Europe Diplomacy & Defence 963

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1. **EU/DEFENCE:** Defence Action Plan causes overflowing enthusiasm from France but Germany is more mitigated

Brussels, 22/02/2017 (*EDD*) – At the meeting of the EU Council devoted to competitiveness, on Monday 20 February, France could not say enough in its praise for the European Commission's Defence Action Plan. This contrasted with the stance taken by Germany which struck a mitigated and cautious attitude, including on the framework to be given for the use of the European budget in support of defence-related research post-2020.

The action plan for defence presented by the Commission on 30 November 2016 (see *EDD* 942) was tackled by ministers under "miscellaneous" on Monday. Although discussion was somewhat brief, the few opinions given were enough to illustrate the differing sensibilities of member states and to highlight outstanding issues, including that on the structure to be given to defence-related research funding during the next multiannual financial framework (MFF post 2020).

The *in camera* discussion began with an address by the European commissioner for the internal market and industry, <u>Elzbieta Bienkowska</u>. After evoking her participation at the Munich Security Conference, she reiterated the major lines underpinning the Commission's action plan: to build a sound and innovative European industrial base, with the involvement of SMEs, and to spend better by investing together.

Bienkowska said the most important innovation proposed by the action plan was use of the European budget. First and foremost, his should be done in the form of the preparatory action triggered this year (≤ 90 million over three years) and, then, via a specific chapter for defence-related research in the next MMF (≤ 500 million annually). Within the Commission, the form to be taken by the European defence-related research programme after 2020 has apparently not yet been determined (see *EDD* 954).

When taking the floor, ministers mainly agreed with each other. They nearly all welcomed the Commission's proposal and expressed their support. However, France was overwhelmingly enthusiastic, calling on the other member states to firmly support the action plan. It also underlined the importance of being able to use other EU financial instruments to stimulate defence-related

research, in particular the European Fund for Strategic Investment (EFSI) and the programme for the competitiveness of small and medium-sized enterprises (COSME).

Such a possibility is indeed covered in the action plan. The Commission recalls that these EU financial instruments are based on the granting of loans from the European Investment Bank (EIB). The EIB can already provide loans, guarantees and own capital products for developing dual-use activities. In the action plan, the Commission undertakes to support, in agreement with the EIB decision-making bodies, the adaptation of loan-granting criteria applicable in the defence field, within the limits set out in the treaties.

Addresses made by Spain and Portugal bore witness to the fact that the two member states shared a similar concern. They above all stressed the importance of SMEs in the defence sector. Spain spoke of the importance of the SME supply chain, while Poland's argument was in favour of geographical balance in the funding of defence projects. This is a point that it often mentions, moreover, during discussions on the results of the current EU framework programme for research and innovation (Horizon 2020), and EFSI activity.

Germany was more cautious in its response. It also underlined that activity financed by the EU should not cause market distortion and that the primary objective of that activity should be to enhance the "*performance*" of the defence sector. The German representative also underlined the fact that many of the points in the action plan had still to be specified or clarified. However, he above all spoke of his doubts regarding the relevance of the idea to create a defence chapter within the EU framework programme for research and innovation post-2020.

Bienkowska finally seized the opportunity of this discussion to speak of a related matter: that of application of the two directives regarding security and defence transfers and procurement. She expressed regret that the two directives had not had the results hoped for and that she would forward guidelines for promoting application to member states. She did not explicitly speak of infringement proceedings although she reiterated she would not hesitate to take mesqures should there be continued failure to uphold directives (see *EDD* 942).

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2. POLAND/DEFENCE

22/02/2017 (EDD) – On Monday 20 February, Poland launched a further call for tenders for the acquisition of 16 military helicopters (eight for the special forces and eight for rescue at sea and antisubmarine action). This comes just under five months after a sudden end was put to the contract for the provision of 50 Caracal multirole helicopters (see *EDD* 935). The same three makers as before are to submit tenders, namely Lockheed Martin, Leonardo-Finmeccanica and Airbus Helicopters. The Polish Ministry of Defence has announced that negotiations will be confidential and that the call for tenders will be carried out within the framework for protection of essential national security interests, in the obvious aim of exoneration from application of the directive on defence procurement. The Ministry also said it had prepared new requirements for offsets. A maintenance centre for helicopters should be created in a factory in Lodz (Wojskowe Zaklady Lotnicze nrl), also guaranteeing that Polish industries have adequate capacity for modernising them.

