

Denkwürdigkeiten



Journal der
Politisch-
Militärischen
Gesellschaft

Nr. 121
Dezember
2020

Herausgegeben vom Vorstand
der Politisch-Militärischen Gesell-
schaft e.V. (pmg) in Berlin

ISSN 1436-3070

LEADOFF

Liebe Mitglieder,

das Weihnachtsfest naht. Es wird ein besonderes Fest in unserer Erinnerung bleiben. Es wird wohl besinnlicher denn je, denn der Verbund von COVID 19 und Politik bescheren uns mehr Zeit für und mit uns selbst, als sich dies viele wünschen.

Diese Denkwürdigkeiten richten ihre Aufmerksamkeit auf Europa, Russland und China. Die Arbeitsgruppe 27 von EURODEFENCE hat der Europäischen Union einen Vorschlag zur Weiterentwicklung der Europäischen Verteidigungsorganisation im Rahmen der bestehenden vertraglichen Vereinbarungen und politischen Realitäten vorgelegt, den wir gerne im Rahmen einer pmg-Veranstaltung in Berlin diskutiert hätten. Die Europäische Union muss sich sputen, sonst laufen ihr die Realität und die Wettbewerber davon und die Mitgliedstaaten müssen sich auf Schadensbegrenzung alleine oder in kleineren Verbänden einrichten.

Schadensbegrenzung ist auch mit Blick auf das Verhältnis zu Russland angesagt. Hier gibt es brandaktuelle Vorschläge einer internationalen Expertengruppe mit gewichtiger Beteiligung, darunter 16 frühere Außen- und Verteidigungsminister, 24 Botschafter, 27 Generale und Admiral im Ruhestand sowie renommierte Experten von 55 Universitäten und Forschungsinstituten, deren Vorschläge (Executive Summary) zur Reduzierung militärischer Risiken wir gerne mit Ihnen teilen. Darüber hinaus behalten wir weiterhin China im Auge.

Der Vorstand der pmg wünscht Ihnen ein frohes und vor allem ein gesundes Weihnachtsfest und ein gutes Jahr 2021. Schöpfen Sie viel Kraft für die herausfordernden Aufgaben, die 2021 vor uns liegen.

Ralph Thiele, Vorstandsvorsitzender

In dieser Ausgabe

1 EURODEFENCE Policy Proposal on EU Defence

EWG 27, EURODEFENCE

8 China-Pakistan Economic Corridor: Quo Vadis?

Dr. Anne-Marie Schleich

9 Recommendations of the Participants of the Expert Dialogue on NATO-Russia Military Risk Reduction in Europe

Executive Summary

THEMEN

EURODEFENCE Policy Proposal on EU Defence

EURODEFENCE Working Group 27 was established to "prepare a Policy Proposal to be submitted by EURODEFENCE to the security- and defence-related EU institutions such as the EU Council, the Commission and the EU Parliament" and formulate a concept for the development of the EU defence organisation within the present legal framework and given present political realities. Internal EU developments, the COVID-19 pandemic as well as geopolitical changes have created a sense of urgency for this mission. "Strategic autonomy" requires the EU to defend itself against a wide variety of threats and to develop capabilities and capacities complementary to the existing capabilities of Member States and NATO. The EU defence organisation must be able to act as a symbol of EU unity and resilience both externally and in-

ternally. Experience has shown that pooling and sharing of national capabilities are not enough for the credibility of EU defence. The European Union should have defence capabilities able to fill the gap between answering immediate threats and combined operational action by member states. This will require strengthening the current EU defence organisation with:

1. relatively limited, but highly qualified common first response capabilities
2. the capacity to define areas where there is a need for common EU capacities
3. a permanent EU Command structure capable of defence and operational planning and of conducting simultaneous operations, including the most demanding (art. 42-6 of the Lisbon Treaty)

In this concept Member States voluntarily make available specific national defence capabilities through a stand-by commitment and commit to gradually adapt, align and sometimes integrate national capabilities to overall EU defence requirements. In order to implement this concept, political, legal, organisational and operational aspects will have to be dealt with. This Policy Proposal deals with several of these aspects such as the current constraints of the required unanimous decision by the EU Council in Defence matters. It also considers the necessary further development of the EU Global Strategy, the Common Foreign and Security Policy and the Common Security and Defence Policy as the basis of EU defence action. Defence operations will have to be in accordance with an EU military doctrine that has to be established. All these steps and the related decision-making processes within the EU will have to comply with the articles of the Lisbon Treaties.

New decision levels will have to be created such as a Defence Council and an EU Security Council. In specific areas, new rules will have to be established for a wider use of the Qualified Majority Voting (QMV). The pre-

sent EU defence organisation will have to be adapted and modified to organise, command and supervise both operational defence units and supporting units for activities such as planning, recruitment, training, research and development and production. The functioning of the EU defence organisation must meet European democratic standards of transparency and parliamentary decision making and supervision. This evolution should be conducted under the responsibility of the High Representative/Vice President (HR/VP). Although an enormous amount of work has to be done before all aspects of this policy paper have been covered, EURODEFENCE is presenting this EU defence concept as a realistic basis for a gradually growing EU defence capability on the basis of the voluntary cooperation and contributions of the Member States.

