany concentrates its efforts in the key capability field of strategic air transport (A400M) transport ships, strategic reconnaissance (SARlupe radar satellite and C3 interoperability (responsibilities for procurement and use of information technology are to be merged and given to a single authority⁴⁶). The document “Customer, Product Management 2001” (CPM 2001) sets out the key concepts guiding Germany’s procurement policy. Germany is exploring new procurement policies which include: deepening the risk reduction phase,

⁴³ The use of the term “Smart Acquisition” – which has replaced the earlier “Smart Procurement” – signals a shift of emphasis on to a through-life perspective for projects, from requirement setting through procurement and support to disposal.

⁴⁴ The Defence Capabilities Initiative: The UK perspective”, by Vice-Admiral Sir Jeremy Blackham, Deputy Chief-of-Staff (Equipment) MoD, in World Defence Systems, RUSI, July 2001, pages 59 and 60.

⁴⁵ See “Dutch increase spending to support Europe”, by Joris Janssens Lok; *Jane’s Defence Review*, 25 July 2001, page 4.

⁴⁶ “Reorientation of the German Armed Forces – a chance to promote the Defence Capabilities Initiative and European Headline Goal”, by General Haral Kujat, Chief of Defence Staff, Germany, World Defence Systems, RUSI, July 2001, p. 53 and 54.

new relations with the industry, the use of financial instruments such as instalment payments, leases and various forms of hire.

74. Other countries such as Finland, for example, is taking advantage of crisis-management operations to gain considerable added value for its national defence capability in the form of increased readiness, mobility and interoperability⁴⁷. Its armaments procurement policy takes into account the Helsinki headline goal with equipment procurement accounting for more than a third of its total defence budget. The main focal areas in developing its defence system are: intelligence, surveillance and command and control systems; army readiness formations; interoperability for military crisis management. The main emphasis of procurement will be concentrated on military equipment such as new armoured fighting vehicles, armoured personnel carriers, anti-tank missiles, field radio equipment and night vision capacity; enhanced surface warfare and mine warfare capabilities as well as procurement of mobile weapons for coastal forces; procurement of transport helicopters (if possible in cooperation with Sweden, Norway and Denmark), ammunition, unmanned aerial vehicles. Moreover some Nordic countries, namely Finland, Norway and Sweden, have developed a concept of common pool of forces for military crisis management. These troops could be used in both EU- and NATO-led operations as well as UN-led operations⁴⁸.

75. Other EU applicant countries which have offered a voluntary contribution to the EU headline goal are putting efforts into procurement of the military equipment required for European crisis management. Estonia for example, is concentrating on interoperability of its equipment with that of the Atlantic Alliance nations. For example in 2001, it acquired a 3D long-range air defence radar. Romania is giving priority to launching programmes that will help it make a contribution to crisis management (procurement of radios, friend-foe identification system, unmanned reconnaissance aircraft, air navigation ground technical assistance systems, modernisation of hunter aircraft and combat helicopter, transport aircraft). It has also introduced a integrated defence procurement system bringing together procurement and planning, programming and budgeting with the aim of making the procurement authorities more accountable and of dividing the work more efficiently, of using optimum procurement methods and reforming procurement legislation. Needless to add, Romania wants to take part in European cooperation programmes in order to reduce equipment costs, ensure that its equipment is interoperable and maintain a high national standard in technology.

76. The Slovak Republic, another EU candidate country which replied to our request for information, also wants to be involved in European crisis management. It intends to increase its defence expenditure to 2% of GDP and has already designated military assets to support the CFSP (in particular a mechanised company, transport helicopters, a tank de-mining unit, a military police unit and a multi-profile field hospital). Tactical air transportation is high on the list of priorities. Furthermore the Slovak Republic is planning *inter alia* to modernise its operational command, control and communications system, with a view to interoperability needs. It is working on a long term plan for the development of armed forces structures and is implementing a multi-year planning system for defence equipment. It is giving priority to joint equipment development (with countries such as the Czech Republic, Germany, France, the United States, the United Kingdom, Sweden and Hungary) mainly in military technologies relating to heavy wheel and tracked vehicles (tanks, rocket launchers, armoured vehicles, armoured personnel carriers, gun systems, high calibre ammunition, automated command and control and gun-fire control systems, anti-aircraft rocket weapons etc.).

