

To the President of the
House of Representatives of the States General
Binnenhof 4
The Hague

Date 5 October 2020

Re Government response to AIV advisory report 'European Security: Time for New Steps'

This letter presents the government's response to advisory report no. 112: 'European Security: Time for New Steps' by the Advisory Council on International Affairs (AIV).

The government would first like to express its appreciation for the analysis and recommendations presented by the AIV within a short timeframe. The report will help the Netherlands define its position in greater detail and is well timed with a view to the further development of European security and defence policy in the coming period. Below the government responds to the report in general and then specifically addresses the AIV's 10 recommendations.

The government would also refer to the Defence Vision 2035 and the forthcoming government response to the evaluation of the Common Security and Defence Policy (CSDP) from 2016 to 2019 by the Ministry of Foreign Affairs' Policy and Operations Evaluation Department (IOB), which cover similar themes and mirror the present response in key areas.

General

The central thrust of the AIV's report is that the Netherlands ought to review its role and position in the European security architecture in the light of Europe's increased vulnerability, the United Kingdom's departure from the European Union and the change in the United States' stance. The need for European countries to take responsibility and act autonomously is growing. It is time for new steps. The AIV therefore urges the government to contribute proactively to the further development of European security and defence policy.

Among other things, the AIV further notes that the Netherlands adheres to a traditional division of tasks between NATO and the EU, and that this is outdated. The EU needs to increase its capacity to act in order to be able to defend its own interests. At the same time, NATO also needs to be strengthened. The AIV advocates an overlap between NATO and the EU so as to ensure that at least one of them will swing into action if the need arises, and it believes that the European countries need to substantially increase their defence spending.

Government response

The Netherlands' position regarding the EU's role in the European security architecture has evolved and become more ambitious in recent years. The government favours a two-pronged approach that focuses on strengthening both the EU's Common Security and Defence Policy (CSDP) and NATO. Alongside our bilateral and multilateral cooperation, these organisations play a vital role in European security and thus in the security of the Netherlands.

The importance of the EU's CSDP has gradually increased since the end of the Cold War and in recent years has gathered momentum, especially in the area of defence cooperation. The government's approach to and stance on the CSDP is not only realistic and pragmatic but also positive and proactive.

This more positive approach to the CSDP was prompted by the developments described by the AIV: the deterioration of European security as a result of new threats, fundamental geopolitical shifts, Brexit, changes in the transatlantic relationship and other factors. The government endorses these observations.¹ Since 2014 in particular, the Netherlands and Europe have been confronted with a rapidly changing and deteriorating security environment. The United States has shifted its attention to Asia, a change of policy initiated by President Obama and continued, with a different tone, by President Trump. The tensions between the United States and China also have implications for European security. As a result of these developments, Europe is becoming increasingly vulnerable, and COVID-19 appears to have further exacerbated this trend. The increasingly interwoven nature of the various threats requires an adaptive approach to security and security-related instruments, a global search for new partners and credible collective action on the part of Europe, all without losing sight of the fundamental importance of the transatlantic relationship. The current security context calls for a collective response in which the EU and NATO, but also organisations such as the UN and the OSCE, are able to reinforce and complement each other on the basis of their own unique strengths.

Due in part to the changing context, the EU has taken important new steps to strengthen the civilian and military dimensions of the CSDP since 2016. The foundations for strengthening the CSDP were provided by the Global Strategy for the EU's Foreign and Security Policy (EUGS) of June 2016. Several new initiatives were launched in the subsequent months and years: the Coordinated Annual Review on Defence (CARD), Permanent Structured Cooperation (PESCO), the European Defence Fund (EDF), the European Peace Facility (EPF), the Military Planning and Conduct Capability (MPCC), military mobility and the Civilian CSDP Compact.² The Netherlands has consistently played a proactive and constructive role in this area and has often taken the initiative. In this way, important steps have been taken to help reinforce cooperation between the member states in the

¹ As previously noted, for example, in the Interim Report on the Integrated International Security Strategy (GBVS) (Parliamentary Paper 33 694-57), the State of the Union 2020 (Parliamentary Paper 35 403-1) and the government's response to a policy proposal submitted by MP Salima Belhaj (Parliamentary Paper 35 189-5).

² An overview of the main new initiatives and instruments developed in the framework of the CSDP since 2016 appears in annexe I.

area of the CSDP. The design and the building blocks of an ambitious CSDP are ready. The task now is to put this policy into practice.

In the coming period, the government will therefore focus on pursuing the ambitious implementation of these instruments, enhancing the coherence between them and achieving concrete results. It regards the further development of EU structures, processes and concepts for the benefit of civilian and military missions and operations, capacity building and command-and-control structures, including the reinforcement of the MPCC, as essential. The Strategic Compass,³ the evaluation of the MPCC (see recommendation 6) and the discussion on the operationalisation of article 42(7) of the Treaty on European Union (TEU, see recommendation 5) all provide tools for this purpose, and the government will make use of them. In this connection the government embraces the AIV's recommendation to play a positive and proactive role in this area and in doing so to align itself closely with Germany and France.