Introduction for “Recommendations of EWG 27 on EU defence”

This paper is a working document of the EURODEFENCE working Group 27.

- The first chapter gives an overview of reasons and developments why the EU must strengthen its defence organisation at the EU level
- Chapter 2 describes the present status of EU foreign, defence and security policy
- Chapter 3 draws conclusions as basis for recommendations
- Chapter 4 gives a number of recommendations on procedural, institutional and organizational steps to be taken
- In a second phase EWG27 will elaborate on details and consequences of the first 4 chapters

Introduction

The EU is a community of states that comprises most of the European countries and distinguishes itself from the rest of the world with a set of values that define their common identity as a Union. Although the Member States (MS) show considerable cultural and historical differences among each other and diversity internally, as a

whole there are more commonalities binding the Member States than differences dividing them. Examples of already successful cooperation with mutual benefits are the single European market, the Schengen Agreement and the EU border protection initiative Frontex.

Most likely during the coming 20-30 years the EU will remain one of several power blocks that will increasingly have to compete and defend itself in all domains if it wants to preserve its independence and character. This is the main reason why the EU must strive for strategic autonomy. With the globalization-related interconnectivity the European nations are unable to compete by themselves in the current multipolar and fragmented world with global powers like the Peoples Republic of China, Russia, the USA and others. The EU will have to reposition itself as a consequence of rapidly changing spheres of influence in the Middle East, Asia and Africa. The USA is rapidly losing its global influence, China gaining global influence and the EU is more exposed, but unfortunately, largely unprepared for its enhanced independence.

The present COVID-19 pandemic has emphasized even more that the system of unlimited global specialization, global monopolization and “just in time logistics” has made us all more vulnerable and dependent. Pandemics, natural disasters, trade wars or violent conflicts have more impact in this global system. The objective of EU strategic autonomy is not limited to the domain of defence but it also has to remedy the EU overdependence on external sources or countries in various strategic domains such as health products and services, pharmaceuticals, raw materials, food and energy. A lesson already learned from the present crisis is that we should reconsider which activities and responsibilities should take place nationally or regionally and what should be done at the EU level. The current crisis made it once again clear that the EU must be able to act based on solidarity as

a “Union solidaire” if the urgency and impact of a crisis so requires.

However frightening, this crisis can be an opportunity for the EU to create more cooperation, synergy and solidarity among Member States (MS). Although the financial recovery of the EU economy will ask sacrifices from all MS, new ambitious forms of EU financing will require solidarity to facilitate the recovery. Defence budgets in MS will again be under pressure but creative new forms of financing at the EU level may instead facilitate the start of new EU and MS defence projects. The fact that national defence budgets once again are probably to be curtailed could even stimulate and intensify initiatives and cooperation at the EU level.

Pandemic or not, the EU will need to develop a combination of soft and hard power to become a global power, capable of acting quickly and in unity and to be considered as a global actor whose authority and credibility will be worldwide recognized. Although the EU is already an economic giant and major partner in world trade with standing and influence, this is insufficient to be regarded as a global actor. The EU tradition of conducting constructive international policies as well as supporting the role of supranational institutions concerning security and defence concerning conflict prevention and crisis management, must be supported by operational and credible defence capabilities.

Today the battlefield can be anywhere, including in space or under the oceans, in civil society and in one's mind. The border lines between defence and security have already almost disappeared. Defence capabilities must face multi directional and multiform threats, including hybrid warfare, cyberattacks, terrorism and possibly illegal immigration, smuggling and even, but not least, pandemics. In reaction MS are generally developing diverse capabilities that are not only traditional defence capabilities, but if the MS want the EU to remain one of the major players during the 21st century, they must combine and coordinate their ef-

forts to agree on common values and strategic interests and on common threat perceptions.

Furthermore, MS and the Union as a whole should start the improvement of EU defence capacities and reinforce the defence organisation including a competitive and innovative technological and industrial base. Inherently, EU efforts will also strengthen the North Atlantic Treaty Organisation, while improving our common security, as agreed in the Lisbon Treaty (ToL) and in joint EU-NATO declarations in 2016 (Warsaw) and 2018 (Brussels).

How to find answers?

Si vis pacem, para bellum. If you want peace, prepare for war.

In MS defence and in general the planning, development and use of national capabilities is a governmental responsibility. There is a great diversity with complex and different democratic decision-making processes to turn these capacities into combined action. Nevertheless, if we, at EU level, will continuously have difficulties to provide together quick and coordinated answers and actions in case of an emergency, our credibility will be at stake.

Today Europeans usually conduct “wars of choice” that allow them to debate in a lengthy process to decide whether or not to participate in such combined action.

Furthermore, none of the MS is strong enough to prepare for this type of future by itself. At the same time, taken today, all together the EU MS already have a sizable force of military personnel and equipment.

According to art. 42 of the ToL (entered into force on December 1st, 2009), the EU decided to further develop a Common Security and Defence Policy (CSDP) that will lead to a common defence if the European Council unanimously so decides. If we want to achieve that goal we must examine what added capabilities and processes (and possibly new structures and institutions) the EU needs to develop, in order to be-

come a relevant and credible global actor capable of acting decisively with unity of purpose, action and command.

