

2013 FBC ANNUAL DEFENCE CONFERENCE

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REPORT



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HE Bernard Emié, French Ambassador to the UK

The Franco-British Council (FBC) organised the third annual conference on Franco-British defence co-operation on 16 May 2013 at the French Embassy in London. The conference was hosted by the French Ambassador to the UK, HE Bernard Emié, and brought together over seventy delegates from senior government, the world of politics, diplomacy, military, industry, and research and media and benefited in particular from the presence of top European civil servants. The French Minister for Defence, Jean-Yves Le Drian, delivered the keynote speech, and his British counterpart Philip Hammond gave the closing speech of the conference.

The Délégué Général pour l'Armement, Laurent Collet-Billon, also spoke alongside the Minister for Defence Equipment, Support and Technology Philip Dunne.

The gathering took place at a pivotal juncture in bilateral defence relations. Less than three weeks after the publication of the French White Paper on Defence and National Security (LBDSN) and one month before the UK Spending Review for the period 2015/2016, the 2013 conference provided French and British politicians with a welcome progress report. "It is a great honour and a true pleasure for me to open this latest Franco-British Annual Defence Conference, which has become one of the traditional meetings of our bilateral relations" said Jean-Yves Le Drian. For his part, Philip Hammond stressed the high level of representation of both governments, the armed forces and industry, which was indicative of the desire to implement the Lancaster House treaties. Ahead of the Franco-British summit planned for autumn 2013, and after what was often a mixed year in so far as concerns exchanges of ideas, the two ministers were also pleased that the FBC conference afforded them the opportunity to discuss urgent aspects of bilateral co-operation behind closed doors and, amongst other things, to convene the meeting of the High Level Working Group (HLWG).

Following up on the discussions of 2012, and by virtue of the changes underway, the conference organised four roundtables which, individually, dealt with: the place of Franco-British defence leadership in crises management; the impact of budgetary constraints on the objectives in the area of sharing capabilities; the issue of two-speed co-operation and tools to deliver the equipment part; advances in the politico-strategic dimension of the partnership. This report offers a cross-analysis of the debates arising from these workshops.

« This annual FBC conference really has become an essential meeting, a key stage in our defence relations. (...) It is one of a substantial series of high-level bilateral exchanges including –to cite only the most recent one- the visit to the UK by Foreign Minister Laurent Fabius for the G8 summit.»

HE Bernard Emié
French Ambassador to the UK

France and the UK are expected to lead

Entering and exiting – the coalition of the willing in the service of interoperability

The Franco-British defence partnership has not been involved in any joint military operations since Libya. However, the debate on the content of the bilateral commitment and its reliability in terms of political will continues, and in particular, the mechanism of the coalition of the willing, as a decisive advantage provided by the operational flexibility of the two allies when managing a crisis, is central to discussions. The British diplomatic approach is unambiguous – starting an operation requires that only a handful of countries (one, two or three) indicate their determination

« *Exercise is not purely training, it is making this treaty reality.* »

Sir Stuart Peach, Vice Chief of the Defence Staff

to rapidly mobilise the military capability required to intervene. The assessment of the 2013 situation has led it to confirm the excellence of the partnership with France, the relational pivot of which is improving all the time, beyond any pre-established institutional framework. The increase in importance of the CJEF (Combined Joint Expeditionary Force) demonstrates the military reactivity expected with a pragmatic operational approach, and represents this valuable tool ready for combat, that has a common culture and which from 2016 onwards will provide short-term responses to high intensity crises. The joint Corsican Lion 2012 military exercise was cited in order

to highlight the exemplarity of maritime interoperability, interoperability that will be tested this autumn during the next Joint Warrior 13-2 air exercise, followed next year by both the Armies. For the French, a diplomat made the humorous point that “when France reaches an agreement with a partner, what it worries about is whether it works in theory...”. In reality, beyond this quip about cultural identity, France continues to be perfectly satisfied with the way in which the Lancaster House treaties are being applied and the coalition of the willing is understood, on the French side of the Channel too, to be the key element that positively engages the responsibility of the states.

The question raised by both governments remains: how can we ensure that this driving force – the coalition of the willing – which initiates a high intensity military operation can be effectively taken over by a security organisation? Do we have to make do with an *ad hoc* solution at the risk of sacrificing the modelling effort which is, however, necessary? Libya was once again central to discussions. With the observation that in 2011, after a few days combat it was indeed the desire to act together that triggered the exceptional hand over to NATO.

NATO demonstrated an exemplary process of mobilisation to follow through on the Franco-British undertaking by guaranteeing the command tools for operation Unified Protector. This exceptional status was, however, accorded by virtue of the principle of constructive abstention to achieve a consensus among the 28 Member States. Have lessons been learned? To what extent is it necessary to hand over to a security organisation? Can we allow crises taking place at the edges of Europe to impose an ‘à la carte’ optimisation of the military interoperability of the two signatories to the Lancaster House treaties?



