Europe Diplomacy & Defence 992

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1. EU/CHINA: EU and China look at cooperation in foreign affairs, security and defence

Brussels, 31/05/2017 (EDD) – The 19th EU-China summit in Brussels on Thursday 1 and Friday 2 June will provide an opportunity for both sides to discuss their cooperation in many areas, including on foreign policy, security and defence.

Friday's lunchtime meeting will focus first and foremost on North Korea and its many nuclear and ballistic tests. A European source has said it expects significant discussion as the current situation is of concern to both parties. "This has a direct impact on China and the UN may have to take further decisions if the situation continues", she explained. The United Nations Security Council, to which China belongs, has on several occasions in recent months adopted sanctions against Pyongyang in connection with its nuclear and ballistic tests.

The situation in the China Sea may also come under discussion. On 18 May, China and the countries of South East Asia had approved a general framework on a code of conduct for the South China Sea. The situation in Afghanistan, Syria, Ukraine or Libya is likely to be evoked by both sides.

Before lunch, during the working session, it is expected discussion will be on security and defence cooperation, notably concerning peacekeeping in Africa and strengthened counter-terrorism cooperation. The latter had been the subject of debate during the visit to Beijing end April by the EU High Representative for foreign affairs and security policy.

Trade, migration and climate change are also on the summit agenda. In addition to the traditional joint statement, both parties are expected to adopt a specific declaration on climate change and clean energy, while, in the coming days, the United States may announce its intention to withdraw from the Paris agreement.

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2. <u>EU/KOSOVO</u>: EU deploys observation mission for legislative elections in Kosovo on 11 June

Brussels, 31/05/2017 (EDD) – During the evening of Tuesday 30 May, the European External Action

Service (EEAS) announced that, in response to the invitation from the president of Kosovo, the EU had deployed a mission to observe the early legislative elections scheduled for 11 June 2017.

In its press release, the EEAS said EU High Representative for Foreign Affairs and Security Policy Federica Mogherini has appointed the Slovenian MEP, Aloiz Perle, of the EPP Group, as chief observer. "We expect all political parties, leaders and institutions of Kosovo to ensure that these important elections, including the election campaign, are conducted in line with European democratic standards", Mogherini said. This is the third time that the EU has deployed an election observation mission in Kosovo, after the 2013 municipal elections and the 2004 legislative elections,

The mission began deployment on 16 May with a core team of seven who will remain in the country until the electoral process is complete in order to make a comprehensive assessment of that process. From 26 May, the core team will be joined by 16 long-term observers deployed throughout Kosovo, as well as 32 short term observers who will arrive for the electoral week of 7 June. A European Parliament delegation and diplomats from EU member states accredited to Kosovo will also reinforce the mission on the day of the election.

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3. **EU/UKRAINE:** Dutch Senate approves ratification of EU-Ukraine agreement

Brussels, 31/05/2017 (EDD) – On Tuesday 30 May, the Dutch Senate endorsed ratification of the association agreement between the EU and Ukraine by 50 votes to 25. The Netherlands is the last country of the EU still to ratify the agreement.

President of the European Commission <u>Jean-Claude Juncker</u> immediately hailed the vote, saying it was an "*important signal from the Netherlands and the entire European Union to our Ukrainian friends: Ukraine's place is in Europe. Ukraine's future lies with Europe*". In a press release, he thanked the Dutch government and all political officials for their efforts to ensure the process reaches a positive outcome.

Further to the referendum that rejected the association agreement, the Netherlands had called on its European partners for guarantees regarding that agreement. On 16 December, the Dutch government adopted a draft law aimed at confirming ratification of the association agreement by the Netherlands and, on 23 February, the draft law was approved by the Lower House.

The Commission president trusted that the ratification process would be completed soon "in time for the EU-Ukraine summit to be held in July". According to the Ukrainian side, it is expected to be held in Kiev on 13 July.

The Netherlands has still to finalise the ratification procedure which means that the legislation should be signed by the King and then published in the Official Journal of the Netherlands and, finally, that the ratification instrument be submitted to the secretariat general of the Council. The EU should then finalise the procedure for concluding the agreement and submit its ratification instruments. The agreement will take effect on the first day of the second month following submission of the last instruments of ratification or approval.