How to further develop

European defence capabilities?

In order to further develop the European defence capabilities in accordance with article 18.2 of the ToL, the High Representative/Vice-President (HR/VP) is already mandated by the Council to carry out the Common Foreign and Security Policy (CFSP) of the Union and contribute through her/his proposals to the development of that policy. To implement this, in view of the new challenging security environment, the office of the HR/VP should be further reinforced and restructured and coordinate the actions of the EU-Commissioners in charge of related portfolios. Within the present legal framework these actions will be limited to stimulating, coordinating and financing bi- and multilateral cooperation among MS's. In particular, the ideas of pooling and sharing of existing capabilities, intensifying cooperation in re-equipment programs and supporting the development of an independent European defence industry have to be stimulated. Budgetary decisions, operational planning, concepts and doctrines, recruitment, common training and education facilities, support for defence programs by MS and development and acquisition of equipment ought to follow this logic.

However, the logic of EU strategic autonomy and the urgency to create stronger and more effective and complementary EU defence and security capacities, will also require to put a focus on the development of complementary common and interoperable EU capabilities. By so doing at EU level these capabilities will increase as required, reducing the fragmentation of European defence industry while respecting national interests. It has to be determined what functions, capabilities and capacities will be required at the EU level. At the same time obligations vis-à-vis non-EU allies such as the UK and Norway and NATO should continue to be honoured.

Addressing those issues, it will be possible to get quantitatively limited, but qualitatively powerful European capabilities, complementary to national capabilities. These capabilities could be common, shared or pooled or just for individual MS. Pooling and sharing of capabilities of MS is a concept that has already been implemented for many years at the intergovernmental level. Recently, a number of new initiatives for improving interoperability, competitiveness, innovation and defence technological and industrial development have been launched.

In reply to new challenges and threats specific to Europe and in the spirit of the development of a shared European sovereignty, MS could decide in the further future to adapt and transform their own capabilities to this evolution and to transfer more defence responsibilities to the European Union. To this end, it is necessary to explore new avenues and to determine different options at short, medium and long term.

All the proposals in the following paragraphs aim to contribute to the strengthening of EU's strategic autonomy, and will make it possible in future for the EU to:

- provide quick and coordinated action in case of an emergency;
- maintain a balanced EU-Atlantic link;
- reduce EU dependency in defence and security matters and create a strategic interdependency among MS;
- develop with and among MS solidarity and mutual assistance tools;
- increase efforts for more and stronger capability projection and external action up to coercive action;
- Keep up and follow up development of relevant latest technologies;
- Develop links with non-EU countries or organisations to improve defence and security in depth.

Without EU foreign policy no EU defence strategy!

The Common Foreign and Security Policy (CFSP)

Until now, the EU has been unable to take unanimous decisions on most major foreign policy issues, which has contributed to the weakening of the Union as a global power. To correct this, some are convinced that the MS together will benefit if critical international issues are handled by the EU on behalf of MS, as is currently the case for external trade relations. The basis of the EU is the Common Market that unifies the EU-internal trade relations on behalf of the MS. Of course, internal trade policy appears to be distinct from foreign policy, but in the present geopolitical arena external trade policy includes the need to deal with trade wars, sanctions, boycotts, international finance, industrial espionage as well as defence strategy.

It is obvious that a unified EU has a stronger position vis-à-vis global competitors than each of the MS individually. Given the dual-use character of most technical innovations, mainly during the early stages of their development, EU trade policy is implicitly part of EU-foreign and security policy. According to the ToL the HR/VP and the President of the Commission do not have a mandate to decide themselves on Foreign Policy. This is the prerogative of the Council of Foreign Affairs, and of the European Council in certain matters and unanimity is still required for decisions on foreign policy. It is very unlikely that the 27 members of the Council will all agree on the critical and sensitive issues of international EU policy, be it regarding China, Iran, the USA, human rights, illegal immigration, pandemics, energy or climate change.

The Common Foreign and Security Policy (CFSP) will remain an empty shell unless the HR/VP, the Commission, the Council and preferably also the Parliament will initiate discussions resulting in a common denominator of European core values, norms and interests that deserve to be internally

and externally collectively promoted and protected.

Once this has been accomplished it could be the basis of a more effective CFSP that will enhance EU security. However, this CFSP will not be an EU defence strategy or doctrine; that requires a separate Common Security and Defence Policy (CSDP).

Although unanimity in the Council is required for decision-making regarding the CFSP, there are several ways to stimulate an EU foreign policy that can make the EU to pull its real weight, react with speed and efficiency and strengthen the resilience of the EU. The dynamics of contemporary conflicts require a swift response so as to prevent initiation or escalation to promote human security and to pursue EU strategic interests.

At present Art. 31 (2) of the ToL already enables the Council to decide by qualified majority in certain predefined cases. Art. 31 (3) allows the European Council to decide (with unanimity) on the areas in which CFSP-decisions may in future be taken through Qualified Majority Voting (QMV). It has already been proposed by the Commission to apply QMV to foreign policy areas such as Human Rights questions, sanction regimes and civilian missions, which do not have military or defence implications to comply with Art. 31 (4).