Plenary session, 2013 FBC Defence Conference

From co-operation to co-leadership

The management of the crisis in Mali is itself characterised by a new model of intervention. The military operation in the Sahel being first and foremost French, based on the reactivity and rapidity of a national commitment, using pre-positioned forces. The solidarity that exists between France and the UK did indeed play its role to the full and this was clearly demonstrated by the significant numbers of operators involved. For the first time, France requested

support from its UK partner to help it project its power, and the latter gave a favourable response within twelve hours to the requests made by General Puga and Admiral Guillaud. It was, according to the MOD, very important to demonstrate the UK's commitment to the Lancaster House treaties by responding immediately and positively to the French request. In this respect, operation Serval illustrates the continuity of the bilateral co-operation. The change of governments in France has not undermined the defence partnership and the personal relations between the French Socialist Minister and the British Conservative Secretary of State are good. In the field, a British soldier considers that with Mali tactical coordination between the two armies has made enormous progress and that military co-operation, in keeping with the 2010 agreements, has never been so close. Logistical support provided to France (deployment of two C-17 strategic airlift aircraft and surveillance support with the Sentinel aircraft), the deployment of French officers from Northwood under the British flag demonstrates the degree of commitment of the forces. The model of intervention in Mali confirmed what had been documented - the French and the British work together well. Has the conceptualisation of a bilateral leadership been impacted however? It is clear that the relationship with the European Union may provide a partial response, as the two partners found themselves side by side as trainers for the Mali EUTM. Is it engaging? A researcher from Brussels regretted that Paris and London do not assert their co-leadership more vigorously. The speech by the French Minister for Defence at the FBC 2013 conference was, according to him, an invitation that failed to motivate and was rather timid, at a time when Europeans are in need of guidance. France and the UK are the only countries in Europe able to take the initiative in defence matters, they have a responsibility to create opportunities. If they don't do it, then who will?

« I must say that the rapidity and effectiveness of the French response to the urgent challenge in Mali was impressive. »

Rt Hon Philip Hammond MP
Secretary of State for defence

Strategic Entente, the limits of mutual trust

The new display of the shared strategic interests may move the aim of consolidating co-leadership forward. The French White Paper on Defence and National Security is indeed an exercise which has driven the bilateral partnership forward. On the one hand the participation of the UK Ambassador to France, Sir Peter Ricketts, at the Commission, for the first time, was welcomed by all participants. The Foreign Office considered that this experience was indicative of the high level of trust between the two governments at the strategic level and has led to increased co-operation. The French also expressed their clear satisfaction and thanked the British whose role, according to the French National Assembly, was not easy. For the French Minister Jean-Yves Le Drian, this participation is a "sign of confidence – for the first time to my knowledge – which is a clear consequence of the Lancaster House treaties". In return, the British mentioned the possibility of the French contributing to the next SDSR, which is planned to start in 2014.

In essence, this joint work will have served to reveal the extent to which the strategic analysis of the two countries is very similar. The partners appear to have initiated a state of *de facto* solidarity in which, according to France, "any weakening of either of our two nations will in the very short term, and inevitably, affect the other". The similarity of the analysis was highlighted, the MOD mentioning that the strategic documents are virtually interchangeable – the vision described in the White Paper of a highly skilled expeditionary force that can be deployed alongside the allies is closely aligned with the British choices with regard to the *Future Force 2020*, to a smaller number of personnel benefiting from cutting-edge equipment. "The assessment set out in the White Paper could have been written in the UK" said Philip Hammond, who is in favour of retaining influence on the international scene as a way of contributing to stabilising international relations. From this comparison, the idea of fashioning Franco-British leadership for the years ahead is not ruled out. Of course, the Secretary of State for Defence is not in favour of drafting a common strategy, but in the field at the moment genuine joint analysis is being undertaken with the French DAS (*Direction des Affaires Stratégiques*), in which subjects for disagreement are few and far between. It is unlikely that there are many partners that can boast such initiatives.



Général Patrick Lefebvre, Général Henri Bentégeat

The inclusion of nuclear co-operation on the programme of the 2013 conference for the first time is another sign of the extent of the strategic rapprochement that is underway. What type of trust has been fostered as a result of the application of the Teutates treaty? The President of the Republic and the Prime Minister by investing in a joint hydrodynamic installation share an element of security at the edges of national interest. By doing so, they are investing great political meaning in all further co-operation in the area of operations and capability. The simulation programme is moving forward, the progress made in Valduc and Aldermaston is tangible, the savings generated will be significant. Do they want to take things further?

« We have, with the Lancaster House treaties, opened a totally new page in the field of co-operation on nuclear issues. »

Jean-Yves Le Drian
Ministre de la défense

Both countries are in agreement. François Hollande reaffirmed this agreement when the work on the White Paper was started, as did David Cameron in the spring of 2013, the effort in favour of deterrence is not negotiable. With a similar approach, the central idea protects the nuclear doctrine, which does not replace the principle of external interventions, which for their part guarantee strategic depth. Deterrence is not, however, perceived in the same way by public opinion on each side of the Channel. The *Elysée* thus confirmed that 59% of French people are attached to the notion of "strict sufficiency" in nuclear matters, which they consider "vital, indispensable for the defence of the country", (i.e. 6% more than in 2012). Other figures quoted are that only 20% of French people are opposed to nuclear weapons, 68% consider that they are an asset for France and 44% would like them to be modernised despite the fact that budgets are tight. President Hollande confirmed on a number of occasions in 2013 that he would continue to devote 10% of the defence budget to nuclear deterrence.