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3. INDUSTRY

22/02/2017 (EDD) – On Wednesday 22 February, the German government called on Airbus to resolve the problems of the A400M military aircraft and to abide by its contractual commitments, *AFP* reports. "It is important at present that the manufacturer address his problem" with the A400M, said the spokesman for the German Ministry of Defence, <u>Boris Nannt</u>, going on to add that "this is absolutely decisive as we need aircraft, to which we have contractual entitlement, and which must comply with requirements". Airbus had earlier announced that its profits for 2016 were down

after having invested the heavy sum of $\in 2.2$ billion in its A400M military aircraft. The group hoped to "*reengage discussion with clients*" to prevent financial risks from growing greater. Airbus trusts that the financial penalties further to delays and administrative unwieldiness will not make costs greater, as the group must at present carry out investment necessary on its own in order to get the programme back on track. The German air force has commanded 53 A400M in all. It received 8 last year, the spokesman said. In total, Airbus delivered 17 A400M in 2016 compared with 11 in 2015, and two since the beginning of 2017. The first had been delivered in 2013, four years behind schedule.

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4. EU/SOMALIA

22/02/2017 (EDD) – During the evening of Monday 20 February, EU High Representative for Foreign Affairs and Security Policy Federica Mogherini confirmed to the new Somali president, <u>Mohamed Abdullahi Farmajo</u>, that the EU would remain engaged as Somalia "*urgently needs to develop its security sector, deliver an economic reform that addresses high levels of corruption, as well as complete the constitutional review*". In addition, the EEAS spokesperson said that, in this context, the EU supported stipends to 6,800 police. Mogherini also reiterated the EU's commitment to help the country remedy the effect of drought and avert the declaration of famine. Although the Union currently mobilises support of around €100 million to address the famine "*in coordination with international partners, the EU plans to reinforce its response through the mobilisation of additional aid*", the EEAS announced. Mogherini wished Farmajo "*every success*" for his mandate which officially began on 22 February, and agreed with the president to "*continue working closely together*". Welcoming the peaceful transition, she said she was convinced that Farmajo would "*ensure a smooth and conciliatory government formation process for the sake of progress in Somalia*", and commended the president's commitment to stamp out corruption.

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5. <u>One last little effort Mr President! (by Frédéric Mauro, Lawyer at the Barreau de Paris, established in Brussels)</u>

Donald Trump and Brexit are compelling Europeans to review their systems of defence. The most important thing in the new geostrategic situation is not so much the arrival of new leaders or new policies but rather underlying technological developments. Artificial intelligence is transforming our lives with a speed and intensity we are still struggling to comprehend. It will revolutionise the way we think of war in every field, including strategy. American companies, especially the giants of the Web, have surged ahead with technological advances; they have huge financial backing and make massive investment. If we stand idly by, then European companies will find themselves demoted and will have increasing difficulty on the export market. But what is Europe doing in this situation? Or rather, what are we doing, as we are Europe!

To gain respect, Europe must abide by the commitments subscribed to within the NATO framework in 2014 by gradually increasing member states' defence spending to 2% of GDP and to 20% of expenditure on military equipment. Let us be under no illusions, however, as all our problems, especially those relating to the effectiveness of European defence mechanisms, will not be resolved by meeting such commitments.

To gain respect, Europe, too, must be self-contained in its warfare capability. We must stop complaining and waiting for world affairs to sort themselves out without our intervention. We must take control of our destiny, as the German chancellor invites us to do! How? Certainly not by putting our heads in the sand and praying for balmier budgetary skies.

France's greatest illusion would be to believe that we can continue as before, simply by making a little effort on the budgetary front. Even if that financial effort were increased to 2% of GDP as of 2018, that would not be enough to bring our means into line with our ambitions or to face up to the

challenge of renewing our nuclear deterrent force. To put it clearly: France has already lost its strategic autonomy. Without American military intelligence, it would be unable to intervene as it is in Africa. It is a delusion to believe that France, alone in Europe, still has the means of autonomous defence. Neither does it have such means jointly with the United Kingdom which has decided to turn its back on Europe, seeming to want to place its destiny in the hands of the United States.

France is not the only country concerned. All European states are affected. Their leaders must decide whether they wish to entrust the security of their countries to the whims of a president whom they did not elect, or to a common destiny in which they have their word to say. The matter goes well beyond the short-term vision of buying American weapons in exchange for security. It is a matter of knowing whether a political Union or a military Alliance is the strongest.

Furthermore, it is no longer be possible to say that the European Union is doing nothing for defence. The year 2016 was marked by the publication of a Global Strategy, the triggering of preparatory action on defence research, the adoption of a plan for collaboration with NATO, the fixing of a level of military ambition, a highly ambitious Defence Action Plan, and finally a decision taken by the European Council in December giving a mandate to the High Representative to propose measures for improving common security and defence policy, especially by establishing permanent structured cooperation (CSP). Unfortunately, although the European institutions proclaim in unison their wish to proceed, the keys to European defence remain in the hands of member states. And there is a great risk that these states will become bogged down in interminable debates on CSP.