It is essential that the European Council builds on that experience and decides unanimously that in the future most foreign policy decisions by the Council will be taken based on the existing QMV definition but it will be extremely difficult to convince all MS to agree on taking decisions through QMV. For those MS that have objections to QMV because it will reduce their influence and autonomy, an important aspect to keep in mind is that a MS voting against a certain proposal will still be allowed to follow their own national foreign policy even if it (regrettably) conflicts with the proposed EU position. When the QMV principle will be applied it is vital that MS, including those who voted against

the decision, should consistently demonstrate solidarity, experience having shown that QMV decisions are vulnerable to challenge; a code of conduct on the use of QMV should be considered. To make the QMV procedure more acceptable and accountable, foreign policy decisions resulting from QMV could be reviewed in a democratic process by the European Parliament (EP). It should be emphasized that the proposed QMV procedures discussed in this paragraph are only related to CFSP (foreign policy) issues. Decisions regarding the launching of military operations under the CSDP will be discussed separately.

A rapid decision process is provided through art. 30.2: *“In cases requiring a rapid decision the HR/VP, of his own motion or at the request of a MS shall convene an extraordinary Council meeting within 48 hours or, in an emergency, within a shorter period”*.

Although the procedure facilitates rapid decisions, unanimity is still required and even more difficult to obtain.

Summarising we conclude that EU foreign policy (CFSP) can only become the basis of an EU strategy if it is based on a common understanding of geo-political reality, a shared realistic and credible set of EU core values, norms and political principles and a clear policy in case of emergencies and external threats to our citizens, territory, values and interests.

Furthermore, decision making on EU foreign policy should be based as much as possible and within the spirit of Art. 31 (2) of ToL, on QMV to avoid a systematic stalemate. Once this has been achieved, the CFSP can serve as the foundation and motivation for an improved EU Security and Defence Policy (CSDP) regardless of the content of Art.31 (4) of ToL.

Fortunately, the legal basis for QMV in foreign affairs and defence matters already exists; it is now a matter of mobilising political will and vision to put it into practice. Once there is agreement among MS on CFSP, CSDP and a

credible EU defence organisation, a minor change that could have a major impact could be to change the title of the HR/VP.

A Common Security and Defence Policy

For an in-depth analysis of the CSDP we refer to a number of publications on CSDP requested by the Sub-committee on Security and Defence of the European Parliament. (Policy Department for External Relations, January 2020)

The CSDP is until now an EU's institutional framework for security and defence issues outside the EU, but it should also cover aspects of security and defence inside the EU, especially for resilience issues. This should not be seen as a duplication with NATO but rather as a necessary complementarity.

Although defence has always been considered the last bastion of national sovereignty, it is unavoidable to reconsider this position and increase our efforts for EU strategic autonomy. The existing urgency has been increased by the present pandemic in addition to several developments: EU internal political dynamics, fundamental changes in the relations between major global actors, threats and risks from the EU neighbourhood (terrorism, instability, illegal immigration, failing states, etc.), the gradual withdrawal of US Forces from Europe and consequences of Brexit.

To be more specific: what if the conflict in Ukraine extends to Poland and Romania? What if the Northern Sea Route is the area of combat between Nordic countries and Russia? What if Turkey invades Cyprus, after serious clashes at sea due to gas exploitation? What if France decides to withdraw troops from the Sahelo-Saharan region? What if a huge disaster happens inside a MS with security consequences?

Ideally CFSP, deriving as well as CSDP from the EU Global Strategy (EUGS), should have generated a response to these potential challenges, as the basis of an EU defence strategy, but this has

simply not happened. This is no reason to postpone thinking about strengthening the EU defence organisation and its functions, capabilities and capacities; on the contrary.

Until now almost all measures taken and programs created by the EU to improve its defence capabilities have been based on bi- and multilateral defence cooperation among MS.

Progress has been supervised by the EP, Committee on Foreign Affairs (AFET), and the Sub Committee on Security and Defence (SEDE). The HR/VP is responsible for CFSP and for the coordination of all defence related organisations and activities.

He/she also supervises the External Action Service (EEAS) and within the EEAS which includes the Civilian Planning and Conduct Capability (CPCC), the Crisis Management and Planning Directorate (CMPD) and the EU military staff (EUMS) including the Military Planning and Conduct Capacity (MPCC) and the Joint Support and Coordination Cell (JSCC).

The EU Global Strategy on Foreign and Security Policy (EUGS-2016) endorsed in June, 2016, was intended to reinforce the CSDP. By November 2016 the HR/VP presented the Implementation Plan on Security and Defence (IPSD) setting out three policy priorities: 1) responding to external conflicts and crises 2) building capacities of partners 3) protecting, the EU and its citizens through external actions. The IPSD was supposed to deepen defence cooperation, establish and start PESCO, strengthen rapid response planning and conduct of missions and enhance CSDP partnerships. Coherently, at that very month of November 2016 the Commission launched the European Defence Action Plan (EDAP) proposing the establishment of the European Defence Fund (EDF) intending to create a real single, strong, competitive and innovative EU defence market with a defence industry that will be able to better respond to the needed defence technologies and capabilities in

support of EU strategic autonomy development.

