CHALLENGES OF MULTINATIONAL ACQUISITION OF CAPABILITIES IN BLACK SEA FORMAT

Todor TAGAREV and Venelin GEORGIEV

Abstract: Countries in the Black Sea region already cooperate in the search of higher levels of security. The cooperation so far is at the level of coordinating some operational activities of Black Sea navies and regular training. In the search of efficiencies, the authors reason that this cooperation may be expanded to encompass cooperative procurement and maintenance of certain capabilities. Before embarking on such cooperative projects, participating countries need to overcome a number of policy, legal, managerial and technical challenges. The authors conclude that most promising would be cooperative initiatives at enhancing maritime surveillance, situational awareness, and consultations, command and control infrastructure, as well as the joint development, maintenance and use of training ranges and advanced simulation and training systems and joint acquisition and sharing of search and rescue capabilities.

Keywords: Regional security, BlackSeaFor, common threat perception, cooperative procurement, levels of ambition, life cycle management.

Introduction

States in the Black Sea region share many common security threats and challenges and seek to develop capabilities to counter the threats and prevent unfavourable developments in the security environment. For variety of reasons, however, seeking a response at national level is inefficient, and under resource constraints, particularly acute in the ongoing economic and financial crisis, often ineffective. There is a growing recognition that sustainable security solutions may be provided only in cooperative frameworks.

The nations in the Black Sea region already have experience of cooperation, with BLACKSEAFOR being the most prominent example of security-related cooperation among the littoral states. So far such cooperation is limited to operational arrangements and training, but has the capacity to grow and encompass enhancement of ex-

isting and development of new capabilities through cooperation among all or some of the Black Sea countries.

This paper presents a respective analysis focused on three main issues.[1] The next section examines main maritime security challenges relevant to the Black Sea region. Then it outlines a potential approach to these challenges, designated as 'Smart Maritime Security.' The final section provides an overview of the challenges in implementing this approach in a Black Sea format. The paper concludes with what we consider as most promising areas for broad multinational cooperation in the Black Sea region in addressing common security challenges and some practical recommendations how the Black Sea countries can approach the development of respective capabilities.

Maritime Security Challenges

Maritime security is a complex concept. In addition to traditional security threats and challenges, it covers economic and environmental issues. Of common concern among the Black Sea countries are:

- Provision of safety of maritime traffic in the Black Sea, the straits, and harbours;
- Management of marine resources;
- Environmental challenges: protection and preservation of the maritime environment, including in cases of spills of oil and other hazardous materials;
- Prevention of illegal activities such as trafficking of drugs, people, weapons, illegal fishing, etc.

Of particularly serious concern would be potential developments creating conditions for the use of the Black Sea for proliferation of weapons of mass destructions, technologies for their development and delivery means, cases of piracy, and activities of terrorist organisations and their support base. The security landscape becomes even more challenging when some of the latter activities are linked to organized crime and/or feed on the lack of effective state control in littoral regions.

In the foreseeable future these threats and challenges would require sustainment of naval capabilities. However, navies would not be able, nor are they expected to resolve the broad spectrum of maritime security challenges. The provision of security requires naval coordination among countries, as well as coordination among security sector organisations such as navies and other military services, border guard services, customs organisations, maritime traffic management organisations, etc. – coordination that crosses national borders and organisational boundaries alike.[2]

Smart Maritime Security in a Black Sea format

Even the short list of threats and challenges in the previous section shows that countries need to be prepared to meet rather diverse requirements, and most often they cannot be assigned to a single organisation. In addition, for the last several years defence establishments (including navies) have been under constant pressure to cut costs and do 'more with less.'

The ship building programme for the Bulgarian Navy provides one example of the impact if the financial crisis. Only a decade ago modernisation plans called for procuring six corvettes, with the option of adding another six. That decision served as a basis for preparing a contract for the *Gowind* class of corvettes.[3] Then the programme was downsized to just six corvettes, and then to four. The actual contract called for two plus two optional corvettes, until the programme was cancelled in 2010.

That is not the only example found in Black Sea littoral state. The 2004 White paper of the Ukrainian Armed Forces called for 12 "new combat ships." By March 2011 that number was down to four, and by the time of preparing this paper it was not clear whether Ukraine would be able to procure one new corvette for its Navy or not.

A side effect of procuring fewer numbers of naval platforms is the rapid rise of the cost per unit – and not only the up-front cost of procurement,[4] but also maintenance costs. In practice, the only way to remedy this problem is to get several countries combining their efforts on procuring and maintaining main naval platforms.