Sénateur Xavier Pintat et Jean-Yves Le Drian ministre de la défense

In the UK, the internal debate on the place of deterrence in national defence has entered into the turbulence of the political arena, and will inevitably increase between now and the general elections in 2015. The Conservatives and the Liberal Democrats in the coalition are deeply divided on this issue. For the Conservatives, retaining a nuclear deterrent is the ultimate guarantee of national security. Based on continuous at sea deterrence, it requires Trident to be renewed and leads to the prospect of replacing the Vanguard Class submarines as they go out of service from 2028 onwards. Nick Clegg's Liberal Democrats, on the other hand, do not support this position and argue that savings are required – a cheaper form of nuclear deterrence – to ensure conventional flexibility in the long term (aircraft on aircraft carriers, new

generations of frigates, drones). Conflicting assessments mean that surveys and statistics can vary greatly, and show that public opinion is much more volatile than in France.

These elements merely serve to widen the gap between the two sides of the Channel regarding the opportunity of closer co-operation in the nuclear field. In reality, it appears unlikely that France will abandon the historic choice of nuclear independence in favour of the updated stance of strategic interdependence. On the other hand, the idea is emerging that it could sanction a Franco-British initiative designed to influence the works of NATO's Nuclear Planning Group (NPG).....



Press conference, 2013 FBC Defence Conference

The defence industry during the crisis – the bilateral partnership is worth the cost

Cash is not king

As far as capability is concerned, the 2012-2013 period is suffering as a result of the difficult economic context. The effects of the financial crisis, added to uncertainties regarding national budget choices, have impacted the bilateral rapprochement and delayed the expected start of industrial co-operation. Certainly the White Paper distributed in April 2013, by maintaining all the critical sectors, has confirmed the industrial and technological basis of French strategic autonomy, and by doing this has calmed British anxieties. But the debates have shown that, although in the constrained economic context co-operation projects are necessary, they suffer as a result of being contracted on a piecemeal basis, with the lack of performance and maximum efficiency being significant.

Is necessity the mother of invention?

It seems in any case that when co-operation is urgently required, it is even more difficult to put in place. Should we, for example, apply a model of financial innovation? No, in the opinion of the vast majority of participants who considered it to be more of a trap than an opportunity. The experience of public-private co-funding was raised without any great conviction and for the DGA, the creation of a new financial product often leads to greater rigidity, and runs the risk of being costly. The example of the PFI (Private Finance Initiative) was quoted to remind everyone that in this area the results were not conclusive and were at times negative.

With regard to method, several analysts regretted that they were unable to throw any light on the matter and noted that it was not possible to objectively assess the effects of co-operation in financial and economic matters. The absence of empirical and analytical studies which provide an objective assessment of the advantages and disadvantages of industrial rapprochements is patently clear. No tool is able to weight the various assessment criteria and the difficulty of accessing quantitative data makes comparing programmes too random. Often assessments of possible capability convergences are subjective or even speculative with effects being magnified at the European level where the differences in budgets and defence expenditure further complicate the work of the analyst. A small number of studies highlighted the difficulty of obtaining cost reductions over the life cycle of a programme as a whole.

Everybody agreed that launching a new generation of equipment today is beyond the financial capacities of both governments. In practice, the need to make savings is not new. The reduction in defence budgets in Europe dates back a long way and the MOD points out that although, since 1945, the Ministry has had stable budgets in real terms, the traditionally galloping inflation in the defence industry (dependent as it is on advanced technology) eats



Workshop, 2013 FBC Defence Conference

away at purchasing power. But for many people, the fact that national budgets are under pressure ought to lead to optimisation of co-operation based on burden sharing. The idea of acquiring technology that is not fully controlled – a «barter agreement», that would stimulate specialisation and the concentration of activities – was specifically defended. An interesting route to stabilise co-operation by distancing it in particular from unforeseen events linked to the political timetable.

The question remained regarding the ability of the Lancaster House treaty partners to promote such co-operation. The answer is not easy to identify from the interventions as the

very format of the co-operation continues to divide without any approach being specifically French or British. Some would like it to be multilateral, Thales considering for example that international co-operation may make up for the negative effects of the financial crisis – the respective budgets of France and the UK mean that it is not possible currently to guarantee technological expertise in the long term. Others would prefer to limit co-operation at the bilateral level in order to set in train streamlining. This is an option defended by Dassault for whom the sovereignty of governments is an urgent issue in the area of combat aeronautics programmes and requires the number of partners to be limited, at least at the outset. This is also an approach that continues to be defended by the UK government, which is closely monitored by its Parliament on problems of budget delays and overruns for multilateral projects.

Spotlight on the FASGW – bearing witness to the principle of “*share it or lose it*”

This highly sensitive environment makes the ANL/FASGW dossier a determining element in 2013 regarding the important choice of industrial specialisation to confirm the objective of mutual dependence included in the treaties.

It is the very principle of co-operation in the armament sector that is being tested. The right of scrutiny of governments on the way industry organises production, the conflicts of interests between collective priorities and the companies' own imperatives are being reconsidered. The path of specialisation is seen to be a tool that is useful for advancing the defence partnership, where governments that manufacture armaments and companies agree *de facto* to limit their skills and their autonomy without mortgaging their sovereignty/know-how. The stabilising effect of industrial

specialisation is promoted, with a comparison in the civil sector where, over the long term, the concentration of activity leads to a beneficial dependence that sets aside the relative efficiency of *ad hoc* projects.