All this was intended to assist MS to work together more effectively. The Coordinated Annual Review on Defence (2017-CARD) and the Military Planning and Conduct Capability (2017MPCC) should have enhanced these efforts. The synergy of the activities of EDA, CARD, Permanent Structured Cooperation (PESCO) and the European Defence Fund (EDF) in coherence with the Capability Development Plan (CDP) and NATO Defence Planning Process (NDPP), should enhance MS national defence capabilities and achieve better cooperation, coordination and interoperability as well as strengthening a competitive and innovative European defence technological and industrial base. Expensive programs for capabilities such as satellites, drones or transport and logistic facilities could be selected as new complementary EU capabilities and EU projects.

There is an almost endless flow of new initiatives, but there is still no rapid decision-making capacity and no developed single capacity for immediate crisis response. The unanimity requirement for decisions to launch a CSDP mission as well as the time consuming generation conferences is one reason why CSDP initiatives often require complicated and lengthy decision-making processes, while divergent interests among MS are another reason.

According to the referred to "EP In-depth Analysis" there are three challenges to improve EU defence:

1. to ensure coherence between these EU initiatives, coordination is required of the EU strategic objectives, the ambitions and the planned industrial projects; for this reason, the EP has recommended an EU Security and Defence White Book to define an overarching strategic approach to EU defence; (At present, there are four planning instruments, EUMS, EDA/CDP, CARD and PESCO in addition to the foreseen EDF tool)

2. to prevent compartmentalisation between defence policy and market, strategy and industry; and

3. to translate EU's ambition level into military requirements and tools.

Conclusions on the present state of the EUGS, CFSP and the CSDP

These three challenges of the CSDP are all aiming at improving present practices within the present legal and organisational framework within the context of the present CFSP and CSDP. In our opinion this does not address the fundamental flaws in the EU defence structure:

1. For the time being, the European Union Global Strategy (EUGS), is not a Strategy in the classical sense, because it does not relate means directly to political ends. Nor does it ascribe priorities to challenges, risks and threats, nor identify obstacles or antagonists in examining possible response options. Some crucial elements of a full-fledged strategy are therefore missing. Even if the present document was intended as such, the EUGS cannot be considered a strategy in the strict sense, because in the EU the operational decision to employ and control military or constabulary force, once the decision in principle has been taken is, under the current legal framework, not up to the EU per se but to the MS.

2. There is no agreed comprehensive EU foreign security policy as basis of a common defence policy and an EU defence doctrine while there are also incompatible national attitudes to the use of force. This does, however, not necessarily mean that MS will not support an EU defence doctrine that is not completely compatible with each and every MS attitude at a given moment in time.

3. There is insufficient decision-making capability to respond adequately and immediately to an external security crisis; there are not enough effective decision tools to assume solidarity and mutual assistance between MS; there is no satisfying procedure for democrat-

ic control of CSDP operations by the EP and MS.

4. There is no substantial financial incentive for MS to participate in EU military operations, particularly in the MS-Battlegroups.

5. There is insufficient operational EU defence capability for immediate deployment to fill the gap between a possible crisis and the mobilisation of MS capabilities (gap between early warning and early action).

6. Despite the merits of CARD, at present there is no alignment of the planning of national capacities and capabilities of individual MS. Clearly defined CFSP and CSDP are required as well as one central authority to plan, coordinate and supervise national defence efforts, that will be pooled on a voluntary basis.

7. Conflicting interests of MS can hamper the effectiveness of combined EU operations outside EU borders if there is no EU identity and command.

8. There is no EU defence doctrine that can clarify the position, the relationship and responsibilities between MS among each other, among MS vis a vis the EU and of the EU itself. What can 'partners in defence' expect of each other? Are MS prepared to voluntarily commit in advance capabilities for EU operations within the context of the agreed CFSP and the CSDP?

9. Finally: notwithstanding all the present programs, organisations and capabilities, the EU as a Union does not have enough immediate effective military answers towards immediate threats in order to protect its citizens, territory and interests.

A proposal for strengthening EU security and defence capabilities

What do we need? In this chapter we present a number of recommendations.

1. Decisions by the EU Council: The European Council will have to

decide unanimously on at least two fundamental issues:

Strengthening the EU defence organisation complementary to MS defence organisations. - Defining what CFSP and CSDP issues will be executed on the basis of QMV and no longer on consensus basis. In view of the urgency of these decisions a “what if not” strategy should also be considered, to allow for a later decision by the European Council to this effect.

2. A fully completed

CSFP/CSDP suited to develop all the instruments proposed in the ToL, especially in the Title V, art. 31, 42.7, and 44 and, in the Treaty on the Functioning of the EU Title 7, art.222.

3. A pro-active CFSP explaining in detail what the EU stands for and what is its policy in case of internal or external emergencies and threats for our citizens, territory, values and interests.

4. An EU defence doctrine A military doctrine explaining how the MS capabilities together with the EU capabilities under one command structure can operate effectively while respecting the sovereignty of the MS and within the context of the CFSP and the CSDP. The EU defence doctrine shall specify how to protect and defend EU territory, its citizens and its interests. The doctrine shall explain the responsibilities of the EU defence organisation and how the MS will commit voluntarily a part of their capabilities at the EU level on a stand-by but committed basis for future EU missions. The doctrine shall include the role of NATO in EU defence and explain how both organisations can be of mutual benefit and how they can strengthen each other.