This "challenge of scale" brought forward ideas and concepts for seeking efficiencies through specialisation, multinational cooperation in procuring and maintaining capabilities, development of *common* capabilities, standards, supporting structures and respective financial instruments, and the search for more effective organisational arrangements and business processes. In NATO, the respective drive is known as 'smart defence' – an initiative repeatedly pronounced and rigorously promoted by the NATO Secretary General Anders Fogh Rasmussen.[5]

Likewise and in case there is a shared understanding among a sufficient number of countries and political will, the same principle of pooling resources and sharing capabilities can be applied in addressing maritime security challenges in the Black Sea region. An obvious choice of format would coincide with the littoral states. All these states already cooperate on providing safety of maritime traffic, environmental issues and, of highest relevance, in the Black Sea Naval Cooperation Task Group of the six littoral states, or BlackSeaFor.[6]

In its early years, BlackSeaFor aimed at multinational search and rescue operations for humanitarian needs, cleaning sea mines, joint actions for protecting the Black Sea environment, and the organisation of good will visits. Building on the positive ex-

perience, BlackSeaFor already conducts regular activations, training programmes, including preventing the threat of terrorism and illicit trafficking in weapons of mass destruction (WMD), their means of delivery and related materials and looks at constabulary missions (including the fight against global terror), the creation of a permanent command centre on a rotational basis and the establishment of an information exchange system among Black Sea littoral states.[7] Most recently, participating countries approved the principles and modalities of the employment of the BlackSeaFor for the purposes of preventing the threat of terrorism and illicit trafficking in WMD and the assessment of maritime risks in the Black Sea and drafted terms of reference for a permanent command centre.

All these developments clearly show that participating countries are already moving beyond the operational coordination into the realm of cooperative acquisition and maintenance of maritime security capabilities, i.e. of introducing 'smart maritime security.' Our detailed analysis along standardised capability groups (the left column in table 1) identified a number of further opportunities for cooperation in acquiring and maintaining maritime security capabilities (see the right column of Table 1). Whether these or similar opportunities will be realised depends on the success in overcoming a number of challenges, overviewed in the next section.

Table 1. Promising areas of cooperative acquisition of maritime security capabilities.

Main capability groups	*Areas of potential cooperation in a Black Sea format*
Consultation, Command and Control	Consultations, command and control (C3) infrastructure
ISTAR	Maritime surveillance
	Exchange of information to achieve common situational awareness
Effective Engagement	Search and rescue capabilities
Survivability and Force Protection	
Logistics	Common supply capabilities
	Medical support ships
Mobility	
Capability Generation	Joint development, maintenance, and use of:
	o training ranges;
	o advanced simulation and training systems.

Implementation challenges

The innovative nature of the approach for acquiring and maintaining capabilities by the countries in the Black Sea region in a multinational format poses a number of challenges. It has to reflect not only the threat perception and foreign policies, but also the economic environment and agendas of the states embarking on cooperative capability procurement. On one hand, no Black Sea littoral state today has the complete set of capabilities it would need to meet the full spectrum of security threats and challenges. That, along with the ongoing global economic and financial crisis, provides a solid rationale for seeking efficiencies in capability development. On the other hand, a number of policy, legal, managerial, and technical issues can easily stall cooperation initiatives at different stages of the decision making process (see Figure 1). Of key importance for the purposes of our analysis are the following process stages:

- Threat assessment;
- Development of scenarios;
- Definition of capability requirements;
- Implementation of multinational acquisition projects;
- Delivery of operational capabilities.

The first group of challenges relates to the specific policies of the countries in the Black Sea region. Ideas and concepts of multinational cooperation should take into account specific national foreign and security policies, fiscal and industrial policies, technological and innovation policies, etc. Of particular importance are attitudes, positions and roles of individual countries towards the security policies of NATO and the EU in the wider Black Sea area. With three of the littoral states being NATO members and the other three – partners (including countries as diverse in their attitudes to NATO as Georgia and the Russian Federation) one could hardly expect a common threat perception.[8] As a consequence, ideas on cooperative development of traditional naval capabilities are not assessed as realistic at this stage. In itself that does not preclude options when a subset of Black Sea countries, e.g. those that are members of NATO, may combine their efforts in acquiring hardcore naval capabilities.

