

SMART POOLING:

STATE OF PLAY IN EUROPEAN DEFENCE AND ARMAMENTS COOPERATION

As military budgets in Europe are shrinking, there is growing pressure to engage in defence and armaments cooperation. Concepts such as “Pooling and Sharing” or “Smart Defence” as well as a series of sub-regional initiatives aim to strengthen national military capabilities through pragmatic multinational cooperation. While there are numerous challenges relating to „Smart Pooling“, many countries in Europe have little choice but to make these projects work if they are to preserve the scope of action of their armed forces.



Federal Councillors Maurer and Burkhalter welcome NATO Secretary General Rasmussen in Berne, 22.11.2012. REUTERS / Ruben Sprich

There is a new dynamism discernible in armaments and defence cooperation across Europe. The EU uses the term “Pooling and Sharing”, while NATO’s buzzword is “Smart Defence”. Ultimately, both terms refer to the same concept, namely, enhanced multilateral cooperation to improve national military capabilities. However, it is not only within the European Defence Agency (EDA) and the Atlantic Alliance that “Smart Pooling” has become a popular idea: At the sub-regional level in Europe too, there are efforts to enhance cooperation on procurement and defence issues, for instance between the Nordic states, between the UK and France, or between several Central European states.

Both “Pooling and Sharing” and “Smart Defence” are intentionally vague concepts that cover a broad spectrum of cooperation fields as well as projects at very diverse levels of ambition. They may refer, first of all, to the common development and procure-

ment of armaments. Furthermore, “Pooling” may be used to describe the coordinated provision, steering, or use of military capabilities. “Sharing” takes the level of ambition one step further, in the sense of either collective ownership of a capability or role specialisation. Certain strategic capabilities such as missile defence are directly assigned to NATO, while other capabilities may be acquired and managed by multinational structures specifically designed for that purpose. As part of the Strategic Airlift Capability, for instance, 12 states have purchased three C-17 cargo planes, with each state owning shares of flight hours that it can trade with partner states.

The extent to which “Pooling and Sharing” and “Smart Defence” will provide an impetus for a new culture of defence cooperation remains to be seen. On the one hand, the challenges for enhanced cooperation are considerable. Experience shows how complex multinational coordination can

be when it comes to identifying military requirements and developing or using capabilities. At the domestic level, the implementation of political agreements about cooperation is often resisted by defence bureaucracies or the national armaments industry. When it comes to projects with high levels of cooperation, sensitive issues of national sovereignty may arise too. This includes the matter of assured access to jointly provided capabilities. Further negative effects on defence cooperation may result from the erosion of political cohesion and solidarity in Europe that can be observed in the context of the debt and currency crisis.

On the other hand, it is precisely because of the negative effects of the debt crisis on the defence budgets of most European states that intensified defence cooperation is increasingly turning from an option to a necessity. Against the background of the current threat picture and changing societal values, defence expenditures are likely to further decrease disproportionately compared to other budgetary items in many austerity-ridden states. The growing financial pressure is all the more serious because many capabilities are becoming increasingly expensive due to technological developments. Without efficiency gains and appropriation of know-how by means of initiatives such as “Pooling and Sharing” and “Smart Defence”, many European armed forces are in danger of seeing their capacity for military action diminish.

A key strength of the current cooperation initiatives is their pragmatism. The EDA’s “Pooling and Sharing” projects as well as

the vast majority of NATO's "Smart Defence" projects are not geared towards building up institutionally managed capabilities of these organisations. Rather, these projects are multinational cooperation enterprises with varying numbers of participating states that are being promoted under the aegis of the respective organisations. The EDA and NATO act mainly as facilitators, with the multinational projects being usually managed by a "Lead Nation". Participating states are free to choose à la carte the projects that are relevant for them; there are no institutional obligations for them beyond the selected projects.

It is not least because of this flexibility that "Pooling and Sharing" and "Smart Defence" are initiatives that are also worth considering for Switzerland. As a partner state of the EDA and NATO, Switzerland can take part in their multinational initiatives. As a small neutral state, it will be even more dependent on cooperation than other states if its armed forces are to have relevant military capabilities. The fact that Switzerland's defence expenditure is among the lowest in Europe when measured as a percentage of GDP also suggests that the new opportunities for cooperation are worth studying.

In fact, approaches such as "Pooling and Sharing" and "Smart Defence" give Switzerland the opportunity to rethink its stance towards security cooperation. While the domestic debate of the past two decades about Swiss contributions to joint European security production is highly charged politically and has become stereotypical and unfruitful, the added value for Switzerland resulting from participation in "Smart Pooling" projects is hard to deny. Against this background, the following sections will first analyse current developments in European armaments and defence cooperation and then discuss their relevance for Switzerland.