5. Control Adequate parliamentary “posteriori” control on decisions taken and their execution.

6. Wider use of QMV It is a procedural requirement that the European Council first unanimously decides to apply QMV to matters of EU foreign policy and defence and security, because the EU cannot conduct a serious foreign

policy if any MS has the right to veto and block decisions. At present the Commission has already proposed to apply the “passerelle clause” of the CFSP in Art. 31.3 of the Treaty, and in compliance with Art. 31.4, to extend QMV to matters of human rights questions, establishing sanction regimes, launch or implement civilian missions in response to external crises. A further extension of QMV will be required. The creation of an European Security Council (ESC) will bring focus. For a start QMV could be applied to selected matters such as: a request by a MS for EU assistance against a foreign aggressor: a request by a MS for assistance against a foreign threat outside the EU; enforcing EU sanctions.

7. Establishment of an European Security Council, ESC The European Council of government leaders has responsibility for all aspects of the EU. These leaders meet periodically. The EU Council should mandate an European Security Council to continuously follow the EU security and defence situation, to take immediate decisions in case of an emergency and to provide permanent political guidance. Various proposals for a permanent ESC have already been made (e.g. Franco-German declaration Meseberg, June 2018). The ESC derives its authority from its mandate from the European Council. The European Council will have to endorse the CFSP, the CSDP and the Defence doctrine, thus constituting the complete framework for the Union to navigate in security matters vital for its existence.

8. Establishment of a Defence Council A separate Defence Council has to be established composed of the ministers of defence under the authority of the HR/VP, going beyond the present hybrid Foreign Affairs/defence format. Although the Foreign Affairs Council is already functioning as Defence Council, this Defence Council should focus especially on the military aspects of the European Council decisions, on budgetary aspects of operations, on equipment programs and on the development of the permanent de-

fence organisation within the EU. The Defence Council will coordinate its supervision with the Commission, in particular regarding decisions related to the European Defence Fund (EDF) and PESCO projects benefitting from the EDF.

9. Introduction of an EU Security and Defence White Book The European Parliament has already requested this in 2018 to define an “overarching strategic approach to EU defence”. Within the context of our proposals the purpose of the White Book should be to identify the implications of the EU Grand Strategy, the CSDP and the EU military doctrine vis a vis the efforts of the MS. To be more specific:

a. A common understanding of the current and future challenges and threats to Europe and a common agreement on how to address them, including timetables.

b. What capabilities are needed at the EU level in order to be able to fill the time- and capability-gap between immediate crisis and a combined MS response.

c. What capabilities are now and will in the future become available in MS and to what extent are MS prepared to (pre-) commit these capabilities for combined EU operations.

d. What defence capabilities for the EU will have to be developed either in one or more or combined MS or at the EU level?

e. The role of NATO in the framework of EU defence

10. Creating a more robust defence structure under the HR/VP The HR/VP should organise his/her department(s) in such a way that:

a. there is one permanent single military/civilian operational HQ, including the so-called EU-OHQ, to plan and conduct simultaneous EU operations;

b. It can provide dedicated military command for EU operations, including executive operations with

the mandate to plan, coordinate, stimulate and supervise MS defence efforts devoted to EU operations;

c. It has the authority and ability to give a warning order to stand-by MS-battlegroups in case of an emergency; it is understood that the required national procedures have been completed in advance of the pre-commitment of national capabilities.

d. In order to enable the HR/VP financially to create and operate the proposed defence structure a new finance system for the EU defence organisation will have to be established.

e. this department/organisation can align, coordinate, plan, stimulate and supervise MS defence capabilities and programs, educate and train personnel and conduct combined civ/mil exercises on crisis management;

f. EU military command is responsible for common EU capabilities as well as for the (pre) committed MS capabilities at the instant these have been transferred to EU command for a specific action and deployment; the permanent EU capabilities will not have ties with national governments; its personnel will wear EU blue badges; all this will have to be based, decided and organised in accordance with art. 42 of the ToL.

g. it can define areas where there is a need for common EU capacities, in close relationship with the Pesco initiatives (which should moreover include common military operations), such as expensive programs for satellites, drones, logistic facilities and laser technology as well as traditional military equipment.

11. Financial aspects:

a. Creating EU capabilities complementary to MS capabilities will require an important increase in the EU security and defence budget as part of the MFF . As a consequence of the present Covid-19 crisis this will be hard to accept by MS. However, relatively small contributions by all MS for this purpose can compensate for

(likely)reductions in their national defence budgets in the coming years. Investment in EU capabilities is expected to be more effective and efficient than investments in each individual MS defence program, and it will also stimulate the continued defence-related co-operation and defence industry efforts within the EU.

b. More EU-funding will be required for current and new project-proposals through the European Defence Fund, EDF joint research and industrial development projects.

c. Additional common funding will be required for funding for the preparation and the projection of MS-battlegroups. The ATHENA finance mechanism should be adapted or replaced accordingly

d. EU operations should be funded by the EPF, as was proposed by the HR/VP in 2018.

e. EDF can finance and facilitate the development of a more efficient and less dependent European Defence Technological and Industrial Base (EDTIB) and increase the level of cooperation between MS and NATO in armament programmes (currently 20%). EDF can also facilitate the reduction of redundancies, useless duplication and the development of EU defence capacities and capabilities.