The new MBDA missile is the embodiment of this orientation. Designed for the naval forces of both countries and helicopter-borne, it is a capability that will be used in future joint operations. The specialisation of centres of excellence in France and in the UK will serve the road map of mutual dependence by avoiding the effects of duplication of traditional co-operation. The challenge for One MBDA will be to go beyond the consolidation



Antoine Bouvier, CEO MBDA

phase and the integration phase of the undertaking whilst ensuring a balance with the sovereignty of the states. Negotiations between the two partners have been slow going, but the test has been a success.

« This choice of the FASGW was difficult. I took it because the project that it underpins for our industries and for our bilateral co-operation appears to me essential. »

Jean-Yves Le Drian

A bonus in 2013 – the strengthening of the Franco-British policy framework

The bilateral defence partnership has been further strengthened by this episode. The interest of the bilateral programme indeed goes beyond mere co-operation on the Future Anti-Surface Guided Weapon. On the political level, Franco-British solidarity has taken a further step forward. It is true that the decision expected for the end of 2011 was only reached in the spring of 2013 and this delay exposed the divergence of the different centres of interest and raised the anxieties of the

British with regard to the feasibility of developing a joint missile activity. They also feared that a French withdrawal may lead to new cuts in the UK defence budget, with the risk of military capabilities spiralling downwards.

In fact, the priority long-term capability requirement in the UK contrasted with the French bringing into line justified by the recommendations expected from the White Paper, in particular with regard to the budget. But the Royal Navy's patience was applauded and the involvement of the highest government authorities in support of bilateral co-operation is seen as symbolic, with in particular on the French side the personal commitment of the President of the Republic and the Minister of Defence. Together they took the decision to make an exception to the principle of not deciding, despite the cost that this represents. The political leadership has become more consistent and moved the industrial partnership forward and probably, in the opinion of some, this decisional framework will be useful for the future.

MBDA described the political commitment as remarkable. It is, in their opinion, a tangible sign of the confidence of the two governments that they are willing to support joint work and increase mutual dependence. For the first time, the principle of "Share it or lose it" was put forward with the risk of losing what has already been put in place. The transition was established and the message was clear: the FASGW has become a priority in an unfavourable financial context. And the green light given by France demonstrates the true value of the Lancaster House treaties. On the industrial level, beyond the missile sector, the aim will be to test a model applicable to all bilateral co-operation over the long term. By assessing, for example, cross licensing for exporting. This involves anticipating and organising in an unfavourable budgetary context. This is a serious responsibility.



Laurent Collet-Billon, Rt Hon Baroness Tessa Blackstone, Sénateur Jean-Louis Carrère, Philip Dunne MP

Rapprochement in the field of armaments, there will be new developments in the West

R&T – a priority in 2012 which was reaffirmed in 2013

In the wake of the discussions on the duplication of skills, R&T is making a strong comeback. Research & Technology was confirmed as a key initial element ahead of the bilateral defence partnership, and the *Délégation Générale à l'Armement* focussed on this issue. What new developments have there been?

In this reputedly protectionist area of co-operation (each partner being keen to promote its own research potential) there appears to have been progress in the dialogue between the two governments. After a 'bottom-up' process of spontaneous proposals on R&T projects, followed by the identification of dossiers of interest to both partners, the French and the British are currently working on joint strategic objectives. At the start of 2013, a preliminary version of a *Key Technology Plan*, singled out a number of key technologies to which both countries wished to have access by 2020-2025. This document has been expanded throughout 2013 and will fuel the portfolio of Franco-British R&T projects. The investment target of €50 M/£35 M per country set during the Lancaster House Summit in 2010 remains appropriate to deal with the technological issues. The dialogue with French and British manufacturers has also moved forward. Their participation in an initial study on the critical level of industrial capability assessed the risks in terms of security of supply and identified those technologies that can be shared, as part of an agreement of

interdependence, in particular with two test cases: uncooled infrared and gallium nitride.

« We must go even further, be innovative, and develop new methods of co-operation. »

In terms of discussions, the Anglo-French Defence Research Group (AFDRG) aims to boost the efficiency of R&T co-operation by supporting innovation, in particular in the field of dual technologies. Another aspect that is increasing in importance is the desire to press ahead with the place of SMEs and SMLs in a Franco-British framework. Various initiatives were examined, including: arrangements managed and financed by the Ministries of Defence (RAPID/ASTRID for France, CDE for the UK); actions carried out as part of the policy of rapprochement with civil research and the development of industry/university laboratory partnerships, under the aegis of the *Agence Nationale pour la Recherche* (ANR) in France, and the Technology Strategy Board (TSB) in the UK.

Laurent Collet-Billon

Délégué Général pour l'Armement

Finally, among the specific structures already put in place to promote R&T co-operation, the DGA mentioned two. On the one hand a French exchange officer at the DSTL in Porton Down since April 2012. His daily action is aimed in particular at facilitating relations and collaboration between French R&T managers and British "domain leaders". On the other hand the Innovation and Technology Partnership (ITP) designed to help the maturing, development and transfer to industry of technologies with a low TRL (Technology Readiness Level). The ITP model covers entire sectors and brings together the world of industry (main contractors and SMEs) and the academic world. Experience has shown that it has achieved real results, in particular in the field of missiles, radars or airborne sensors.