EDA: Pooling and Sharing

Defence cooperation in Europe today takes place mainly in the framework of the European Defence Agency, whose members are 26 EU states (not including Denmark). The EDA, founded in 2004, supports its members in the development of military capabilities, promotes the harmonisation of operational needs and the adoption of compatible procurement methods, aims to enhance the effectiveness of defence research and technology, and works to create a competitive market for defence

products in Europe and to strengthen the technological and industrial base of the defence sector. Thanks to an agreement with the OCCAR armaments organisation, the EDA will in the future be able to help oversee armaments programmes over their entire life cycle.

The political impetus for the EDA's "Pooling and Sharing" concept came when the EU-26 defence ministers decided at Ghent in September 2010 to embark on closer cooperation in the development and use of military capabilities. Instead of formulating overly ambitious capability headline goals, as they had done in previous years, the national defence ministries, working through the EDA, subsequently identified their capability requirements as well as respective opportunities for cooperation. Based on a list of over 200 cooperation ideas, the defence ministers finally presented the first 11 specific "Pooling and Sharing" projects at the end of 2011. At a follow-up meeting in November 2011, additional possible projects were identified (see box). Also, a voluntary code of conduct was agreed that aims to mainstream the concept of "Pooling and Sharing" in the national planning and decisionmaking processes. In many ways, "Pooling and Sharing" has become a guiding principle of the EDA far beyond the identified cooperation projects.

One of the most successful projects of the EDA to date has been the programme for training helicopter staff. In 2012 alone, 56 crews and 3'000 ground staff received training during exercises in Belgium and Portugal. Additional training programmes for fighter jet pilots and navy staff are being built up under Italian and Irish leadership, respectively. There are also important projects for a networked linkup of naval and maritime information exchange systems to enhance maritime situational awareness (currently involving 18 states) and the development of modular field hospitals (15 states). The actual flagship project, however, is the military capability of air to air refuelling, which has received much attention in the wake of the Libya intervention.

Overall, the EDA projects reflect a rather low level of ambition. This is actually no bad thing, as the main purpose at this point is to gather experience. A major advantage of the EDA are its relationships with civilian actors, especially the EU Commission and its well-funded research programmes. Its greatest handicap is the fact that it is not well appointed in terms of financing and personnel and cannot grow due to British resistance. This is another reason why "Pooling and Sharing" is a strongly bottom-up driven intergovernmental process and tends to be even less bureaucratic than "Smart Defence". However, in addition to its purpose as an anchor for various multinational projects, the EDA also does important work on pan-European standards (e.g., for munitions), certifications (for the airworthiness of military aircraft), and harmonisation of national configuration requirements for joint procurement of armaments.

NATO: Smart Defence

NATO's concept of "Smart Defence" is predicated on three principles: Prioritisation, specialisation, and cooperation. "Prioritisation" refers to the need for member states to align their capability development primarily with the NATO Strategic Concept of 2010 and the capability requirements for NATO Forces 2020 that are derived from them. Accordingly, the "Smart Defence" projects are subdivided under seven headings: "Prepare"; "Project"; "Engage"; "Sustain"; "Consult, Command & Control"; "Protect"; and "Inform". However, "Smart Defence" has actually developed in a more pragmatic and bottom-up way than the principle of prioritisation suggests. Many projects and proposals appear to be only vaguely patterned on the original NATO guidelines.

The principle of specialisation, too, has been qualified in the meantime. The original idea, according to which mainly smaller states would specialise on certain capabilities and receive other capabilities from partner countries as required, has not found much support beyond very rudimentary steps. Oft-cited examples such as NATO air patrols in the Baltic airspace

"Pooling and Sharing" at the European Defence Agency (as of Nov. 2012)

- **First projects (2011):** Helicopter Training Programme, Maritime Surveillance Networking, European Satellite Communication Procurement Cell, Medical Field Hospitals, Air to Air Refuelling, Future Military Satellite Communications, Intelligence Surveillance Reconnaissance (ISR), Pilot Training, European Transport Hubs, Smart Munitions, Naval Logistics and Training.
- **New projects (November 2012):** Cyber Defence, Route Clearance CIED, NH90 Transport Helicopter, Maritime Landscaping Exercise, European Advanced Airlift Tactics Training Course.
- **Important documents:** EDA Annual Report 2011 [↗](#), Code of Conduct 2012 [↗](#), Ghent Initiative [↗](#)

remain the exception. The one aspect of specialisation that has taken hold is the notion that the individual countries should develop expertise in specific capability areas, without however forgoing other capabilities. For instance, Estonia is staking out a position for itself in the field of cyber defence, while the Czech Republic has a great deal of expertise on NBC matters.

