

Working Group VIII

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WORKING GROUP VIII « DEFENCE »

Subject : Paper by Mr Oğuz Demiralp:

- "European Armaments Cooperation"

Members of the Working Group will find attached a paper submitted by Mr Oğuz Demiralp, alternate member of the Convention.

EUROPEAN ARMAMENTS COOPERATION

In order to avoid duplication between NATO Prague Capabilities Commitment (PCC) and European Capability Action Plan (ECAP), Turkey supports application of mutual reinforcement, complementarity, transparency and openness principles between these two processes. Both processes draw essentially from the same forces and resources, so a common approach must be pursued. Turkey, like some other candidate countries, have been looking forward to a positive response to participate in, through an appropriate framework, the 17 panels which have been established to determine the modalities for the improvement of capabilities required by ECAP.

On the other hand, Turkey considers WEAG, with its membership covering both the EU and NATO, as the best forum for multilateral armaments cooperation which stems from capabilities needed in Europe. WEAG, with its widest membership, gathers all the countries which constitute the European Defence Equipment Market (EDEM) and European Defence Technology and Industrial Base (DTIB), so it offers the best opportunities for “economies of scale” and “low cost”, badly needed for defence equipment manufacturing. Additionally, the armaments cooperation in this framework is also important in terms of the requirements stemming from standardisation and interoperability needed by either NATO or the EU operations.

WEAG has already proved its effectiveness as a cooperation forum where the political decisions had been taken for several important armaments projects, such as A-400M FLA. WEAG continues to provide the mechanisms for political consultations and decision making which is today the first step of armaments cooperation. However, the activities of its structure responsible for the project implementation is limited to only research and development. In this context, studies for transforming the RC (Research Cell) of WEAG into a European Armaments Agency have been completed, but the possible decision on the establishment was suspended.

In parallel with the above-mentioned events, the first steps of armaments cooperation within the EU are, nowadays, being taken. Actually, it has been observed that the agenda of the EU Defence Ministers turned to be containing armaments cooperation issue quite frequently and, in addition, EU National Armaments Directors have been organising informal meetings, but candidate countries cannot get involved with these meetings. Lastly, as reported in press, the EU Defence Ministers, at their meeting in Crete, decided on the establishment of an EU Armaments Directors Group.

Turkey is a country which offers important armaments cooperation possibilities with many procurement programmes. That is why, Turkey, has carefully took note of the views expressed on “forming of a European Armaments Policy related with EU’s technological and industrial policies”, “recognition in the EU Treaty that protection of the European defence technological and industrial base is in the interest of the Union”, “integration of armaments cooperation into one of the pillars of the EU”, in this context, “coordination of the national Research and Development budgets and in that regard establishment of a common budget”, “establishment of a European Armaments Agency responsible for all armaments cooperation activities beginning from standardisation to procurement and production.”.

During the discussions, Turkey has observed that different views have been expressed on these subjects, some proposing the development of the European armaments cooperation on the basis of certain fora like OCCAR and LOI which gather a limited number of producer countries,

some other views proposing the application of an “opting in mechanism” which would include only the willing nations, and also some opinions referring to the development of subject basis inside or outside of the EU.

However, Turkey considers that, as High Representative Mr. Javier Solana has also indicated, existing 4-nation OCCAR and 6-nation LOI frameworks cannot accommodate armaments cooperation and suggests that the Convention, in a creative way, should carefully examine the structure of WEAG which takes into consideration the interests of all parties in armaments cooperation. In case the armaments cooperation is taken under the roof of the EU within the framework of ESDP, Turkey requests that WEAG’s principles be taken into account and the EU’s armaments cooperation dimension be formed to include all WEAG members.

In light of the discussions, it is assessed that armaments cooperation within the EU may include three basic objectives, namely, “single policy”, “single market” and “single agency”. The best choice seems to be to take the WEAG structure under the EU’s roof to achieve these three main objectives.

From a market perspective, only the governments are the customers in the defence equipment sector and, as such, geographical wideness of the cooperation area is one of the most important factors in determining the international competitiveness of this sector. WEAG, as a forum bringing all European NATO Members and all EU members together, offers the widest market possibilities. In line with this understanding, the option of extending armaments cooperation beyond the WEAG territory to include Russian Federation and Ukraine would contribute considerably.

From the “single policy” perspective, it would be appropriate to involve the non-EU WEAG members’ Defence Ministers and National Armaments Directors in the EU’s envisaged structures. In fact, Nice European Council decisions make provision for the candidate countries to take part in ESDP (their fullest possible involvement). Again, under the “single policy” objective, when considered in terms of the rules and policies regulating the production and trade of defence equipment, it should be noted that the rules adopted unanimously within WEAG reflects the consensus among the nations representing both the supply and demand sides of the EDEM. It should be further noted that, this consensus establishes a realistic framework which takes into account the principles of open competition and productivity which are necessary for the improvement of this sector.

When the subject is taken from the perspective of “project management”, it should be noted that studies and preparations for the establishment of a “European Armaments Agency” (EAA) have been carried out in WEAG, but the political will has not been in place for the implementation as ECAP panels’ activities have not been finalised yet. The framework which has been put forward by WEAG for an EAA seems to be the option without alternative in the light of the principles of “economies of scale” and “low cost” which are important factors for the projects in this sector. Furthermore, within the context of functioning of the EAA, the principle of “juste retour” has been adjusted to be in harmony with the principles which require benefiting from technological superiority that improves the efficiency of the sector.

WEAG also offers a voice to the European Defence Industry in the intergovernmental cooperation.