The thorny aspects of cooperation have not gone away

Further downstream, three areas of Franco-British co-operation remain sensitive issues.

The relationship between government and industry is still a target of criticism. States were again criticised for not rising above political considerations and overcoming the inertia of an environment in which manufacturers are impatient to make use of their co-operation structures. The phasing of the electoral cycle, which is not compatible with industrial commitments over twenty to thirty years, is again being stigmatised, the dependency on budgets complicating the producer's strategic opportunities even further. Dassault reiterated its disappointment with regard to MALE drones, given that after the cancellation of the Joint Venture with BAE Systems in 2001, the Lancaster

House treaties persuaded the two companies to put forward new proposals. EADS also revealed the same dysfunction and was waiting for the political authorities to take decisions. Thales criticised the government's failure to reject the initiative of the European Commission with regard to the armaments element of the free trade negotiations between Europe and the USA.



Jean-Bernard Lévy, CEO Thales

Do the two allies share intelligence? The same question and the same answer emerged as in previous years, and it can be seen that there has not been a great deal of progress in co-operation in this area. For Jean-Yves Le Drian, intelligence sharing is a difficult challenge for the UK but it is essential as "it impacts every aspect of co-operation and in particular the viability of our officer exchange programme". The Force Enhancement Working Group is working on information sharing and improving joint communication networks but the impact of what is being done on Franco-British interoperability is not clear and sharing communication systems remains a problem. Certain lessons were learned from the operations carried out in the north of Mali on the tactical level, in particular with regard to the need to combine ISR information capabilities (intelligence, surveillance and reconnaissance). A British officer also drew attention to the fact that the DRM and the

CPCO share secure telephones. Thales explained that Satcom On the Move technology must be retained by the decision-makers for future operations.

Finally, the issue of two-speed co-operation – good in so far as concerns operations, more difficult with regard to capabilities – was specifically and for the first time raised in one of the workshops of the 2013 conference but it was not examined in any depth. The few partial answers highlighted the advantage of more systematic coordination between the military and industry. The new head of Thales mentioned the need to move forward based on the practical experience of operations in the field – this pragmatic approach would allow everyone to understand the joint needs and build industrial confidence. The DGA also stressed that feedback from Franco-British exercises is essential for joint work on the interoperability of capabilities. While a British officer defended the usefulness of the link forged between the two military academies, the deepening of the liaison towards a certain automaticity of the educational exchanges being able to directly impact co-operation in the area of armaments.

2014, a landmark year for decisions

In the complex web of the rapprochement of capabilities in which the lack of alignment of political timetables has often constituted a stumbling block, 2014 is a propitious year. The stable governments expected on both sides on the Channel, the publication of the White Paper and the voting of the Loi de Programmation Militaire (LPM) in France will leave the way clear for decisions to be taken in the area of industrial projects. Although the hiatus created by elections and strategic discussions *de facto* reduces the possibilities for Franco-British agreements from a cycle of five years to a period of twelve months, 2014 represents a genuine, albeit narrow, window of opportunity, as it is also the year in which the UK will be initiating work on SDSR 2015.



Eric Trappier CEO Dassault, HE Bernard Emié

The combat aeronautics sector is clearly waiting for notifications. This is a strategic area for France and the UK, and one which gives rise to serious questions of sovereignty, technology sharing and competition that make implementing co-operation projects a sensitive issue, even if it is agreed that initial air raids are critical to the operational success of any intervention. In the current budgetary context, where the alternatives available to industry are either cooperation or forgoing capability, combat aeronautics is exposed and will be the next test for bilateral cooperation. Dassault and BAE systems thus hope to be able to launch the joint Future Combat Air System Demonstration Programme (FCAS DP) in 2014. With regard to drones, Dassault is urging joint work to avert the risk of falling back on off-the-shelf purchases.

The joint approach of off-the-shelf purchases is, however, also being tested in 2013-2014. With Watchkeeper, France is examining whether it will be possible to benefit from equipment that

already exists in the UK, the idea being to initiate cooperation based on production that is not new. Can we align French requirements with the British solution? Within this concept, beyond development and production, the path of “use” is essential, and the evaluation of the Watchkeeper system by France is underway. For the MOD, this type of immediately available solution offers limited financial benefits but clear operational advantages. “The twinning of the British Royal Artillery 32nd Regiment and the French Artillery’s 61st Regiment is a practical demonstration of such cooperation” declared Philip Dunne, UK Minister for Defence Equipment, Support and Technology.

A further approach being adopted for the near future is that of skills sharing in the area of support. Still largely under-exploited, the pooling of support for defence equipment offers the advantage of being unencumbered by questions of sovereignty and paves the way for cooperation likely to lead to cost-savings. According to the DGA, after the development and production phase, once a programme has been successfully implemented, joint work on support must follow on immediately in order to avoid any multiplication of costs. This is true today for the A400M. The lack of rapprochement also means that large amounts of money are being spent in those sectors involved in logistics support in combat (health services, engineering...). This is an area that France and the UK should examine. Thales also described its experience with regard to the successful ammunition storage service put in place in Australia (the Ammunition services to the armed forces in Australia). These are new areas in which industry and governments continue to progress on a case-by-case basis.