At its core, “Smart Defence” has become a cooperation initiative that strongly resembles “Pooling and Sharing”. However, NATO, being around since the early Cold War period, has a much larger infrastructure and considerably more experience in defence cooperation than the EDA. Also, NATO benefits from US money and know-how. Critics occasionally claim, as a French senator recently did, that “Smart Defence” is a Trojan horse for the US defence industry. One might counter that the EDA for its part is not immune to French leadership claims, as well as covetous desires on the part of the French defence industry. Also, US domination of NATO is less pronounced in the defence industry than in the political leadership of the alliance.

Concerning the multinational “Smart Defence” projects, NATO’s Allied Command Transformation, which is in charge of coordination, distinguishes three categories. Tier-1 projects are the ones that have been approved and for which the lead nation and participants have already been decided. Tier-2 proposals are already far advanced, have usually already identified interested states, and are to be implemented as Tier-1 projects at the appropriate time. Finally, Tier 3 comprises further ideas for cooperation. In the currently 24 Tier-1 projects (as of November 2012), the dominant topics are “Sustain” (nine projects) and “Prepare” (seven projects). On average, about ten states take part in these projects, with participation ranging from 2 to 18 states. Twelve different states exercise the lead nation function. If the analysis is expanded to incorporate the currently 56 Tier-2 proposals, it is noticeable that in addition to the topical focal areas of Tier 1, the topics “Protect” and “Inform” are gaining ground.

The average NATO project is more ambitious than those pursued by the EDA. This difference becomes even more pronounced when considering NATO’s strategic cooperation projects such as missile defence or the build-up of the drone-based Alliance Ground Surveillance system, which are not included in the list of multinational “Smart



Defence” projects. However, NATO is also involved in a number of projects with characteristics resembling those of EDA projects. The challenge for the EDA and NATO here will be to avoid duplication.

Sub-regional cooperation

In parallel to the new dynamics at the EDA and NATO as outlined above, a process of sub-regionalisation is currently underway in European armaments and defence cooperation. These sub-regional fora essentially reflect the ongoing trend towards increased multinational cooperation. They meet the great challenges of cooperation in that they bring together a small number of neighbouring states only that, as a rule, are similar in terms of size, strategic culture, and security interests and know each other very well.

The most advanced of these groupings comprises the Nordic states. In the framework of the Nordic Defence Cooperation (NORDEFSCO), which was founded in 2009, the five members cooperate closely in the areas of strategic long-term planning, capability development, education, training and exercises, and operations. Cooperative projects such as the “Archer” artillery system are showcase examples for the concept of “Pooling and Sharing”. The culture of trust among NORDEFSCO members is the result of decades of cooperation. It has provided the basis for the emergence of a number of other fora in the Nordic space, such as the UK-initiated Nordic Group of Defence Ministers or the Nordic-Baltic Defence Cooperation, which however are still mainly consultative in nature.

The Baltic states as well as the Benelux states have also reinforced their respective defence cooperation. An important new

initiative concerns the 2010 agreement between the UK and France on security and defence cooperation. If these two leading European military powers actually implement their very ambitious agenda for cooperation, new shining examples for “Pooling and Sharing” could be expected. As for Central Europe, the four Visegrad states have agreed to deepen their defence cooperation lately, while Austria has launched an initiative to build up a regional cooperation structure that includes the Czech Republic, Slovakia, and Hungary as well as the non-Visegrad states Croatia and Slovenia, with Poland as an observer. Following an initial informal meeting of defence ministers in the Austrian state of Burgenland in June 2012, the participants now strive to increasingly coordinate their national stances on selected security topics. Important areas of operational cooperation include logistics, training, medical care, NBC-related matters, and defensive measures to counter improvised explosive devices (C-IED).

In addition to these geographically defined cooperation platforms, there are also a number of multinational initiatives with a topical focus that are not attached to the EDA or NATO. Among the initiatives worth mentioning in this context is the European Participating Air Forces, which brings together European states that own F-16 fighters; another prominent example is the Movement Coordination Centre Europe, which aims to coordinate and optimise the airlift, sealift, and ground transport activities of 25 states. The European Air Transport Command goes even further, acting as a multinational command agency that exercises effective operational control over assigned air transport and air to air refueling assets and capabilities of Germany, France, and the Benelux states.

It is occasionally argued that these sub-regional geographical and topical platforms compete against, and therefore could undermine, the cooperation efforts of the EDA and NATO. From the perspective of those organisations, there may indeed be occasional rivalry as to which platform gets picked for specific “Smart Pooling” projects. However, from the perspective of the individual states, this is all about broadening the range of options for cooperation. What is more, it is likely that we will see increased interaction between the European and the sub-regional levels in the years ahead. Certain projects that have been initiated by a small group of participants may at some point admit additional states via the EDA or NATO. In other words, sub-regional cooperation should be regarded as being mostly complementary to European cooperation and will ultimately strengthen the latter.