77. Latvia's expenditure on military equipment is on average 7-8% of the annual defence budget. It envisages increasing the share of its budget allocated to investment in the longer term (not counting assistance with weapons and ammunition given to Latvian forces by Sweden between 2001 and 2004). Ministry of Defence investment projects for 2002-2008 are concerned in particular with C3I systems, munitions, anti-aircraft equipment and a 3D radar. Latvia is already involved in crisis-management operations in Europe, in particular in Bosnia and Kosovo. It is in the process of reorganising the whole

⁴⁷ "The meaning of European defence for Finland and the Northern region", by H.E Alyson J.K. Bayles, British Ambassador to Finland, in *World Defence Systems*, RUSI, July 2001, page 41).

⁴⁸ "Finland – Allied for security, no-allied for defence", by Vice Admiral Juhani Kaskeala, Director-General (Defence Policy), Ministry of Defence, Finland, in *World Defence Systems*, RUSI, July 2001, page 40.).

of its armed forces and has begun to set up a system of centralised procurement in accordance with the budget planning and programming system approved in October 2000. Any equipment procurement is examined as a priority in the light of interoperability requirements, in accordance with NATO standards, in particular with a view to crisis-management operations.

78. Non-EU European NATO members are moving in the same direction. Norway, for example has always devoted a relatively high percentage of resources to investment in equipment (20-28% of its defence budget over the last decade). It has embarked on several weapons programmes: for example, new frigates and fast patrol boats, helicopters to equip the frigates (jointly), new short-range missiles for fighter aircraft (jointly) second-hand combat tanks and an anti-tank defence system, new equipment for troops, multi-use radios and new command and information systems. Norway is also making efforts to improve investment management and sees the advantage in planning joint European investment to meet gaps identified in complementary fashion both by NATO's Defence Capabilities Initiative and the EU headline goal.

79. There is a need to define both national and European defence equipment needs. There are some significant trends developing in terms of the introduction of new procurement methods. It will be necessary to examine what can and cannot be contracted out. Major programmes, which are cumbersome and risky, remain the responsibility of government. Even the United Kingdom, which has been the trail-blazer in looking to private finance for defence, has ruled tanks and combat aircraft out of the PFI. This form of procurement can only work for equipment that is sufficiently dual-use or capable of substitution. Global ordering, as practised for some programmes such as the Principal Anti-Air Missile System (PAAMS), the Scalp-EG (*Storm Shadow*) cruise missile or the Tigre, combat helicopter and widely used by Germany, France or the United Kingdom, can produce substantial savings by giving the project manager guaranteed order levels in the medium or even longer term (over 10 years in the case of the Scalp-EG). Lastly traditional practices, such as off-the-shelf purchasing, still have a place and mean that some government orders can be tailored to needs, at lower cost, for run of the mill or dual use equipment (transport vehicles, small arms, communications equipment) as well as rarer and more sophisticated military equipment whose estimated development cost would be exorbitant (AWACS⁴⁹, Hawkeye surveillance aircraft)

80. The question which needs to be posed therefore is which are the forums where harmonisation at European level of defence equipment procurement techniques can be encouraged? The Western European Armaments Group (WEAG)⁵⁰ is a useful forum for discussion for its 19 European member countries (the European NATO members except Iceland plus Austria, Finland and Sweden) and one which could be better used, with a view to drawing up a broad common framework of regulations. The six-country strong LoI (Letter of Intent) group⁵¹ (which includes France, Germany, Italy, Netherlands, Spain, United Kingdom) could be an appropriate forum in which to bring together technical management to discuss technical and industrial policy at European level in specific terms (identification of needs, boundaries of competition, problems of security of supply and scheduling). Lastly, OCCAR⁵², which is able to direct programmes and acquire equipment on behalf of its member states, could promote a case by case approach, by programme, by using procurement best practice. OCCAR currently has its own legal personality and can award private contracts, and could ultimately be given responsibility for Private Finance Initiative (PFI) procurement.