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4. **EU/UKRAINE:** Prospect of Normandy format meeting

Brussels, 31/05/2017 (EDD) – On Monday 29 May, French President Emmanuel Macron announced he wanted a meeting to be held in coming days in Normandy format (Ukraine, Russia, France, Germany) at the level of presidents and the chancellor to discuss the situation in eastern Ukraine.

Addressing a press conference in Versailles with his Russian counterpart, <u>Vladimir Putin</u>, the French president explained: "As soon as possible, we want discussion to be held at a Normandy-format meeting with Germany and Ukraine, and for a complete account of elements known to be shared,

especially a detailed report from the OSCE". Macron said the meeting would be held "in coming days or weeks". He trusted that the OSCE would take part at the beginning of the meeting and that its report would "express the reality, especially the situation of armaments at the borders and in conflict zones".

Macron explained that his wish was for "de-escalation of the conflict and its consequences on both sides, to be reached within the framework of the Minsk agreements". Europeans have imposed many sanctions against Russia in connection with the Ukrainian crisis and the annexation of Crimea and Moscow has struck back against those sanctions. The French president pointed out, moreover, that the G7 did not rule out escalation of restrictive measures if needs be, saying that this was "not (his) wish". The aim is to "find solutions within the Minsk framework, and for de-escalation on both the Russian and the Ukrainian sides", Macron added.

In its statement published after its meeting in Taormina on 26 and 27 May, the G7 (Germany, France, Italy, United Kingdom, United States, Canada and Japan) reiterated that the duration of sanctions was "clearly linked" to complete implementation by Russia of its commitments within the Minsk agreements, and respect of Ukraine's sovereignty. The G7 "stands ready to take additional restrictive measures to increase the financial pressure on Russia if its action makes this necessary".

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5. EU/AFGHANISTAN

31/05/2017 (EDD) – On Wednesday 31 May, EU High Representative for Foreign Affairs and Security Policy Federica Mogherini announced that the EU delegation in Kabul was fully mobilised and ready to assist those EU member states' diplomatic representations and their staff members affected by the terrorist attack earlier in the day, in the centre of Kabul. The German and French embassies were hit by the explosion which left 80 dead. Mogherini called on the EU to continue supporting all steps towards peace and reconciliation, as well as the functioning of Afghanistan's institutions. "The European Union stands by the Afghan authorities and all Afghans, united in fighting this global threat of terrorism", she said.

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6. <u>CARTE BLANCHE: Where is PESCO heading? By Frédéric Mauro, Lawyer at the Paris Bar, established in Brussels</u>

European defence is once more an extremely topical subject. This is due to several things. First and foremost is the European leaders' desire to give back meaning to the European project which reaches far beyond the "single market". Then, there is the fact that integrated European defence would give an intelligent response to the recurring demand made by the United States to share the burden, since it is not only a matter of spending more but of spending better. And, finally, European defence gives the French president, Emmanuel Macron, the perfect opportunity to rekindle the Franco-German motor. The simplest and swiftest way to reactivate European defence is to "establish" (as the Treaty on the European Union puts it) permanent structured cooperation (PESCO). This holds great appeal as it would not mean negotiating a new treaty but rather applying that which exists already. It is the last of the tools in the common security and defence policy (CSDP) toolbox that has not yet been put to use.

Situation provisionally stalled

The problem is that at least three visions of PSC clash with each other. The first is that held by the Central European countries which prioritise NATO for defence. Poland, especially, is placing its bet on the acquisition of American equipment in the hope that this will be enough to guarantee its protection. Basically, these countries do not want PESCO because they do not want European defence. Inversely, France's vision highlights a demanding and ambitious PESCO oriented towards military operations and allowing Europe to reach the level of ambition that it set itself at the European Council in December 2016, thus strengthening its strategic autonomy. Between these two has

emerged the idea of an "inclusive" and "modular" PESCO, driven by Germany, Italy, Sweden and a few others. In such an approach, PESCO would be a binding political and legal framework, the widest possible kind of circle of states conducting à la carte armaments programmes. Criteria and commitments would be interpreted as flexibly as possible so that none are left along the wayside and ensuring that the Union's unity is maintained at the critical moment of Brexit.