RECOMMENDATIONS ON EU DEFENCE
EURODEFENCE Policy Proposal on EU
Defence- 28-10-2020
[http://www.eurodefence.nl/nieuws/newinitiativ
eforsecurityanddefenceoftheeuropeanunion](http://www.eurodefence.nl/nieuws/newinitiativ
eforsecurityanddefenceoftheeuropeanunion)
Opinions expressed in this contribution are
those of the authors.

THEMEN

China-Pakistan Economic Corridor: Quo Vadis?

The China-Pakistan Economic Corridor (CPEC) provides China geostrategic access to the Arabian Sea and profitable projects for Chinese companies and finance institutions. Pakistan needs Chinese investment and technology to upgrade its infrastructure, especially in the energy sector, but CPEC has increased Pakistan's fiscal instability and opposition requests for more transparency.

In 2015, China and Pakistan signed the China-Pakistan Economic Corridor (CPEC) agreement connecting both countries with about 58 projects worth about US \$ 62 billion: 8 projects to develop Pakistan's Gwadar port, city and airport in Baluchistan, 21 coal, hydro and solar power plants, power transmission lines, highways, railways and a fibreoptic cable project.

China saw an economically prosperous and stable Pakistan as politically advantageous and wanted to create a geostrategic connectivity corridor from its resource-rich Muslim Xinjiang province to Pakistan's Gwadar port. Gwadar is strategically important because of its closeness to the Strait of Hormuz, the cross junction of vital international sea shipping routes. For China, the construction and subsequent operation of coal fired power plants within CPEC were good alternative business opportunities for its state-owned enterprises abroad at a time when coal-fired power in China plant projects are being scaled down because of President Xi Jinping's stronger focus on sustainable power supply.

The previous Nawaz Sharif Government and the present Imran Khan-led government hoped that projects with Chinese technological know-how and money would help upgrade Pakistan's industrial infrastructure and revitalise its economic development. Pakistan's perennial power shortages and power transmission losses have been major challenges for every Pakistani government. Chinese built CPEC power plants were to provide a fast remedy. At Pakistan's request China's investments were predominantly in coal power plants. A tax-free Gwadar deep sea port was expected to turn it into a regional trade and transport hub. Be-

fore his election in 2018, Prime Minister Khan pledged to renegotiate CPEC projects. However, the majority of projects was continued.

PM Khan recently pledged “to complete CPEC at any cost” when he launched “CPEC Phase 2.0”. He also increased the military’s role in the CPEC governance by appointing retired army general Asim Bajwa in 2019 as chairman of the newly created CPEC Authority. Gen. Bajwa was tasked to push ahead with stalled CPEC projects. Even though Pakistan managed the COVID-19 pandemic comparatively well, its economy suffered. Work on CPEC has resumed since June 2020 and new contracts were recently signed for two hydro-power and a railway project worth US\$11 billion. On November 17, the controversial CPEC Authority Bill was passed by a parliamentary Committee granting the military comprehensive powers and reducing the role of civilian government.

Progress so far

Information on the progress of CPEC projects is opaque. Some projects have been subdivided into different stages, some shelved or are still without financial closure. Observers guess that a quarter of the projects have been completed, among them nine power projects (worth US\$7.9 billion). Nine projects (worth US\$ 9.5 billion) are being constructed (4 coal power, 4 renewable energy plants and a coal mine). The Gwadar projects are advancing, the Lahore Metro line and part of the Peshawar-Karachi Motorway have been completed.

Main problems

Pakistan faces a vicious cycle of high debt liabilities. Its total debt and liabilities surged to 106 % of GDP in 2020 since PM Khan took office. Domestic debt has risen by 35 % to about US\$ 135 billion. Its foreign reserves have fallen to US\$ 13 billion. In 2019 the International Monetary Fund (IMF) approved a \$ 6 billion loan but demanded “decisive fiscal consolidation to reduce public debt”. In March 2020, PM Khan asked China for a moratorium on its loans to mitigate the economic impact of the COVID-19 pandemic. China announced on 7 June, 2020, a suspension of debt repayment for 77 developing countries, including Pakistan, under the G20 Debt Service Suspension Initiative until December 2020. Pakistan also borrowed US\$ 1 billion in 2020 from China to refinance a \$ 6.2 billion loan it had secured from Saudi Arabia in 2018. Pakistan received US\$ 4.205 billion from the IMF, ADB, World Bank and Asian Infrastructure Investment Bank to tide it over the pandemic. It is estimated that

Pakistan owes China between US\$ 22 billion and US\$ 30 billion, constituting the largest portion of its external debt it owes to one country. A dangerous debt spiral is looming.

The Sharif government’s decision to switch from oil to coal was problematic. 70 % of all the CPEC power plant projects are coal based. Coal usage is projected to rise from five million tonnes in 2015 to 15 million in 2020, and imports will also rise. At a time when President Xi has pledged that its greenhouse gas emissions would peak by 2030, Pakistan’s commitment to reduce its greenhouse gases under the Paris Agreement will be difficult to achieve.