⁴⁹ *Airborne warning and command system.*

⁵⁰ See "Armaments cooperation in the future construction of defence in Europe – reply to the annual report of the Council", report submitted on behalf of the Technological and Aerospace Committee by Mr O'Hara, Rapporteur, Document 1671, 10 November 1999 and "The prospects for the participation of the associate partner countries in European armaments cooperation", report submitted on behalf of the Technological and Aerospace Committee by Mr Hauptert, Rapporteur and Mr Medalinskas, co-Rapporteur, Document A/1736, 20 June 2001.

⁵¹ *Idem.*

⁵² *Idem.*

81. With WEU, the aim of the Eurolongterm Group was to encourage cooperation in long-term military planning, in order to lay the foundation for firmer cooperation over defence equipment. The Group had 16 full members (all the European Atlantic Alliance members with the exception of Iceland) and the possibility existed for WEU associate partner countries to be involved. It was “placed into dormancy” by decision of the WEU Permanent Council on 15 May 2001⁵³, which seems entirely regrettable and could have serious long-term consequences. To use “an absence of guidance and the termination of WEU crisis-management functions”⁵⁴ as the rationale for this decision seems perverse. It would be desirable for Eurolongterm to be reactivated along with Eurocom, referred to in Chapter II.4, and the Western European Logistics Group (WELG), formerly responsible for cooperation on rationalising and standardising logistic support capabilities to the armed forces.

82. Limited defence budgets and the development of a European Security and Defence Policy make broader cooperation on defence equipment increasingly essential. Cooperative defence equipment programmes are currently being carried out in various areas. However two major fighter aircraft projects are going on at the same time: Eurofighter (Germany, Italy, Spain and the United Kingdom) and Rafale (France). At the end of the day, the Meteor missiles, with which these two types of plane are to be equipped, are identical and produced jointly. However, the United Kingdom has pulled out of the naval programme for the Horizon anti-aircraft frigate which was to be produced jointly with Italy and France. In November 1999, France withdrew from the VBCI/MRAV/GTK (*Multi-role armoured vehicle/Gepanzertes Transportkraftfahrzeug*), which the United Kingdom and Germany are to go ahead with alone. However, after 15 long years of tough negotiations, cooperation between European countries over air transport looks set fair, as we noted in Chapter II.3, despite Italy’s recent withdrawal. The A400M programme was to be managed through OCCAR, a body with legal personality operating on the basis of the innovative principle of an overall multi-programme, multi-year balance, which currently manages several bi-or trilateral programmes. Thought will need to be given to the way in which OCCAR *acquis* can be integrated into the wider EU (15 nation) or WEAG (19 nation) framework, so as to be fully compatible with WEAO, identified in its constituent charter as the forerunner of the future European armaments agency⁵⁵.