At the same time, it is important to remain realistic about the European countries' capacity for military action. Although the EU carries out various types of missions that contribute to Europe's security, it is not yet able to independently mount and sustain large-scale military operations at the high end of the spectrum of force. This is because the European countries, even including the United Kingdom, lack the necessary military capabilities, striking power and sustainability for most deployment scenarios. In this sense, as the AIV also points out, there is a significant gulf between the EU's politico-strategic ambitions, as set out in the EUGS and the Military Headline Goals (including the ability to deploy 60,000 troops in 60 days), and the current reality, including with respect to Europe's strategic transport capability, its maritime assets and its medical evacuation capability. There is a need for long-term political clarity that ensures a good balance between policies and budgets. That is a task for future governments.

The Netherlands continues to attach great importance to a strong NATO and close security cooperation with the United States, which together have formed the cornerstone of Dutch security policy since the end of the Second World War. Their importance has only increased in the light of such challenges as the increased threat emanating from Russia and threats along the southern flank of the North Atlantic Treaty Area. As the AIV notes, the US security guarantee is indispensable for Europe's security, especially as regards collective territorial defence. The government views NATO as the primary security organisation for collective defence, both now and in the future. Realistically speaking, the EU is not equipped to perform this task for the foreseeable future. That is also the government's guiding principle when it comes to the further operationalisation of the EU's mutual defence clause (article 42(7) TEU, see recommendation 5).

The European Allies need to contribute to NATO in a credible way, in the form of cash, contributions and capabilities, in order to strengthen the Alliance and be

³ The Strategic Compass, which will be developed between the current German EU Council Presidency and the French EU Council Presidency in the first half of 2022, is meant to set specific, time-based priorities for crisis management and capacity development on the basis of a shared threat analysis. This will enable member states to make the right choices, for example in the context of PESCO, the EDF and the evaluation of the MPCC, on the basis of shared priorities. See, inter alia, Parliamentary Papers 21 501-28-203, 21 501-28-206 and 21 501-28-208.

better able to independently guarantee Europe's security in the future. In practice, the United States makes by far the largest contribution to NATO. In some cases, it actually provides more than the maximum 50% of certain required capabilities. It will require a sustained effort from the European countries and Canada to even come close to contributing 50% of the Alliance's capabilities. The EU member states that participate in PESCO have accordingly committed themselves to regular increases in their defence spending.

The government agrees with the AIV that the Netherlands should not fixate on either NATO or the EU. Both organisations are important to our country's security. Increasing the European countries' capacity for military action will benefit both NATO and the EU. The recently established EU initiatives (see annexe I) play a key role in this area.

The EU can play a key role as an integrated security actor in the field of conflict and crisis management because it has an extensive and integrated collection of instruments at its disposal, as the AIV also points out. These instruments include conducting political dialogue and exerting political pressure, imposing sanctions, trade policy, a wide range of civilian crisis-management tools, development cooperation, conflict prevention, and so forth. The civilian dimension of the CSDP provides a significant and unique contribution to the integrated approach to security issues at the intersection of internal and external security. In addition, as described in the AIV's report, the EU is seeking to enhance its hard power so that it will eventually be better able to carry out military operations – where necessary independently – at the high end of the spectrum of force. The Netherlands fully supports this ambition.

For the record, it should be noted here that the Netherlands has only contributed to EU military missions and operations in a limited manner in recent years, although it has made a significant contribution to EU civilian missions. Any attempt to achieve an ambitious implementation of the CSDP should include a discussion on the Netherlands contributing its fair share to EU missions and operations.

An ambitious commitment to European security goes beyond the EU alone. In comparison with many other European countries, the Netherlands engages in close bilateral military cooperation with various countries, including Germany and Belgium. In addition, it actively participates in a number of multilateral European military cooperative frameworks, such as the European Intervention Initiative (EI2), the Joint Expeditionary Force and the Northern Group. This cooperation contributes to European cooperation at EU and NATO level.

In short, the government's objectives include a greater European capacity to act, a more balanced contribution to NATO by EU member states that are members of the Alliance *and* more robust operational action by the EU in all areas where the interests and security of the EU member states are at stake.

In this context, the government favours an output-oriented approach that relies on concrete measures to strengthen the CSDP and ensure that it produces results. At the same time, this approach must actively contribute to strategic discussions on the future of the European security architecture. The government's position is

based on a visionary and ambitious approach, combined with pragmatism and realism.