Most CPEC power plants are based on the Chinese BOOT “build, own, operate, transfer” model. Chinese ownership will be transferred to the Government of Pakistan after 30 years of operation. This raises transparency and accountability questions. Following recent electricity price hikes, a government committee reviewed the role of Independent Power Producers and found serious “malpractices” like inflated operating costs and high annual profits. Pressure is mounting on Pakistan’s PM Khan by the newly founded opposition “Pakistan Democratic Movement” to ensure efficacy and transparency of CPEC projects.

For years, Baluchistan separatists and insurgents have been fighting the government. CPEC projects have become targets and are increasingly unpopular in Baluchistan. Benefits of the big Gwadar projects don’t seem to have trickled down to the local population of an historically underdeveloped province. The Pakistani army launched major security operations but seems to have been rather heavy-handed in its approach. Alleged extrajudicial arrests by the military have resulted in a loss of confidence in the government.

With Gen. Bajwa as CPEC chairman, the military won an important comeback in running civilian projects and effectively took a greater influence over the Authority and CPEC projects. This has weakened civilian and political oversight of the country’s most important development projects and financial commitments and given rise to collusion accusations. China has been supportive as it hoped that a greater military role also meant a more efficient and expedited execution of CPEC projects together with the Chinese companies involved.

Five years after the start of CPEC, Pakistanis demand greater transpar-

ency and accountability. It is in the mutual interests of both governments to ensure that tangible benefits reach the Pakistani population soon and that greater transparency is achieved. Pakistan’s fiscal and economic woes, compounded by the effects of the pandemic, do not leave much room for manoeuvre.

Dr. Anne-Marie Schleich

Dr. Anne-Marie Schleich was a German diplomat who has served in Islamabad, Singapore, Bangkok and London. She was most recently Consul-General in Australia and German Ambassador to New Zealand. This article was previously published by the Institute for Strategic, Political, Security and Economic Consultancy, Berlin and by RSIS Commentaries, Singapore. This article was first published in The Straits Times, Singapur, November 2020. Opinions expressed in this contribution are those of the author.

THEMEN

Recommendations of the Participants of the Expert Dialogue on NATO-Russia Military Risk Reduction in Europe

The importance of the Recommendations and the urgency of the measures, which the Group offers, are reflected in an unprecedented number of the 145 signatories. Among them are 16 former ministers of international affairs and defence, 24 ambassadors, 27 retired Generals and Admirals, well-known experts from 55 universities, research institutes and centres.

Executive Summary

This group of experts from Russia, the United States and Europe held 15 online-seminars on NATO-Russia Risk Reduction in summer and fall of 2020 and offer the following ideas:

To maintain strategic stability, we look forward to immediate action to extend the New START Treaty for 5 years.

At the same time, we are concerned by the deterioration of the European security situation in re-

cent years. The nuclear and conventional arms control system that took decades to build is rapidly unraveling, with nothing to take its place. Incidents in the course of military activities which bring Russian and NATO forces into close proximity are worrisome in their own right and run the risk of escalation. While members of our group differ over the root causes of the crisis, we are concerned that as tension builds between Russia and NATO, a real military confrontation becomes an increasing danger.

Given this situation, we call upon our countries' leaders to demonstrate the political will necessary to take a number of urgent actions in order to reduce the risks of military conflict. These military and security actions should be pursued whether or not we make progress in reducing the serious political disputes among our countries. Indeed, these steps can contribute to an atmosphere, in which resolution of those difficult political issues becomes more achievable.

We propose a set of measures, recognizing that not all of these steps will be immediately feasible. The detailed recommendations below address the following areas:

1. Re-establishing practical dialogue between Russia and NATO, including direct contacts between the military commanders and experts of Russia and NATO member states.
2. Developing common rules that will reduce the risk of unintended incidents on land, air and sea.
3. Enhancing stability by increasing transparency, avoiding dangerous military activities, and providing dedicated communication channels that would avoid escalation of incidents that might occur.
4. Utilizing (and possibly supplementing) the 1997 NATO-Russia Founding Act to codify restraint, transparency and confidence-building measures.
5. Exploring possible limitations on NATO and Russian conventional

force deployments in Europe to enhance transparency and stability.

6. Establishing consultations between Russia and US/NATO on the topics of intermediate-range missiles and ballistic missile defense, in order to prevent a new nuclear missile race in Europe.

7. Preserving the Open Skies Treaty.

*Institute for US & Canadian Studies,
Institute of Europe of the
Russian Academy of Sciences*

The Institute for US and Canadian Studies and the Institute of Europe of the Russian Academy of Sciences, co-organisers of the project. The document has been published on the websites of both institutes on 7 December 2020. Opinions expressed in this contribution are those of the authors.

IMPRESSUM

Denkwürdigkeiten

Journal der
Politisch-Militärischen
Gesellschaft e.V.

Herausgeber
Der Vorstand der **pmg**

Redaktion
Ralph Thiele (V.i.S.d.P.)
Tel.: +49 (221) 8875920
E-Mail: info@pmg-ev.com
Webseite: www.pmg-ev.com

Die **Denkwürdigkeiten** erscheinen mehrfach jährlich nach den Veranstaltungen der **pmg**.