How can one fail to see *pro domo* arguments in such stances? Central European countries do not want a "*multi-speed Europe*", of which PESCO is the symbol, for fear of being relegated to the "*second zone*". France no longer wants to be the only nation to bear the cost of what, rightly or wrongly, it deems to be the security of the whole of the Union, and it expects the others to contribute to burden sharing between Europeans. Germany, taking a middle road, aims to concentrate European defence on its industrial aspects by keeping all external intervention to a minimum.

Untying the Gordian Knot

First of all, let us return to the basics. What is the purpose of PESCO? According to the Treaties, the Union must have autonomous intervention capability allowing it to manage crises on the periphery of Europe that have an impact on us, such as the dislocation of Yugoslavia, Mali, Libya or Syria. This means there is a need for major military means that single member states no longer have. That is why PESCO is needed – to do together what we can no longer do alone. In the longer term, the objective is to achieve a "common defence" that would not be a "European army" but rather an integrated defence avoiding duplication and therefore becoming specialised in military means.

How can this be achieved? Through a "process" of convergence open to all "member states that meet the highest criteria in military capabilities" and that have "signed the most binding commitments with a view to the most demanding missions". To be quite honest, the criteria – all two of them – are not binding. In the terms of Protocol No 10 of the Treaty on the Functioning of the European Union, PESCO is open to all states that "want" (Art. 1a) and are "able" (Art. 1 b) to join. To "want", all it takes is to "commit to more intensive development of its defence capabilities". To "be able", it is enough to provide or to contribute to a battlegroup.

Commitments, of which there are five, are a part of the machinery for convergence of defence "tools". According to Article 2 of the Protocol, they relate not only to: (a) financial aspects (level of defence investment spending); (b) capability cooperation (defence planning, specialisation, logistics and training); (c) operational cooperation (availability, interoperability, flexibility and deployability up to and including – if necessary through modifications – the national decision-making procedures; (d) capability cooperation (making up shortfalls); and, finally, (e) industrial cooperation (development of major equipment programmes within the European Defence Agency, EDA). These commitments and criteria must be defined by agreement prior to the establishment of PESCO. However, compliance must be assessed on a regular basis by the EDA, especially concerning "capability contributions provided by member states" (Article 3 of Protocol No 10).

How does it work? Article 46 (6) is clear. Decisions are taken by the Council of the European Union by unanimity, so that all states are informed but only participating member states can vote.

What can be construed from this?

First of all, a PESCO with criteria and commitments that are insufficiently binding would not allow the Union to attain the objective of autonomous intervention capability. This "over-inclusive" PESCO would politically preserve the Union's unity but would be pointless militarily. Experience has shown us that it is dangerous to put in place instruments that have no use. Not only does this not create European "added value" but it destroys it. Therefore, we must be very careful not to allow the pressure on us "to do something" make us do "just about anything". From this point of view, France is right to insist upon the operational dimension of PESCO. One can certainly find a compromise in terms of commitment. However, such commitments would be inferior to those subscribed to within the framework of NATO, unless one considers the latter to be worthless.

Secondly, one cannot reproach PESCO for breaking up the Union's unity, as it is precisely in order not to be hindered in the move towards European defence that France and Germany have pushed for the adoption of this sophisticated mechanism. When it comes to the question of "modules", which do not appear in the Treaty, its only worth is to defend an "à la carte" policy that adds nothing to what member states already do together. This fanciful addition is not only far from the letter but also from the spirit of the Treaty and would only result in the perpetuation of this cobbled-together policy that has been called the common security and defence policy since 2009.

Thirdly, it is not enough to establish PESCO. It is also imperative for the EDA to be able to play the role assigned to it by the Treaties. On one hand, member states must accept the decisions taken – as set out in Article 9.2 of the statutes – according to majority rule. PESCO is not a framework but a process. It is the carbon copy of the Maastricht criteria and, the necessary changes having been made, the EDA plays the same role as the European Central Bank. Is it possible to imagine what European monetary policy would be if the board of governors enacted unanimously? On one hand, the EDA must become what it is supposed to be - an armaments agency – otherwise how can it fulfil the function assigned to it to accompany major industrial armaments programmes? That is quite possible on condition that it is merged with OCCAR.

Finally, and above all, one must be aware that PESCO is affected by the same construction fault as the eurozone: decisions are taken unanimously. It therefore runs the risk of being ungovernable. Will we finally be able to learn from the errors we made when bringing in the euro?

What should be done?

