

Prague Defense Summit 2024

Good morning, distinguished guests, ladies and gentlemen,

To begin with, I would like to thank the International Institute for Strategic Studies for extending an invitation to attend the Prague Defence Summit 2024. It is both an honour and a privilege to participate in this event and be amongst acclaimed government leaders, defence officials, senior industry representatives, and analysts to contribute to high-level discussions on matters of common interest.

Let me start by stating that Geography produces History. This is a phrase, which – over the centuries – has been accurately depicting an indisputable reality within the European Continent.

With regard to the geostrategic environment of Europe, and against the background of the blatant Russian aggressiveness in the East and the upheaval in the South (i.e., the Middle East), it has become more than evident that the European Union (EU) and its member states will have to join forces and strive to do better in the areas of security and defence so as to bridge all identified gaps, especially in the operational realm.

On a subsequent and more extended assessment cycle, we might as well postulate that, while being affected by a stealth, hybrid, and – to a great extent – asymmetric threats within our continent, we are currently faced with an arc of instability, which covers all the Eastern periphery of the European Continent.

At this point, and as regards threats assessment, I would like to highlight that, while Russia used to be the main threat to the Alliance to which in reality we turned a blind eye, even though we had tangible proof in Georgia, in Crimea, and in other countries, via the frozen conflicts that the next one was about to come – i.e., Ukraine. After a certain period of time and a subsequent analysis, the geostrategic dilemma clearly posed is, who will be the next one to be affected by this visible, ongoing and revisionist threat?...

Following the foregoing introductory geopolitical analysis and with regard to Europe's Defence Planning, Programming, and Budgeting System on what we must do and what is the process to be followed, I would like to draw your attention to a hard fact, which all of you within this room are familiar with: the only and one-way sequence of Defence Planning originally stems from threats and then leads to the operational requirement or else to the operational problem, in order for us – based on the aforementioned – to move towards the establishment of capabilities, and subsequently proceed to the staffing or recruitment process to achieve a manifold, comparative combat power as against the above-stated threats. And it is a reality that we systematically missed this sequence and Ukraine's conflict depicts that this sequence is the only way to victory.

Technology lies at the heart of global competition, and is accordingly utilized in order to provide a decisive advantage. This is a never-ending pursuit. Technology is the critical factor to manage the unpredictable.

Innovative solutions are related to the cycle of innovation, which means that the pace based on which new technology strategies or tactics are developed and implemented explore and utilize all aspects of resources that may be external to the traditional defence ecosystem.

How to manage this

Venture funding or small and medium-sized enterprises (SMEs) will be part of the initiative to “normalize” investment. Startups are a critical and responsive tool in this regard; but when it comes to operational planning, we need to be able to place our trust upon them. The establishment of the Hellenic Center for Defence Innovation (HCDI), under the new Agenda 2030, which is stipulated by the new legislative framework, provides for the following:

- **the promotion and integration of new technology** in order to have operational efficacy strengthened

- **the institutionalization of domestic-grown innovation**, which remains a challenge to be addressed
- **staying on top of the evolving security dilemmas**
- rethinking European defence requirements and capacity
- **building capacity and boosting production as a Union**
the exclusion of those suppliers, who act in a manner, which is contrary to EU interests and, are not trusted partners, and finally
- **technology sharing**

The decisions and investments we make today will shape our ability to be resilient in the future. European states remain dependent on the US for some important aspects and this is a problem, which is still dependent for some specific categories having a direct result to technology dependence and know-how transfer, affecting also the lifecycle and the Follow On Support (FOS) procedure.

MOVING FORWARD

In an era where startups offer a technological edge, they also play a crucial role in reforming Europe's capacity for production and resilience building, particularly while leveraging dual-use capabilities and military mobility. Nonetheless, the exclusion of suppliers, who act contrary to EU interests and are deemed untrustworthy is essential to maintaining a reliable defence ecosystem. A comprehensive 360-degree approach is necessary for nations to understand that a strong alliance can effectively address their challenges. While our plans may take deterrence into account, it is crucial to acknowledge that effective defence and deterrence require proper planning while considering the right capabilities, which often means being determined to spend more. Building a transatlantic defence ecosystem focused on technology and innovation must prioritize transparency and interoperability while establishing clear industrial firewalls and rules of trust.

Additionally, it is obvious that we need enough forces to regenerate troops to engage after combat attrition. Several EU-NATO armed forces struggle to achieve their current recruitment targets. Demographics and other cultural, economic, and social factors have an impact to the society with a result that there are no volunteers for

military career. Conscription is a way not only to build mass but also to generate a pool of potential volunteers for service. Former conscripts need to maintain their military or security skills after they leave the service and in combination with active forces military exercises is an important measure to maintain skills and provide resilience to the nation. Regular exercises and intelligence sharing are vital for assessing plans, training planners, and fostering trust and self-confidence among different stakeholders. Reserve forces must be equipped, funded and trained, including former conscripts must be tested in peacetime in a frequent and realistic exercise scenario.

There are five pillar initiatives in this new EU defence ecosystem:

- a. Acting Upon the European Defence Industrial Strategy (EDIS).
- b. Security of supply regime.
- c. Structure of the EU Armament Programme (SEAP).
- d. Financial Support to EU's Defence Technological and Industrial Base (EDTIB).
- e. Financial assistance to Ukraine.
- f. Incentivization of productive investments.

STATUS ON EU DEFENCE

Esteemed participants,

As we gather here to discuss the future of defence planning and investments within the EU, it is essential to reflect on where we currently stand and where we must go. The past few years have highlighted a series of challenges that have prompted a critical examination of our approach to defence. Historically, we have grappled with significant under-investments in our defence capabilities, while our focus largely fixated on expeditionary missions. However, the geopolitical realities of our current

neighborhood demand a paradigm shift—a transition from distant commitments to reinforcing our collective defence posture closer to home.

In light of the recent events, we are seeing a marked increase in defence spending across member states. This upward trend signals a recognition of the urgent need to repair the past inadequacies and to address the challenges currently faced in our security environment. The projected increases in spending and investments are encouraging; yet it is paramount that we ensure that these resources are allocated effectively to close existing gaps in research and development, while simultaneously strengthening our collective operational capabilities.

As we move forward, it is crucial to recognize that effective cooperation will be the bedrock of our defence strategy. We must align our national priorities with shared EU and NATO objectives, fostering a unified approach to capability building. These enhancements are not just about numbers; they are about ensuring that we are prepared for the complexities of modern warfare and able to respond to a large number of threats.

Operational readiness must also be at the forefront of our discussions. We need to invest in strategic lift capabilities and secure communication systems, ensuring robust satellite-based ground observation and intelligence sharing. These operational capabilities stem from our Defence Investment Gap Analysis and must be built on the foundation of our past experiences. We need to invest to a more expensive deterrence strategy and plans in order to have successful defence planning procedures providing victory.

In conclusion, the future of our defence planning and investments lies not just in increasing our budgets but rather in fostering strategic cooperation and aligning our efforts towards a comprehensive and effective defence posture. I strongly believe that EU defence capabilities are reduced because of political decisions by governments and the same governments need to discover that our continent needs brave and urgent decisions for rebuilding the honoured history of Europe from a defence ecosystem point of view. We must absolutely remain ahead of the evolving security

dilemmas, because hope does not at all constitute an actual strategy; and in the end, History always honours the victors.