Legal arrangements as well may not be conducive to cooperative capability development. Therefore any initiative for such cooperation has to be preceded by thorough analysis of:

- the specific content and requirements of relevant international regulations;
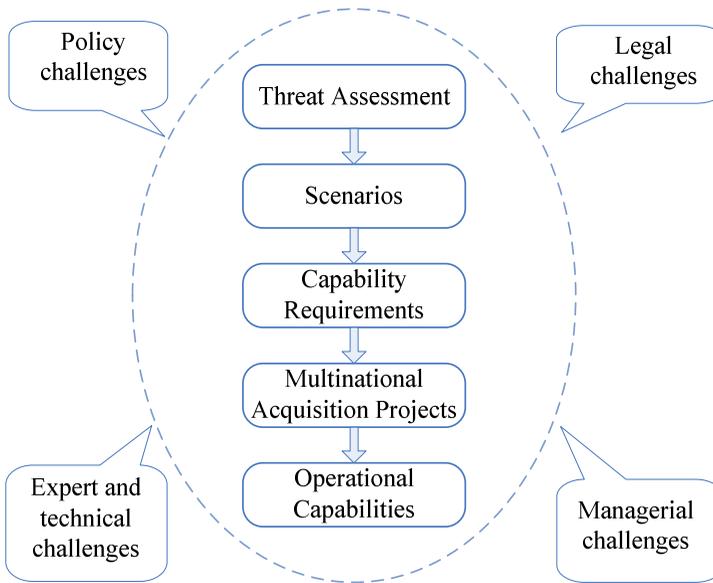
Figure 1: Challenges of multinational acquisition of maritime security capabilities.

- national regulations on the management of public resources, and in particular regulations on tenders or other competitive procedures on security investments;

- national legal regulations on offsets or other *juste retour* policies, as well as other legislation on national defence technological and industrial base.

Prominent among the first group of regulations is the 1936 Montreux Convention which limits the tonnage and the duration of stay in the Black Sea of naval ships not belonging to one of the littoral states.[9] Essentially, this convention limits the modalities for cooperation in deploying main naval platforms by excluding any participation beyond that of the six littoral countries.

National legislative acts may be easier to adapt in case there is political will. Still, one needs to acknowledge that a common regulatory framework would not be based on 'the least common denominator' of national regulations, and potential participants need to be ready to adapt individual national acts to allow for multinational acquisition of capabilities.

The managerial challenges in multinational acquisition of capabilities are associated with the decision making processes and information sharing as well as the functions of planning, organizing and overseeing a security investment project. Addressing

many of the specific challenges does not necessarily require uniformity of main strategic management processes. It does however require synchronization of procedures and practices of participating regional countries in terms of:

- definition of capabilities necessary to ensure security in the Black Sea region (in both quantitative and qualitative terms);

- decision making on the package of capabilities needed to ensure the fulfilment of missions and tasks of regional security (in line with politically agreed levels of ambition);

- identifying capability gaps and establishing those gaps that would remedied through multinational acquisition of capabilities;

- assessing the risks of multinational projects for acquisition of capabilities and elaborating risk mitigation strategies;

- determining the funding necessary for implementation of a project and sharing the financial burden between the participating countries

- finding appropriate instruments to compensate participating countries in cases of unbalanced industrial contribution (countries may seek a balance across a set of multinational acquisition projects throughout their life cycle);

- development and application of a common model for project management in the acquisition of capabilities for the countries of Black Sea region.

Another challenge for the effective strategic management of multinational acquisition projects is the *leadership* as an essential component of project management. Based on theory, the effectiveness of activities and projects involving more than one contractor directly depends on the ability to communicate and follow the leader, and indeed on the capabilities of the leader. Among the possible models for leading multinational capability acquisition projects in a Black Sea format are formal models, set in strategic organizational decisions, and informal leadership model in which the participating countries can choose the leader in the project implementation phase.

The challenges of multinational capability acquisition at the expert level may have a major impact on the possibility of practical realization of otherwise shared intentions of the participating parties. The expert input to such multinational projects has to be characterized by neutrality, impartiality and professionalism.

Although not so visible, technical (performance) challenges of multinational acquisition of capabilities in Black Sea format should not be ignored. Experience convincingly shows that the selection of appropriate tools cannot compensate for the lack of capacity and capabilities in the project management team. Likewise, a good business plan (management decision) and dedicated funding do not provide sufficient guarantees for successful implementation of a project. Success requires, *inter alia*, coordi-

nation of many details in the application nation-specific defence products life cycle management approaches and standards. The use of architectures also facilitates the achievement of common understanding of organisational arrangements, business processes and technological solutions.[10]

Conclusion

The concept of 'smart maritime security' is based on a cooperative approach to addressing maritime security challenges, pooling constrained resources, jointly acquiring and sharing capabilities, thus guaranteeing interoperability, increasing efficiencies, and establishing mutual understanding and trust.