We must find a compromise or do something else. The compromise could consist of France accepting a flexible interpretation of criteria and commitments, in return for which a gentleman's agreement could prevail for introducing a majority vote into the functioning of PESCO, according to the importance of the contributions and commitments of each party, and assessed by the EDA. A PESCO of this kind, which is not only inclusive but in which decisions are taken by qualified majority, would be the best way to lower the mask and see who is really ready to commit to an authentic European defence. This, moreover, is the whole meaning of the bridging clause in Article 48 (7) of the Treaty on the European Union consisting of authorising the Council to flip from unanimity to majority, with application in this case warranting discussion in law.

If no good agreement is reached, it would be better to do something else. Nothing would be worse than having one believe that the Union has its system of defence if such is not the case. It would be better for France and Germany to weave together the threads of their defence planning and develop a White Paper together. They would thus take the initiative of forming a defence Eurogroup around them, as they did with the monetary Eurogroup. That is perhaps the right road to follow.

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7. **EU/RESEARCH:** Commission entrusts management of preparatory action on defence research to EDA

Brussels, 31/05/2017 (EDD) – On Wednesday 31 May, European Commission Director-General for Internal Market and Industry Lowri Evans and Chief Executive of the European Defence Agency (EDA) Jorge Domecq signed a delegation agreement whereby the Commission entrusts the EDA with the management of the preparatory action on defence research, which is to open the way to a future specific programme on defence research within the framework of the next Community research programme (2021-2027).

In its press release, the EDA points out that calls for proposals will be launched on 7 June. An information day is then scheduled for 27 June to inform industry, the research community and universities interested. Proposals can be submitted by the autumn and the signature of the first grant agreements is envisaged by the end of this year. Calls for 2016 proposals are expected to be launched early next year.

The preparatory action has a budget of €90 million, of which €25 million are earmarked for 2017.

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8. EU/CHILE

30/05/2017 (EDD) – On Tuesday 30 May during her visit to Chile, EU High Representative for Foreign Affairs and Security Policy Federica Mogherini said that the EU and Chile should develop mutual cooperation in the scientific field. "We are looking to the future. Chile has the necessary conditions for developing a first class space policy and the EU wants to be a firm ally in that development", she explained. According to Mogherini, cooperation on space issues, including the transfer of technology and training or major EU programmes such as Copernicus and Galileo, could be a "core element" of future EU-Chile relations to the benefit of both parties.

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9. **EU/IRAQ**

30/05/2017 (EDD) – On Tuesday 30 May, the spokesperson for the European External Action Service (EEAS) said the EU supports Iraq in its fight against terrorism. Three attacks, on 29 and 30 May, as people broke Ramadan fast in Baghdad and Hit, left at least 40 dead and nearly 140 wounded. Responsibility for the attacks has been claimed by the Islamic State terrorist organisation at a time when Iraqi forces are slowly making headway against jihadists in Mossul. "At this critical political juncture in Iraqi history, the European Union reaffirms its continuous commitment to support politically and financially the Iraqi people and authorities in their quest to fight all forms of terrorism in the country and build a peaceful, democratic, prosperous and inclusive Iraq", the spokesperson states in a press release.

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10. RUSSIA/SYRIA

31/05/2017 (EDD) – Two Russian warships in the Mediterranean have fired four cruise missiles on positions of the terrorist organisation Islamic State near Palmyra, in Syria, the Russian Ministry of Defence announced on Wednesday 31 May. The Russian army had notified the United States, Turkey and Israel beforehand, it said. The missiles were fired from the frigate Admiral Essen and submarine Krasnodar and targeted IS fighters and weapons in a region to the east of Palmyra, the Russian ministry said. The targets, earlier deployed near Rakka, the de facto capital of the jihadist group in Syria, were "destroyed", it added, without stating exactly when the strikes were made. According to Russian agencies, which cite the Kremlin spokesman, Defence Minister Sergei Choigou informed President Vladimir Putin of the strikes on Tuesday evening.

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11. **INDUSTRY**

31/05/2017 (EDD) – Dassault Aviation CEO/President <u>Eric Trappier</u> has taken over from <u>Mauro Moretti</u> at the head of the European umbrella organisation for ASD defence and aerospace industries. In a press release announcing the appointment, ASD points out that Trappier has great experience in the defence sector and has served as vice-president of the European association since 2015.

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