Within the EU, the strategic debate on the European security architecture is in full swing. As part of this process, shared definitions of the concepts used in long-term strategic perspectives, such as strategic autonomy and a 'European Defence Union', are being developed and discussed. The government is actively participating in these discussions.

NATO is currently also involved in a reflection process focusing on the medium-term future of the Alliance, with a particular emphasis on its political aspects. NATO-EU cooperation is a key focus area in this regard. It is expected that the recommendations of the Reflection Group and the related recommendations of NATO's Secretary-General to the heads of state and government of the NATO members will be clear by the spring of 2021.

Recommendations

- 1. The Netherlands would be well advised to align itself as closely as possible with the Franco-German initiatives for European security.*

The government fully agrees with the AIV that France and Germany are key players when it comes to European security, both within the EU and within NATO, and is acting accordingly. The Netherlands cooperates closely with these two countries – both bilaterally and multilaterally – in the area of military-operational cooperation as well as in policymaking. As a result of the United Kingdom's departure from the EU and its impact on the availability of CSDP capabilities and on coalition-building and decision-making within the EU, the position of France and Germany within the CSDP has become even stronger.

Franco-German initiatives are often the driving force behind progress at EU level. At the same time, the government firmly believes that other countries or coalitions of countries, such as the Benelux countries or the northern EU member states, can and should also play a significant role in the CSDP's design and further development. The Netherlands is a coalition country. As such, it often joins forces with other groups of EU member states, for example for the purpose of designing the institutional side of PESCO, creating the EDF, promoting the issue of climate change and defence, and developing initiatives to improve military mobility in Europe.

When it comes to policy-related activity within the EU, for example in connection with the establishment of PESCO, the Strategic Compass and the European Peace Facility, as well as in various PESCO projects and projects connected to the EDF's European Defence Industrial Development Programme (EDIDP), the government maintains close contacts with Germany and France at political and administrative level, and where appropriate contributes to the design and realisation of their initiatives. In this context, the Netherlands is sometimes able to play a constructive role by uniting the French and German positions. This is a two-way street. France and Germany also regularly participate in Dutch initiatives, such as the improvement of military mobility in Europe at both EU and NATO level. In addition, the Netherlands is making a significant contribution to the German-led EU Battlegroup during the second half of 2020.

In other forums, such as the European Intervention Initiative (EI2), and in the case of operational deployments, such as the European Maritime Awareness mission in the Strait of Hormuz, the government is also aware of the importance of cooperating closely with both France and Germany. In this context, the AIV refers to the increasing role of ad hoc coalitions that do not fall under the auspices of NATO, the EU or the UN, for example in Syria/Iraq, the Sahel and the Strait of Hormuz. The ad hoc nature of such coalitions, in particular the lack of existing structures and mechanisms for operational coordination and political control, means decision-making in this area is a time-consuming process. The government therefore endorses the AIV's recommendation that such coalitions should be embedded in existing structures where possible.

The AIV also mentions President Macron's offer of 7 February 2020 to enter into a strategic dialogue with European partners concerning the role of his country's nuclear weapons capability in European security. The government is open to the French proposal for such a dialogue. As a nuclear power, a NATO member and a participant in the P5⁴ discussions in the framework of the Non-Proliferation Treaty, France is a key player in the nuclear arena. This dialogue with France, which would focus on cooperation on security policy, could also be used to discuss steps in the field of arms control and non-proliferation. At the same time, it should be seen in the context of NATO's existing nuclear deterrent. The government believes that credible deterrence and dialogue are mutually reinforcing. As regards nuclear deterrence, it remains fully committed to NATO, not least in light of the Netherlands' own nuclear task within the Alliance. The Netherlands is not in favour of enhancing the EU's role in this area.⁵

2. The continued involvement of the United Kingdom is indispensable for the proper protection of Europe's security interests.

The government shares the AIV's view that the United Kingdom should remain involved in the European security architecture and the protection of Europe's security interests, even after Brexit, and is acting accordingly.

Although it is no longer a member state, the United Kingdom continues to share many security interests with the EU, and both parties would benefit from continued cooperation in this area. The government is therefore in favour of concluding cooperation agreements with the United Kingdom in the areas of foreign policy, external security and defence in the framework of the negotiations on the future partnership between the EU and the United Kingdom. Those agreements might cover such topics as UK participation in CSDP missions and operations, and broader external security issues such as information sharing and cooperation on sanctions. The political declaration on the future relationship provides a good foundation for this purpose.⁶ For the time being, however, the United Kingdom has decided not to discuss this issue in the context of the negotiations on its future relationship with the EU.

⁴ The P5 are the five permanent members of the UN Security Council (which are all nuclear powers): China, France, Russia, the United Kingdom and the United States.