The aim of CSP is to have a vanguard of member states, which are able and eager to have autonomous capability based on credible military means. It is not necessary to amend the treaties in any way to achieve this. They only have to be applied. And to do that, all that is needed are two signatory states - more if possible. With a little resolve, CSP can be set in place within two months. Germany is willing and waiting – but it will not wait for ever. In the meantime, our citizens call for greater security. So what are we afraid of? This could be the last gesture of a five-year term of office that has not been exactly brilliant when it comes to European defence. So what about a last little effort Mr President? Let us show Trump's America what we are worth.

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6. <u>EU/UNITED STATES: US administration struggles to reassure Europeans, says expert in international relations</u>

Brussels, 22/02/2017 (EDD) – "Many European officials say that what struck them was that, as concrete and clear things were on NATO, they are vaguer and more imprecise on the EU. Pence has not totally dissipated the unease felt regarding Trump's declarations on the EU", the expert explained, wishing to remain anonymous. At the end of January, US President Donald Trump had hailed Britain's decision to leave the EU and labelled the EU as a "vehicle for Germany".

Of course, "Europeans take the general tone into account and want to see the tonality as positive but this still remains very general", the expert said, going on to add: "Neither Trump nor Pence really say anything on the EU and on the EU's wish to be stronger, to be united". "We await slightly fuller indications from Washington on what they will do", he added, pointing out that the administration was currently being put in place and that it was therefore necessary to give it time.

Although the general comments are reassuring on the whole, it will now be necessary to examine the action taken by the US administration. While Trump has described the agreement with Iran as one of the worst deals ever, the expert says, the United States should not question the agreement but call for it to be fully upheld. Furthermore, the new administration has not yet taken a stance on the question of sanctions against Russia, in connection with Ukraine. *"This must be seen in a more general framework of future relations with Russia. (...) Trump knows that, when one wants to negotiate, concessions are not made beforehand"*, he added.

7. NATO/MEDITERRANEAN: End of second patrol mission for Operation Sea Guardian

Brussels, 22/02/2017 (*EDD*) – NATO's naval operation *Sea Guardian* launched in November 2016 (see *EDD* 932) has now completed its second patrol mission after 600 hours of surveillance in the eastern part of the Mediterranean.

The mission was conducted during February by three ships: the Turkish frigate TCG Gaziantep (F490), the Italian frigate ITS Aviere (F583), and the Greek frigate HS Navarinon (F461). A Turkish maritime patrol aircraft also took part, albeit in a limited way (8 flight hours).

The mission consisted of monitoring maritime traffic in the eastern Mediterranean. Over 400 boats were identified. Informal discussion took place with 30 boats regarding activities in the region, said the NATO maritime command in Northwood (MARCOM), on Monday 20 February.

The command does not give details regarding support given to the EU naval operation (EUNAVFOR Med Sophia). It speaks sketchily of coordination for better situational awareness. Refuelling at sea took place smoothly in support of the EU operation, but this took place on a case-by-case basis without mediatisation.

During their meeting in Portugal on 6 February, the defence ministers of Italy, France, Spain and Portugal considered it essential to strengthen synergy between the two operations.

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8. EU/BELARUS

22/02/2017 (EDD) – On Wednesday 22 February, EU member state ambassadors came to an agreement on a one-year extension of restrictive measures against four persons linked to the disappearance of two politicians, a businessman and a journalist. The men in question are <u>Vladimir</u> <u>Naumov</u>, <u>Dmitri Pavlichenko</u>, <u>Viktor Sheiman</u>, and <u>Iury Sivakov</u>. Current sanctions run until 28 February 2017. The arms embargo will also be extended, while being amended to allow the export of arms used in the biathlon, although this will remain subject to authorisation. The decision should be formally adopted during the Transport, Telecommunications and Energy Council on Monday 27 February.

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9. RUSSIA/DEFENCE

22/02/2017 (EDD) – Speaking on Wednesday 22 February, Russia's Defence Minister <u>Sergei Choïgu</u> said the Russian army has created a department responsible for conducting a war of information as propaganda has become a weapon with unprecedented power and effectiveness, *Reuters* reports. The minister told Duma representatives that the personnel employed in the war of information had unrivalled talent and efficacy. Last week, General <u>Petr Pavel</u>, who chairs the NATO Military Committee, had accused Russia of being at the origin of false information whereby German soldiers from the Atlantic Alliance were allegedly responsible for a rape in Lithuania. The European intelligence agencies consider Russia could seek to influence the presidential election in France as well as general elections in Germany in September.

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