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Minister of Nacional Defense intervention, João Gomes Cravinho, at the webinar coorganized by the Portuguese Presidency of the Council of the EU and Nacional Defense Institute "Strategic Compass: the Way Ahead"

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Vocatives

Firstly, a word of thanks to the Portuguese Institute of National Defence for responding so effectively to this challenge from the Portuguese Presidency of the Council of the EU to organise this event, one of the last of this semester of so-called Strategic Dialogue.

In the Portuguese presidency, we have taken seriously our main commitment regarding the Strategic Compass – of promoting a semester of Strategic Dialogue. Throughout Europe and during the first half of 2021, there have been more than forty such events about different aspects of the Strategic Compass. European think tanks, research centres and universities deserve to be praised. Their commitment to the topic has been especially useful because across Europe, whenever I speak with my colleagues, I find a very clear understanding about the urgent need to think outside-of-the-box, to have a forward looking vision to deal with the major geostrategic and technological changes that are taking place at a very fast pace and which have a major impact on European

security and defence. The Portuguese Presidency started this semester by co-organizing a very useful event with the EU-ISS, and we will end it with this event, that I am sure will be no less useful.

I believe that the Queluz Workshop on the Strategic Compass that allowed the Defence Ministers in late April to meet in person for the first time and address freely their main priorities for this new guiding document for CSDP was an important moment. This format helped to generate greater political involvement and provide clearer leadership by Member States on the four pillars of the Strategic Compass.

Groups of member states have also produced many non-papers on specific aspects of the Strategic Compass. For its part, the Portuguese Presidency initiated a non-paper on more robust CSDP Missions and another one on Resilience – a key challenge in the post-pandemic future. And additionally, two others on the more specific aspects of Defense Industry and Maritime Security.

The EEAS also deserves special praise for being very effective in producing working documents that are good reflections of a working consensus around many specific proposals put forward by MS.

So in the name of the Portuguese Presidency of the Council of the EU, I would like to publicly thank the HR/VP and the EEAS, the Commission, the EDA and all the other Member States, in particular the members of the Trio, for their commitment to the task, that has made this semester a success, despite a very challenging pandemic context, in moving forward the Strategic Compass.

In that spirit, and moving to the core issue, let me briefly address three key areas where I think a broad consensus has emerged in moving forward with the Strategic Compass, and three other areas where I think we may need to work further in terms of clarification of some concerns and reaching more solid consensus.

First major area of consensus regards TIMING

I believe there is a strong commitment and consensus among MS about the importance of respecting the agreed calendar. So that we can have a first draft of the Strategic Compass, in November 2021, in order for it to be finalised and formally approved in March 2022.

This document is coming at a very timely moment, given the arc of crises in the European neighbourhood, growing geostrategic competition between great powers, and major technological challenges. But for the document to remain timely we cannot afford to fall behind. This, in itself, would be a blow to the credibility of the EU.

A clear document will provide strategic guidance, by giving us internal clarity and credibility externally, as of 2022.

Some feared the pandemic would paralyse us, including in the progress towards a Strategic Compass. This has not been the case, even if it has shown some of the vulnerabilities and dangerous dependencies of the EU. Building on the Joint Threat Assessment

developed last December, we need now to rapidly show that we have learned these lessons and can offer strategic answers in the field of security and defence broadly understood. The Strategic Compass should be able to point us in the right direction, namely assuming crossover efforts between the two core baskets: Resilience, of course, but also Capabilities.

A broad consensus has indeed emerged that Defence has shown it is a vital insurance against all kinds of risks and threats, even the ones we cannot predict, but we need to better coordinate our efforts in responding to complex emergencies and security crises. And consensus has also emerged regarding the need to ensure a secure access to global commons, like space, cyber space, maritime domains. Maritime security, in particular, is absolutely vital for our security and prosperity and we need to take that fully into account.

A second major area of consensus regards the need for more joint European CAPABILITIES development.

Capabilities that are robust, and that give priority to addressing European gaps in key strategic enablers and take fully into account the need for the EU to be a global leader in Emerging Disruptive Technologies. The new EEAS non-paper on Capabilities and New Technologies has been well received, as a good contribution that incorporates many useful proposals generated in several non-papers presented by MS.

There also seems to be a growing consensus between MS about the need for full spectrum, including high-end, capabilities. Portugal believes this should be case and that four areas should be prioritized in terms of capacities:

- strategic transport (including airlift) linked to more effective military mobility that will allow more effective force projection;
- capabilities for reconnaissance, surveillance but also targeting, namely C4RI (command, control, communications, computers, reconnaissance and intelligence) that will allow a continued edge

in situational awareness for force protection and effective targeting, with limited damage among the civilian population;

- cyber tools for defensive and also offensive purposes, allowing a robust European presence in the cyber domain, including in AI and quantum computing;
- new maritime capabilities (such as for example underwater drones) that will allow us to maintain a technological edge in the vital maritime domain.

For these investments to happen in a sustainable way, European cooperation should become more the norm rather than the exception. We need to move closer to a target of 35% of coordinated European investment on Defense from the current level of 15%.

This will not happen spontaneously and probably will take longer than we would like, because Defense Procurement is based on long investment cycles. But I believe there is a consensus that we now have very promising new tools for this:

The CARD process – the first full cycle was just concluded.

And EDF – with more that 7.9 billion euros.

We need to take full advantage of these tools, and give them time to work.

This also requires a commitment by MS to take this effort for greater coordination in Defence capabilities into account, as much possible, in their next revision of National Defence Procurement (And Portugal will do so, namely in 2022).