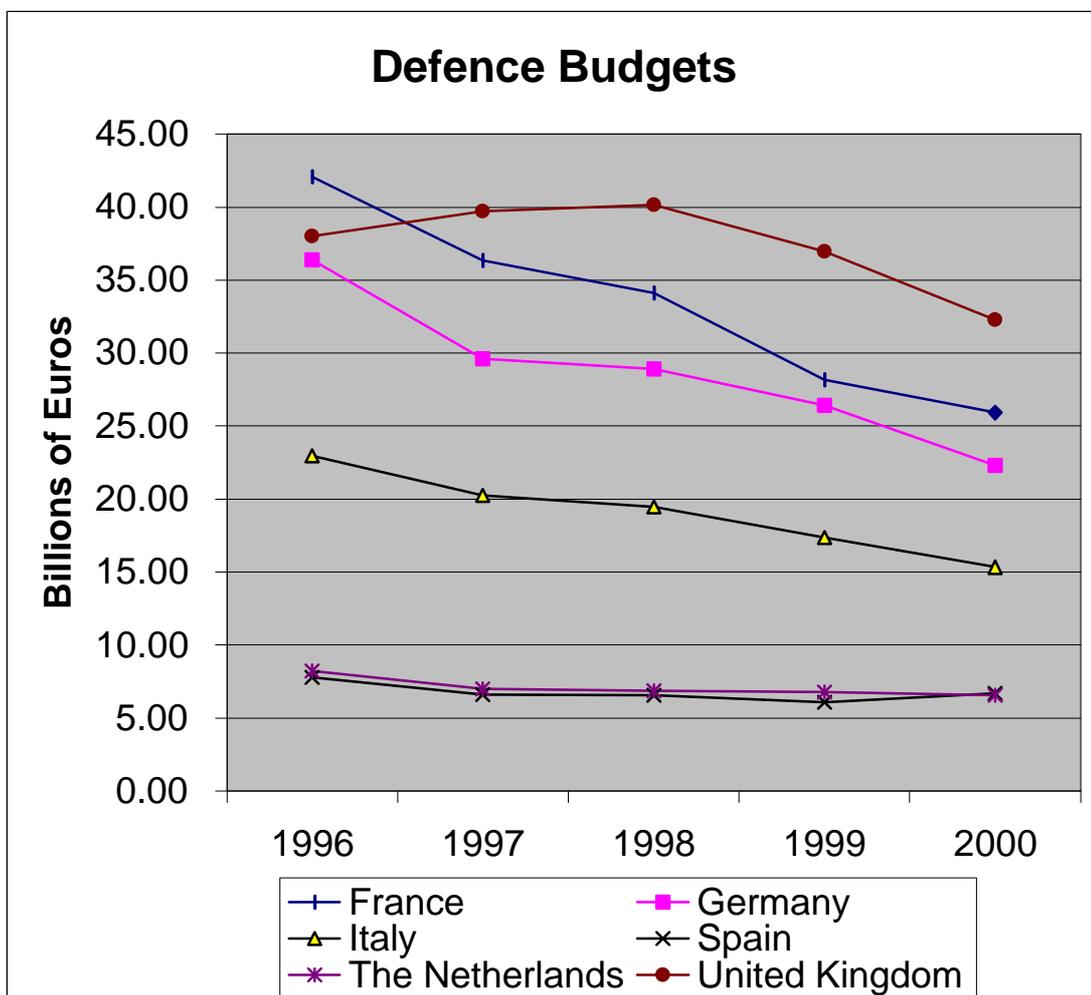
⁵³See Written Question 371 put to the Council by MM Cox, Hauptert, Wilkinson and Pálsson, 13 March 2001 and the reply of the Council. See also the first part of the forty-seventh annual report of the Council to the Assembly (1 January to 30 June 2001), Chapters II and XIII.

⁵⁴ See the first part of the forty-seventh annual report of the Council to the Assembly (1 January to 30 June 2001), Chapter XIII.C.

⁵⁵ See Assembly Documents 1671 (10 November 1999) and A/1736 (20 June 2001).

*Trend (1996-2000) of defence, equipment procurement and research and development (R&D) budgets, for the six LoI countries
(France, Germany, Italy, Netherlands, Spain, United Kingdom)*

Defence Budgets in billions of Euros					
	1996	1997	1998	1999	2000
France	42.08	36.36	34.13	28.18	25.92
Germany	36.40	29.61	28.90	26.44	22.33
Italy	22.99	20.27	19.45	17.35	15.33
Spain	7.80	6.60	6.54	6.07	6.70
The Netherlands	8.25	6.99	6.87	6.80	6.56
United Kingdom	38.01	39.72	40.14	36.96	32.26



83. When procuring military equipment, countries take account of their own individual industrial interests. Both economic (jobs) and also strategic (skills preservation) interests are considerations to be borne in mind. This is a reality that should not be glossed over if any understanding is to be gained of the at times insurmountable obstacles to competition or intra-European or transatlantic procurement.

84. For real political will to build a proper European defence system to take shape, it is also essential for European countries to have efficient technological and industrial defence structures and for cooperation between them to take place as far upstream as possible. Therefore interaction between the politico-military and economic dimensions of defence Europe is the means to achieve a crisis-management capability, independent of the Atlantic Alliance and at the same time complementary to it.