« We will not abandon essential capabilities. Our two countries have embarked on a period of efficient expenditure, which does not rule out retaining capability ambitions. »

Jean-Yves Le Drian

The « Wake-up Call » for a responsible Europe – why we should believe in it

The European Council of December 2013 – capabilities, capabilities. Capabilities?

The European question still remains. The agenda for the 2013 FBC Conference did not include any workshop specifically on Europe. It was, however, this year that the subject received the most attention, and the remarkable thing is that the British abandoned their reserve in order to drive the discussions forward. The Cabinet Office, the Foreign Office, the MOD and the diplomatic representation in Brussels clearly made known their expectations vis-à-vis the European Council of December 2013. This was a position that won over the French participants. Just as a few years ago the question was why France and the UK should co-operate in the area of defence, today the protagonists are asking what this co-operation should focus on.

For the British, the challenge is to move towards a new chapter in European military capabilities. The general reduction in defence budgets is leading to an alarming decline in European military potential and is preventing any serious attempts at planning. Getting a better return on the 180 billion euros spent each year by Europe on defence is now a matter of some urgency as there is a need for the joint approach to produce results. The intervention in Mali highlighted the need for European nations to maintain a critical threshold of intervention units. The pre-positioned French troops did indeed make the difference, but one of the conclusions from this operation was that it is now essential to pool European forces when managing crises at the outer edges of the Old Continent. Europe owes it to itself to be more ambitious. The December European Council will therefore be seen as a test with regard to a capability gap - in the eyes of the British, it represents a strategic opportunity that France and the UK cannot afford to let pass by.

It was, in their opinion, the partnership resulting from the Lancaster House treaties that should sanction the development of European interoperability and convince the allies of the urgency of the need to adopt a position. For Philip Hammond the White Paper was admirably clear and provided the basis to ensure that bilateral co-operation reactivates the CSDP by focussing on building capabilities. The Foreign Office confirmed the joint preparatory work undertaken for the December European Council and drew attention to the importance of the partners' political leadership, the immediate decision by the President of the Republic and the Prime Minister in the event of a crisis, which was a much better solution than 28 nations trying to reach a consensus in Brussels. The confidence acquired in the field of nuclear co-operation, the progress achieved by the ramp-up of the CJEF (which is aimed at involving



Rt Hon Philip Hammond MP, Secretary of State for Defence

Europeans in high intensity operations) are determining elements which require that France and the UK assume responsibility for promoting European security in the face of existing threats. In the field, the model of combining French and British commands with the political and military structure of the EU was mentioned.

« *Collective security cannot be a perpetual free lunch.* »

Rt Hon Philip Hammond MP

The debate on the institutionalisation of European defence (and its corollary on the establishment of Operational Headquarters or OHQ), which traditionally divides the two partners, has clearly been shelved. On the strategic level, France also considers that the White Paper can help draft a joint analysis, for example to ensure that after any high-intensity military operation, the initiating countries are replaced by flexible EU decision-making and administrative structures, in

particular in the area of planning. Seen from Brussels, the current burden assumed by France and the UK in putting together *ad hoc* coalitions cannot continue, even in the short term. There is therefore a genuine need for a European strategy, and the two countries that deploy the most often, that have the influence and the expertise to fill the urgent shortfalls in capabilities, are responsible for starting a joint analysis of the threats and discussions on Europe's precise responsibilities. Time is running out – and it was also remarked that it is not impossible that the next chapter on European military capabilities will be written once more against the background of crisis management.

EU-NATO complementarity revisited?

Further to the discussions about the development of European capabilities, the traditionally sensitive subject of the complementarity of security institutions on either side of the Atlantic was being re-examined. In concrete terms why do we need to reinforce European interoperability? The idea of a new relationship between the EU and NATO has emerged, which supports the objective of strengthening European security. Some partial answers were put forward regarding the usefulness of a new model.

The argument already put forward in 2012 on US disengagement that must be finalised, was reiterated and expanded – the US's new strategic posture that paves the way for involving Europe in managing any crises must also lead to a new EU-NATO balance. The traditional security role of the Atlantic institution at the edges of Europe was considered, the specific question of NATO's willingness to engage in Sub-Saharan Africa, for example, being raised. In reality in the choices that must be made on the consolidation of transatlantic relations, the US retreat was seen more as an opportunity than as a threat. The Europeans would be entitled to be anxious but the accountability of the EU has become unavoidable.



Jean-Yves Le Drian, SE Bernard Emié, Josselin de Rohan

For the French, the clarification of relations with NATO included in the Védrine report, then confirmed by the White Paper, is contributing to progress towards reconciliation – it is no longer necessary to choose between NATO and the EU, they are both important for the security of France. The time is right for “an active, pragmatic and self-confident engagement with NATO” Jean-Yves Le Drian stressed in his keynote speech. It was a decisive strategic posture that may trigger a new convergence of Franco-British views on institutional complementarity. With, in particular, for French politicians, the determination to highlight the uniqueness of the EU’s comprehensive approach that it has always favoured. An acknowledged European specificity in the management of chronic crises where state failure is critical, and which provides solutions of political, economic and developmental stability in areas around the world that have been weakened, with a direct impact on European security. This civil and military pole already currently involves the French and the British side by side in the Sahel (EU Training Mission Mali, rebuilding Mali’s army and allowing the government to ensure the security of the country) and in the Horn of Africa (Atalanta, countering piracy). This is, in France’s eyes, a model that should be applied. Franco-British co-operation is valuable as an example, and “must be continued and developed, not as an end in itself but as a motor open to others” the French Minister of Defence reiterated.