Significance for Switzerland

Switzerland has adopted a low-key stance towards European security cooperation in recent years. Unlike other neutral or non-aligned states such as Austria, Sweden, or Finland, it has not developed a culture of cooperation. Yet, the current “Smart Pooling” initiatives offer economic and military opportunities that Switzerland can hardly afford not to exploit. The additional costs of going it alone in procurement and in managing capabilities will be difficult to justify in coming years. Already today, the notion that Switzerland can maintain its defence capacity solely by autonomous means is an illusion.

Swiss neutrality is no obstacle to making selective use of the new opportunities for cooperation. Questions relating to neutrality mainly arise when it comes to the use of shared capabilities; and even in these cases, the final assessment would strongly depend on the nature of the capability and of the mission in question. In the majority of the current multinational projects, the notion that Switzerland would violate its neutrality if it were to participate seems all too far-fetched. An excessively broad interpretation of the – legally vague – concept of neutrality would result in Switzerland eschewing synergies with partners and forgoing the attendant efficiency gains and therefore would unnecessarily diminish the scope of action for the Swiss armed forces. It would also stand in stark contrast to how other neutral or non-aligned states in Europe define their scope for engagement.

Which cooperation framework would be most suitable for Switzerland? There is no simple answer. In this matter, the main criteria for Switzerland should be the capability requirements of the Swiss armed forces and the relevance of the respective multinational projects. Following an agreement of March 2012, Switzerland can now take part in the EDA’s activities. Norway, the only other partner state of that organisation, already signed an equivalent agreement in 2006 and has since been able to open many doors for partners in the EDA. From a Swiss perspective, there is however a need to clarify whether the agreement with the EDA must be amended. Since this agreement only makes explicit reference to armaments-related cooperation, some representatives of the federal administration question whether it provides a sufficient basis for Switzerland to participate in training projects, which are of particular interest to the air force. Even though the EDA itself seems to see no limits to cooperation with Switzerland, it is crucial that the main Swiss stakeholders all agree on how to proceed in this matter, especially since the Federal Council will have to approve the first concrete cooperation programme with the EDA.

As for “Smart Defence”, NATO partner states can currently take part on a case-by-case basis, subject to the approval of the respective lead nation. A more structural integration of partners is being held up by the current dispute between Turkey and Israel, which stands in the way of implementing the reform of NATO’s partnership policy and has prompted the Partnership for Peace (PfP) to slip into a crisis. Although the flow of information between NATO and its partners has since been below standard, a variety of “Smart Defence” programmes with involvement of partners has nevertheless materialised. Among the Tier-1 projects, Austria and Finland are participating in the German flagship project of transforming the existing German joint command in Ulm into a deployable multinational joint headquarter. Finland also intends to participate in four Tier-2 proposals, while Sweden is aiming for involvement in six of these. It is also worth mentioning that Sweden and Finland are participating outside the framework of “Smart Defence” in the Strategic Airlift Capability. They are also members of the Movement Coordination Centre Europe, in which Austria takes part too.

How should the Swiss go about “Pooling and Sharing” and “Smart Defence”? Even the advocates of Swiss participation dis-

agree on the way forward. Some argue that Switzerland should move quickly and pragmatically sign up to uncontroversial projects in order to gain experience and explore the potential for cooperation. Others are in favour of first defining the “next” Swiss army (a project called “Weiterentwicklung der Armee”) before identifying the capability gaps and the relevant fields for cooperation. It is worth noting that these two options are not necessarily mutually exclusive. However, it may not be advisable to engage in overly rigid definitions as to where Switzerland will act autonomously and where it will cooperate in the future. Conversely, it could be useful for the leadership of the armed forces to provide in the near future some strategic guidelines on issues of cooperation that are politically backed up.

An issue that Switzerland should look into concerns possibilities for sub-regional cooperation. So far, Switzerland has not entered into any strategic partnerships in armaments and defence matters. Rather, it has restricted itself to sectoral collaboration with individual states that is usually of a very limited scale. However, in connection with the intended purchase of Gripen fighter jets, the Swiss defence ministry signed a declaration of intent in June 2012 that provides for comprehensive security, armaments, and defence cooperation with Sweden [↗](#). Another model that is occasionally being discussed and that would actually be more in line with the current pattern of partnerships between neighbours concerns the trilateral DACH framework, i.e., structured cooperation with Germany and Austria. Whatever other format may yet come to mind: The fact is that Switzerland can only become an interesting strategic partner if it follows up more thoroughly on the strategy of “Security through Cooperation” that it formulated more than a decade ago.

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