85. Downstream of military equipment production, it follows that thought must be given at an early stage to pooling European efforts in areas particularly suited to this: in-flight fuelling, tactical air transport, strategic air and sealift, Reconnaissance and Combat Search and Rescue (CSAR) or indeed satellite reconnaissance⁵⁶. Moreover, there must be a good reason for countries to agree to pool their equipment, nor must it make them feel limited in the exercise of their sovereignty. Exchanges of services between European countries should also be considered⁵⁷.

86. NATO faces the same challenge in assembling capabilities for its strategic goal as the EU faces in bringing together those it needs in the framework of the European headline goal to tackle the range of Petersberg tasks. All EU members which either take part in the integrated NATO structures or participate in the Planning and Review Process (PARP) have at their disposal only a single pool of forces; i.e. the forces for any EU-led operation will be the same as those assigned to or earmarked for NATO. The same attempts are being made within NATO and the EU to achieve results in shortfall areas such as strategic air and sealift, UAVs and air-to-air refuelling⁵⁸. European countries which are members of both the EU and NATO should therefore ensure there is complementarity but no duplication in the work on the EU's "forces catalogue" and NATO's Defence Capabilities Initiative. Progress made in the framework of the EU headline goal will lead to procurement of military equipment by the EU countries, 11 out of 15 of which also belong to the Atlantic Alliance.

⁵⁶ Germany and France even refer to the creation of a federated European satellite reconnaissance system and want to pursue their discussions in the matter with Italy, Spain and other interested European partners. Cf. Conseil franco-allemand de défense et de sécurité, 77th Franco-German summit, Freiburg, 12 June 2001.

⁵⁷ This is the case, for example, between the Netherlands and Belgium for the Dutch air-to-air refuellers and the Belgian C130 and between the Netherlands and Germany for reciprocal use of their C160 air transporter fleet. Moreover the European Air Group countries (Belgium, France, Germany, Italy, Netherlands, Spain and the UK) decided, in Berlin on 7 June 2001, to set up a European Air Transport Coordination Cell (EACC) at Eindhoven in the Netherlands, in September 2001. An Air Transport and Air Refuelling Exchange of Services (ATARES) agreement was concluded this year between the European Air Group countries. Furthermore France and Germany are agreed on developing a common cooperation concept with a view to commissioning the joint air transporter Airbus A400M. They expressed their wish for this cooperative venture to be opened up to other A400M user nations. (Cf. Conseil franco-allemand de défense et de sécurité, 77th Franco-German summit, Freiburg, 12 June 2001). In parallel with air capabilities, it is quite possible to envisage the creation of a common pool of vessels for strategic deployment and to integrate navy refuelling support. (Cf. "Europe's air defence dilemma" by Sir Michael Alexander and Air Marshall Sir Timothy Garden, *World Defence Systems*, RUSI, July 2001, page 20).

⁵⁸ Two years after the initiation of DCI, only five DCI decisions have come to fruition. Indeed with the exception of NATO AEW and some C3I elements, the Alliance does not possess its own assets and it is up to nations to make changes. See "NATO-DCI and ESDI: The right forces, at the right time in the right place" by Admiral Guido Venturoni, *World Defence Systems*, RUSI, July 2001, pages 50-52.

V. Conclusions

87. In the long term, development by European countries of autonomous military crisis-management capabilities implies the establishment of an efficient industrial and technological base. Above all else, this calls for a joint definition of the operational requirements to be met as this is absolutely indispensable if Europe is to have a proper defence and be able to guarantee its security.

88. From an operational point of view the gaps identified in the EU headline goal framework are not new. People have been aware of them for some time, but this is the first time that there has been a common expression of needs. The gaps noted in intelligence, deployability, combat, communications or forces protection will give rise to military equipment projects carried out primarily in cooperation (A400M, armoured vehicles etc.) possibly to joint off-the-shelf purchases, and, if states agree, pooling of some equipment for joint use. Development and procurement of military equipment for European crisis management, on a national basis or in cooperation, is a matter for decision by states. It is also up to them to ensure that their equipment is interoperable (in particular Command, Control, Communication and Intelligence).