This French position has been well-received in the UK and reassures the British, who are also keen to capitalise on the status of the Atlantic community. They too are keen for Franco-British interoperability to be a factor that encourages the creation of a revised EU-NATO institutional complementarity. The decisive step in this conciliatory attitude resides in the clarification of France’s position vis-à-vis NATO. Faced with the diversification of the US commitment, the UK appreciates the White Paper’s recognition of the role of the Atlantic Alliance as the main structure ensuring security in Europe. And the Secretary of State for Defence is happy that “the question is no longer one of choosing between NATO and the CSDP”, the prospect of strengthening EU civil and military missions providing, for its part, the benefit of establishing Europe’s place in global security. It remains true that, in this discussion on institutional complementarity, the British speakers made greater play of the virtues of the Atlantic alliance: “the two bodies are necessary but we must act in such a way that the CSDP is not an expensive duplication of NATO’s structures” the MOD stated. In this respect, the Franco-British core would have a role to play in modernising NATO’s decision-making bodies and structures. And in strengthening Atlantic planning to consolidate European operational flexibility.

The European defence industry in the pipeline of the Lancaster House treaties?

Finally, with regard to the industrial aspect, the participation of the European Defence Agency for the first time has clearly impacted the Franco-British debate. The EDA representatives were pleased to be able to take part in the 2013 conference. In reality, they came from Brussels with a specific request.



Claude-France Arnould, Sir Stuart Peach

Their findings are clear: France and the UK are leaders in so far as concerns capabilities but this is not reflected within the EDA. Some figures were quoted to draw attention to the fact that the two countries account for almost 50% of the defence effort in Europe (more than 75% for R&D) but that no Franco-British project was implemented by the Agency. Even more, the reluctance of the British to be more active in the EDA skills projects has a demotivating effect on European partners. The Agency expects from the major European players that they should positively influence the smaller players, whereas in reality the Franco-British industrial initiatives often prevent potential multilateral projects.

In London, the EDA explained that at a time of budgetary crisis, joint work was possible. In December, it will not be enough to speak in the abstract of capabilities: a pragmatic approach will be required with specific proposals. Thus, France and the UK are expected to propose a structuring project to the EDA before the end of the year, in the context of the European Council. In what area? R&T, which is today favoured by the signatories of the Lancaster House treaty, is precisely the sector highlighted by the Agency to federate multi-level co-operation. It is one of its fundamental activities in synergy with the European Commission where almost 1/3 of R&T projects are carried out bilaterally. But European co-operation may also cover the spectrum of capabilities. For example by preparing the next generation

« France and the UK must put forward a structuring project to the EDA before the end of the year. »

Claude-France Arnould

EDA Chief Executive

of smart munitions – at the same time a major operational deficiency and a priority for France and the UK, this initiative could be organised from an MBDA industrial base with a knock-on effect on European partners. The Franco-British partnership could also be active in the area of air-to-air refuelling and satellite telecommunications.

France supports this approach. The EDA is the appropriate platform for pooling by creating new partnerships, and bilateral co-operation must

be one of its drivers. Its usefulness for R&T at the European level echoes what is being undertaken at the Franco-British level and the DGA added that this undoubtedly involves the opening of a part of the bilateral initiatives to governments and by promoting processes that work. Intelligence, cyber security, modernisation of the Scalp are all paths that should be explored. Jean-Yves Le Drian has, for his part, specifically asked the British to join him in strengthening the EACT project (European Air Transport Command), a flexible strategic and tactical transport management structure, liable to assume a new dimension with air-to-air refuelling. More generally, he expects the December European Council to identify useful ways of strengthening the European Defence Technological and Industrial Base (DTIB). French parliamentarians also described the risk of no longer being competitive by remaining just two, in a context where emerging countries, China, and Russia are increasing their defence budget, and where competition is intense in the area of exports. Germany, in their opinion, is one of the major players that is able to help maintain a technological base in Europe.

EADS unambiguously validated this option of associating Germany with the European defence partnership. The company maintained that neither national logic nor the strictly bilateral approach make any sense today in the defence market. There are a number of interests – BAE is not a UK company, MBDA is not a Franco-British company – and EADS bases its industrial approach on multilaterality. On the other hand, the Franco-British defence partnership



Marwan Lahoud, Workshop 1, 2013 FBC Defence Conference

clearly represents added value due to its flexibility. For the Scalp missile, no joint executive agency but an acquisition on the basis of national programmes and contracts. For the Meteor programme, the British are responsible for directing operations (Defence Equipment and Support, DE&S). A cross-channel pragmatism exists that, expanded to the European level, appeals to EADS for the federation of defence expertise. The company stressed its involvement within the High Level Working Group and the significance of bilateral co-

operation in the EADS culture (satellite Skynet 5 Astrium Toulouse, Scalp and Meteor MBDA, A 400M Airbus Military). The promotion of the Franco-British vector to launch European co-operation programmes is a clear option. The merger project with BAE Systems provided an excellent opportunity to consolidate the Defence Technological and Industrial Base (DTIB) but abandoning this option would not prevent other initiatives from replacing it.