Cultural diversity, varied traditions and values add to the challenges of implementing this concept. Nevertheless, the promise of increased efficiency calls for further consideration of options of multinational cooperation in maritime surveillance and shared situational awareness, development of C3 infrastructure, development, maintenance, and use of training ranges and advanced simulation and training systems, acquisition and sharing of search and rescue capabilities.

The overall approach should be comprehensive, with strategic, long-term vision. Implementation however will proceed with smaller, manageable projects, combined with analysis of lessons learned and building on positive cooperation experience.

Notes:

[1] This paper was first presented at the international conference on "Enhancing Maritime Security in the Black Sea Region – Cooperation and Capabilities," organised by the AFCEA-Varna Chapter, 12 April 2011, Melia Grand Hermitage Hotel, Golden Sands resort, Bulgaria.

[2] Regional defence cooperation in South Eastern Europe (SEE) through the South Eastern defence Ministerial (SEDM) process provides an example of good practice. Initial success triggered a number of ideas for an expanded SEE cooperation, as well as for transfer of good practices to the wider Black Sea region. For examples of the former case see Petya Dimitrova, "Networking South East Europe in Managing Non-traditional Challenges," *Information & Security: An International Journal* 10 (2003): 59-72; and Todor Tagarev, "Developing South East European Cooperative Crisis Management Capacity," *Information & Security: An International Journal* 10 (2003): 73-83. For an early conceptualisation on the latter case see the example wit BlackSeaFor and Velizar Shalamanov, The Security of the Black Sea Region in the Context of NATO's Expansion: Opportunities for Cooperation, *IT4Sec Reports* 6 (June 2005).

[3] See the accompanying article by Georgi Tsvetkov for details.

[4] For comparative data on respective procurement costs see Georgi Tsvetkov, "Maritime De-fence Investment Policy of the Republic of Bulgaria," *Information & Security: An International Journal* 27 (2011): 163-173.

[5] See for example Anders Fogh Rasmussen, "Building security in an age of austerity," Key-note speech at the 2011 Munich Security Conference, 4 February 2011, <www.nato.int/cps/en/natolive/opinions_70400.htm>.

[6] Another venue of cooperation relevant to Bulgaria and Romania—so far the only EU mem-bers among littoral states—relates to their accession to the Schengen agreement.

[7] See www.blackseafor.org.

[8] There are examples for reaching a common threat assessment among the states in South Eastern Europe – a region with diverse countries with different association with interna-tional organisations, e.g. NATO, that is also partially overlapping with the Black Sea areas. See *South East Europe Common Assessment Paper on Regional Security Challenges and Opportunities (SEECAP)*, <www.nato.int/docu/comm/2001/0105-bdp/d010530b.htm>.

[9] *Convention Regarding the Regime of the Straits*, Signed at Montreux, July 20th, 1936, <http://en.wikisource.org/wiki/Montreux_Convention>.

[10] See, for example, Todor Tagarev and Petya Ivanova, "Developing an Architecture for Naval Sovereignty Operations Center," *Information & Security: An International Journal* 16 (2005): 29-38.

TODOR TAGAREV is Head of the Centre for Security and Defence Management at the Bul-garian Academy of Sciences. He is a security and defence planner combining governmental experience with sound theoretical knowledge and background in cybernetics, complexity, and security studies, specializing in security sector reform, primarily from organizational manage-ment perspective. Dr. Tagarev has considerable expertise in leading and participating in na-tional and international research teams. He is Editor-in-Chief of *Information & Security: An International Journal* and the DCAF series in *Security and Defence Management*, and mem-ber of the Editorial Boards of *Connections: The Quarterly Journal*. A number of his publica-tions have been translated and published in Arabic, Bahasa, Bosnian, Dari, French, Georgian, Hungarian, Pashto, Portuguese, Russian, Spanish, and Ukrainian languages.
E-mail: tagarev@gmail.com.

VENELIN GEORGIEV is associate professor at the Centre for Security and Defence Man-agement in the Institute of Information and Communication Technologies at the Bulgarian Academy of Sciences. He graduated from the Bulgarian Air Force Academy in 1987 and re-ceived a PhD degree in management from the "G.S. Rakovski" Defence and Staff College. His main research interests include defence resource management, defence acquisition and risk management, innovation and investment management, controlling, and economic analysis.
E-mail: georgiev@defencemanagement.org.