89. In view of the crisis-management operations to come, the EU must, at the same time as making good the deficiencies in its military capabilities, identify more precisely its resources for preventive diplomacy, for funding crisis-management operations and for force structures in-theatre. It must also hone the machinery for assessing the capabilities made available by European countries for crisis management and any new needs. Finally, thought must be given to joint strategies for the use of military equipment.

90. Bearing in mind military equipment life-cycles, attention must be given at one and the same time to today's equipment needs (2002-2010) and those of tomorrow (2010-2030).

91. From an institutional point of view, WEAG remains the sole European forum dealing with armaments matters that includes all EU members (except Ireland) and all European NATO members (except Iceland). Whilst NATO remains the cornerstone of European defence, Europe will nevertheless be required to shoulder a greater share of the burden than before, especially with regard to fulfilment of Petersberg tasks. Non-EU European NATO nations that are WEAG members have offered valuable contributions to help improve European military capabilities. The problem of improving military capabilities is directly connected with the procurement of military equipment. Cooperation in the armaments sector has not yet been addressed by the EU and the outcome of the Nice European Council in December 2000 confirmed that the EU is not involved in this specific field. The statement by the WEAG Defence Ministers that "WEAG and WEAO have a role to play in the evolution of European armaments policy"⁵⁹ is therefore all the more relevant. In this field WEAG and WEAO should act to coordinate nations' work in order to achieve maximum cost effectiveness. WEAG could represent a reference point for the actions that Europe will be implementing to improve its military capabilities, with special regard to the collaborative procurement of equipment.

92. The importance and role of OCCAR has grown, due to the request for accession of another three countries and to the managing of a major new European programme (FLA). In this respect, the activity conducted by the GNE/EAA towards the establishment of an EAA compatible with OCCAR is considered particularly relevant.

93. The measures contained in the Framework Agreement (as a follow-on to the LoI) address many of the obstacles to armaments cooperation. It is therefore probable that some of the solutions identified may serve as a model, which may be adopted by other WEAG nations.

94. Nevertheless, the success and effectiveness of any European initiative will depend on the strengthening of the Defence Industrial and Technological Base (DITB) and on the establishment of a sound European Defence Equipment Market (EDEM).

⁵⁹ See Oporto Declaration, WEU Council of Ministers, 15-16 May 2000; paragraph 4, first indent.

DRAFT RECOMMENDATION

***on defence equipment for European crisis management –
reply to the annual report of the Council***

The Assembly,

- (i) Welcoming the political will on the part of European countries to plug gaps identified in the framework of the European Union headline goal so as to be able to carry out the range of Petersberg missions;
- (ii) Acknowledging, in the light of the experience of the Kosovo crisis, European nations' need for even higher performance interoperable military equipment for European crisis-management operations;
- (iii) Noting with satisfaction that the countries of the European Union have decided rapidly to develop capability goals in the fields of command and control, intelligence and strategic transport;
- (iv) Recalling that European nations must bring their effort to bear in particular on intelligence capabilities, forces projection, command, control and communications systems and on the means of power projection and forces' protection;
- (v) Considering how vitally important it is to European countries as a whole for Europe to have a credible Common Foreign and Security Policy and, consequently, the capability to carry out crisis-management operations jointly;
- (vi) Stressing the importance of European countries as a whole – not just the present fifteen EU member countries, but also the six non-EU European members of NATO and the nine EU applicant states – being involved in European crisis management;
- (vii) Stressing how essential it is to have a competitive defence industrial and technological base;
- (viii) Welcoming the fact that the Council undertook in its reply to Assembly Recommendation 689 to ensure that, as far as the tasking and substance of the work of WEAG and WEAO were concerned, the annual report would continue to reflect their activities;
- (ix) Taking the view that the reasons given in the first part of the forty-seventh annual report of the Council justifying the Council's decision to place the Western European Logistics Group (WELG), Eurocom and Eurolongterm "in a state of dormancy" are most unconvincing and that these groups are more useful now than ever,