The British, who are attached to the bilateral model, have not shown a great deal of interest in the European dimension of industry and defence. The Foreign Office, expanding on developments in the area of military capabilities did bring up the objectives of a DTIB, which, moreover, must include PMEs. However for the MOD, pooling and sharing projects (Smart Defence or Pooling & Sharing) risk promising more than they are actually able to deliver. Current budgetary pressure means that it is difficult to obtain funding for new projects, even in the sectors where it is most urgently needed, such as those identified after the successful operation in Libya (intelligence, air-to-air refuelling, smart munitions). It is up to the French to convince them of the contrary.....

Conclusion

What has been said in 2013

From the various speeches, interventions and exchanges during the third annual Franco-British defence conference, it is clear that the past year has not been an easy one. Bilateral co-operation is evolving in a difficult budgetary context where decisions are being delayed, and within which the patience of the partners is being tested. The difficult area of capability sharing has been clearly exposed and the sensitive aspects of co-operation already identified in 2012 are again being stigmatised (relations between government and industry, co-operation on drones, intelligence etc...) and discussion are not leading to any significant advances in the solutions required. The treatment of financial challenges is however new. It has demonstrated the lack of analytical tools available to provide partial answers to the blockages inherent within industrial co-operation. The issue raised this year of two-speed co-operation (good in operational matters, slow for equipment) has not led to any significant discussions in terms of reactivity. Progress in matters of R&T was highlighted, but this also did not lead to any significant comments, which in reality focussed on other areas.

Discussions were largely devoted to the notion of mutual trust. In the absence of any major joint operation (the participation of the military at the conference was, moreover, not as great as it was in 2012), the idea of being able to count on its partner has taken precedence as a valuable factor in bilateral rapprochement. The British logistics support in operation Serval in Mali, the French priority decision on the launch of the FASGW joint programme, the contribution of the UK in the strategic discussions on the White Paper, the cultural connection of the forces during joint military exercises, and the declared joint objectives in matters of nuclear deterrence illustrate the consolidation of a solidarity that is robustly defended.

In line with this observation, the consecration of the theme of Franco-British leadership was another significant element of the 2013 conference. In 2012 it was a new concept that emerged as part of the discussions on the bilateral operations in Libya, in particular in the operational handover to NATO. So this year, the idea of leading from the Franco-British core had gained acceptance. It was the subject of workshop 1, it became the main subject of the 2013 conference – at the operational level (intervention in the Sahel, increased importance of the CJEF), at the strategic level (an interchangeable analysis, noted with the new French White Paper), at the industrial level (the choice of specialisation as antidote to duplication in the missile branch) and at the European level (the military capabilities development target). Franco-British leadership in defence appears to have become inevitable and France and the UK are responsible for implementation.



Ann Kenrick, Claire Chick

What needs to be done in 2014

How?

The delegates were clear about this: the timetable for future Franco-British co-operation implies the possibility of specific action with regard to bilateral rapprochement. But everybody acknowledged that the window of opportunity



Pr Christian de Boissieu, Jean-Yves Le Drian, SE Bernard Emié, RT Hon Philip Hammond MP, Baroness Blackstone

is narrow. 2014 would thus be the year in which decisions need to be taken. The leading priority being to breathe life into the States-Industries relationship which is finding it difficult to benefit from the Lancaster House treaties. Will the Franco-British decision-making platform activated by the prospect of co-operation in the missile sector serve, for example, the area of combat aircraft? In so far as concerns ANL/FASGW, it will be useful to observe the stages of application of the industrial specialisation to which France has given a commitment, but the precise rapprochement procedures of which are still unknown. It is also a year when we will need to monitor closely the consistency of the strategic understanding and the development of possible modelling objectives of the bilateral partnership with regard to managing crises, in particular from the possible participation of France in the next work on the SDSR.

The other major subject for the year ahead is Europe. Yesterday's subject of division has become an element of Franco-British convergence, but to what extent? The two partners agree that they need to bring pressure to bear on their allies in order to ensure that each one provides its share of capabilities in a Europe on the verge of military destitution. And in this respect it will be useful to take into consideration the impact of the Franco-British preparations for the European Council in December 2013. But to avoid clearly-stated objectives becoming declaratory intentions, we should also ask ourselves if the speech on EU-NATO institutional complementarity is fundamentally new, if the British position on European industrial co-operation in co-operation with the EDA is likely to change, and if France can reasonably continue to accept the marginalisation of the institutional questions that it holds dear whilst at the same time defending the principles of a more efficient CSDP.

The pursuit of happiness? This was one of the themes included in the programme of the 2013 conference. The answer is probably to be found in the concluding remarks of the two Ministers of Defence: "It is up to all of us in this room to make sure that we maintain the momentum in the coming year" said Philip Hammond. The French Minister Jean-Yves Le Drian, before flying off to Washington, left the door of Franco-British co-operation wide open: "it appears to me to be useful to point out that the defence treaty that we signed in 2010 was for 50 years. When I see the extent of what we have accomplished in two and a half years, I can but be optimistic."

Claire Chick, September 2013



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