Portugal also supports the aim for the European Defense Fund to devote 8% of its annual budget to support Emerging Disruptive Technologies for Defense. EDTs are the vital strategic chessboard of our century and Europe cannot afford not to be a leading player. We need to, if we want to keep our edge in Defense technology. We need to do it if we want to remain fully interoperable with allies like the US. And we need to do it also for economic reasons, given that many of these new technologies are dual use and will be a major impulse for European economy

recovery and renewal within a new industrial/technological paradigm.

The future Commission-sponsored Observatory on EDTs promises to be a useful example of the whole-of-the-EU approach required.

But the role of EDA is also vital. We cooperated very closely on the topic during this semester including with a seminar on EDTs also

engaging NATO Allied Command Transformation. But we believe EDA must continue to engage in regular and inclusive dialogue on

the impact of EDTs on defence with stakeholders from across the European defence ecosystem – from research centres to industry.

This must continue to include, of course, the very dynamic SMEs, in actively seeking to create innovation hubs in EDTs for instance

on Artificial Intelligence, Automation or new Maritime capabilities.

Third, there is also a growing consensus that we need more robust and flexible missions as a vital indispensable part of the integrated

EU approach to CRISIS MANAGEMENT, ensuring a full aid package

in the context of the new European Peace Facility, which may include the provision of lethal aid with adequate legal caveats.

Without the security provided by an effective military response nothing else will be possible in terms of aid, development, investment or trade.

The EU toolkit for crisis management is uniquely diverse and holistic, and this is an added value. But a robust military tool is an indispensable part of this integrated holistic approach.

More robust and more flexible mandates for CSDP missions, including more active capacity building, potentially involving operational mentoring and close cooperation with existing military schools, could contribute towards greater effectiveness in CSDP missions and better results in terms of sustainable peace

The EPF, which replaced the old African Peace Facility, can and should be a more comprehensive capacity-building instrument providing full aid packages. Namely by helping to properly equip troops that we are training. As we have seen for example in the

Central African Republic, failing to do this – with adequate caveats – creates opportunities for other countries to exploit African fragilities and to create new dependencies without any regard for European values.

Now, very briefly, I will point to three areas where I believe some further effort of clarification may be required in order for a broader consensus to be reached.

The first one has to do with the debate about Level of Ambition, Force Generation and its implications on the EU Military Staff, in particular the Military Planning and Conduct Capability (MPCC), in order for it to become a fully operational headquarters for all types of operations.

Force generation has been a traditional challenge for CSDP missions. And the fact that the so-called Battle Groups have not really been used in CSDP missions must be a cause for some reflection. Gaps in key capabilities, including strategic enablers – like strategic airlift – play a role. And there are also issues

regarding different levels of political commitment to missions from different MS.

But we cannot ignore the challenge posed by the absence of adequate staffing of the MPCC, allowing it to move toward a fully Operational HQ for all kinds of operations. This would include the key ability to do forward planning for different crisis scenarios and allowing for advanced force generation planning.

There might be MS who question if EU needs a fully Operational HQ when we have NATO. Would this not be duplication? Portugal does not agree with the idea of rigid division of labor that might not be fit for purpose, and we believe that a significantly more capable and better staffed MPCC is needed.

But this is one area where we believe close dialogue with NATO and with the US would be important to address any misunderstanding and reach a broad consensus, including close cooperation between MPCC and SHAPE. Security problems today are too complex and demanding for any one power, and the EU

should seek to address them as a rule with our partners, first and foremost the US and NATO, but also if necessary on our own.

This topic therefore is linked with a

Second area were some further clarification and consensus-building might be needed, regarding the implications of European Autonomy in terms of Capabilities and its implications for Partnerships, in particular with the US and NATO.

For Portugal, strategic autonomy is a matter of the EU being able to do more in terms of its Defense, whenever possible with our Partners, first and foremost the US and NATO. It would be self-defeating, if it were to be understood as an attempt to cut or weaken ties with traditional partners and allies. I do not believe this is or will be the case.

What we need in order to achieve a broad consensus on this is:

- To make sure that the Capabilities development process in CARD is compatible with NATO Defense Planning Process. This makes

strategic sense, because even if we have to respect the autonomy and specificity of the two institutions we basically face the same set of challenges and threats, and 21 MS of the EU are also MS of NATO and have a single set of forces.

- To provide clear guidance in the Strategic Compass that, in evaluating our dependencies in vital strategic sectors, we will not treat traditional allies like the US or Canada or Britain as just another Third State. At the same time, we must seek assurances from these Allies of access, reciprocity and level playing field in Defense Procurement and in future Capabilities development projects, not least to maintain Allied cohesion and interoperability. But this cannot be asked only of the EU, it must be reciprocal, and will require that EU/NATO work very closely on all matters related to Resilience and Capacities Development.

Third, and lastly, there is the discussion about SPECIALIZATION. Should MS focus only on their strategic niches, invest only in capabilities in those areas?

Some specialization is inevitable, and already takes place. For Portugal, for example, on maritime security broadly understood.

But we should be careful not to take this matter too far in the Strategic Compass. It should certainly be voluntary and we should not allow it to weaken effective solidarity. I fully understand the concern of some MS on this matter, but I am sure that we can incorporate those concerns into the Strategic Compass in a sensible manner.

I believe there is ample consensus among MS that enhanced Defense capabilities are necessary for the European Union to be a credible actor in a world of increased geostrategic competition.

I have said before and I would like to repeat, that in the current global and regional geopolitical context it is not realistic for the EU not to be ambitious regarding European Defense. This provides a strong incentive for MS to find areas of shared interest and

practical cooperation with concrete forward-looking proposals regarding Crisis Management, Resilience, Partnerships and Capabilities in this new guiding document for European Defense.

I am confident that we have good conditions for achieving this in the next few months.

I look forward to the report of your exchange of views today, I am sure it will be very useful to us.

Thank you.