RECOMMENDS THAT THE COUNCIL

1. Reactivate the Western European Logistics Group (WELG) within WEU so as to strengthen cooperation on rationalising and standardising logistic support capabilities to the armed forces;
2. Reactivate the Eurocom Group with a view to promoting interoperability amongst land forces tactical communications systems;
3. Give the Western European Armaments Group (WEAG), which operates within the WEU framework, a more important role in harmonising the operational needs of European nations;
4. Reactivate the Eurolongterm Group to encourage cooperation in long-term military planning, in order to lay the foundation for firmer cooperation over defence equipment;
5. Coordinate and harmonise as far as possible the policies and defence equipment procurement methods of European nations;
6. Envisage a study in this connection, covering European nations as a whole, in order to compare operational needs, evaluate national procurement policies and submit recommendations to European governments on the most promising forms of cooperation to set in train;

7. Take the necessary steps, in line with the expectations of the industry, to facilitate the creation of a European defence equipment market, in the interest of states that need a highly efficient, competitive industry to ensure their operational effectiveness and strategic autonomy,
8. Urge WEU governments and in particular those of the WEAG and WEAO member nations to:
 - (a) devote a larger part of their national defence budgets to equipment procurement and research;
 - (b) ensure that public opinion is aware of the importance of substantial defence budgets to cover European crisis-management tasks;
 - (c) immediately to enter into practical cooperation on projects for equipment for crisis management, as a matter of priority, in areas where deficiencies have been found to be greatest;
 - (d) envisage procurement of real-time intelligence capabilities, satellite guidance systems and capabilities in electronic jamming, command, control and communication, air-to-air refuelling, strategic air and sea lift, precision strike, anti-air defence penetration and damage assessment;
 - (e) guarantee interoperability of all military equipment developed and/or purchased by the various European nations in all fields mentioned above;
 - (f) facilitate, in so far as possible, joint use of military equipment;
 - (g) acquire European command, control and communication systems, which can be projected to the theatre of operations along with the Forces HQ;
 - (h) undertake at the same time joint research projects, mainly through WEAO, so as to work together henceforward on the design of equipment for future decades;
 - (i) take account of new terrorist threats, particularly from biological weapons, and set up a working group to study the capabilities and resources required for integrating the fight against terrorism into the Petersberg tasks framework, whilst also compiling a catalogue of measures to help neutralise any negative effects of such illegal action;
 - (j) reflect, following the 11 September attacks, on the capabilities that urgently need developing so as to deal effectively with humanitarian aspects of the Petersberg tasks;
9. Urge the governments of European Union member states to:
 - (a) secure optimal functioning of the Intelligence Division of the EU Military Staff, demonstrating their firm political will by translating words into deeds and making substantial voluntary contributions to the EU;
 - (b) make use of the defence equipment capabilities pledged by the WEU countries as a whole and in particular those of WEAG and WEAO member states.

AMENDMENTS 1 - 4⁶⁰

tabled by Mr Meale

1. After recital (*iii*) of the preamble to the draft recommendation add the following new recital:
“Sincerely hoping that the difficulties Germany and Italy are experiencing in regard to their participating in the A 400M military transport aircraft programme will be resolved without delay so that the production contract can be signed before the end of the year;”.

2. After recital (*iii*) of the preamble to the draft recommendation add the following new recital:
“Welcoming the fact that at the Capability Improvement Conference held on 19 November 2001, EU countries made additional contributions to rectify several shortcomings;”.

3. After recital (*iv*) of the preamble to the draft recommendation, add the following new recital:
“Unanimously endorsing the recent agreement between EU member states for a “European Capability Action Plan”, mainly designed to rectify the remaining deficiencies, and noting that such plan rightly emphasises the importance of broad public support and that its transparency must be such as to ensure that the public in the member states have a clear vision of the existing shortcomings and the efforts to be made to achieve the objectives set;”.

4. After recital (*iv*) of the preamble to the draft recommendation, add the following new recital:
“Welcoming the fact that on 23 November 2001, the Spanish Government officially decided to take part in the Helios 2 optical satellite programme;”.

Signed: Meale

⁶⁰ See 10th sitting, 5 December 2001 (amendments adopted).