⁵ See, for example, the government's response to the AIV's advisory report 'Nuclear Weapons in a New Geopolitical Reality', Parliamentary Paper 33 783-32.

⁶ See, for example, Parliamentary Papers 23 987-378 and 35 393-1.

The United Kingdom is and will remain a strategic military partner for the Netherlands. Both countries continue to cooperate closely on defence-related issues, both on a bilateral basis and in multilateral frameworks. They are therefore continuing to look for opportunities to deepen their bilateral cooperation. A Joint Vision Statement was drawn up for this purpose back in 2017. The UK/NL Amphibious Force is a good example of this ongoing close cooperation.

The United Kingdom and the Netherlands both participate in several informal multilateral forums, such as the European Intervention Initiative (EI2), the Joint Expeditionary Force (JEF) and the Northern Group. The government believes that such cooperation in informal bilateral and multilateral frameworks should not be underestimated, since it allows countries to promote cooperation with non-EU member states, such as the United Kingdom, and non-NATO countries. This encourages cooperation between European countries and between the EU and NATO, which leads to greater knowledge and understanding, the development of shared threat assessments, priorities and strategic cultures, and the promotion of closer cooperation and interoperability. Informal cooperation in bilateral and multilateral frameworks may thus serve as a precursor to closer cooperation within the EU and NATO.

3. The Netherlands should prepare a multiannual plan setting out a series of predetermined steps towards achieving NATO's 2% goal in 2024.

The agreement to work towards achieving NATO's 2% goal for defence spending remains as important as ever. Within the EU, in the framework of PESCO, the Netherlands has pledged to increase its defence spending on a regular basis. The Netherlands is and will remain committed to both agreements, as necessitated by the above-mentioned rapid transformation and deterioration of the security environment.

The Netherlands wishes to contribute its fair share to the Alliance and be a dependable Ally. The present government has taken significant steps to achieve this objective, raising the defence budget by €1.5 billion on a structural basis. In 2019, it made a further investment in the framework of the Netherlands' national plan on the Defence Investment Pledge.

At their summit meeting in Wales, the NATO countries agreed to increase their defence spending towards NATO's 2% goal. The Netherlands is expected to reach a level of 1.48% of GDP in 2021. This figure is linked to the expected development of the Dutch economy in the context of the COVID-19 crisis and the present government's increases in the defence budget. The average contribution of the European NATO countries will also continue to rise, to an estimated level of 1.8%. In relative terms, the Netherlands will still be one of the lowest contributors in 2021. In the absence of a change of course, this situation will persist until 2024. This is because most countries have announced spending increases, which will further increase the gap. The forthcoming Defence Vision 2035 will provide future governments with the necessary tools to design the Defence organisation of the future. Those governments can then consider the options. As far as the present government is concerned, investments should benefit both NATO and the EU as much as possible.

4. *The Netherlands should support the proposal to establish a European Security Council in order to enhance Europe's capacity for decisive action.*

The AIV urges the government to support the establishment of a European Security Council. Following the example of the UN Security Council, it would consist of a limited number of permanent members (Germany, France and the United Kingdom), supplemented by the NATO Secretary-General and the President of the European Council. Such an arrangement would facilitate swifter decision-making and ensure the United Kingdom's continued involvement in Europe's security.

The government shares the AIV's conclusion that European decision-making on security and defence matters does not always run smoothly. However, it is questionable to what extent a European Security Council would actually improve decision-making in this area. The EU's Strategic Compass and NATO's forward-looking reflection process are both expected to generate ideas for improvements. In addition, discussions on how to enhance Europe's ability to take decisive action in the framework of the CSDP have been taking place within the EU for some time. One potential solution, which the Netherlands supports, is to make more extensive use of the possibility of constructive abstention.

In addition, there are other forums that ensure the United Kingdom's continued involvement in the European security architecture. The United Kingdom is already involved in European strategic dialogues that are currently taking place in the framework of the E12, the Northern Group and, obviously, NATO. In addition, it is involved in informal meetings between NATO countries and EU member states that take place on an ad hoc basis. Relevant agreements could also be concluded in framework of the future relationship between the EU and the United Kingdom.

Although they may have suggested the idea of a European Security Council, it is important to note that Germany and France have so far not presented any detailed or concrete proposals in this regard. Moreover, this is not an issue that is currently high on the agenda of either country. The idea of a European Security Council, which in the words of the AIV would serve as a political playmaker and in which the United Kingdom would occupy a permanent seat alongside Germany and France but other countries would not, raises fundamental questions concerning the inclusiveness, transparency and democratic legitimacy of such a forum. It would not in any event be able to adopt decisions relating to military deployment, since that is and will remain the prerogative of the individual member states. On the face of it, the formula proposed by the AIV does not appear to have any added value in terms of the Netherlands' role in and influence on decision-making in the area of European security.

5. *During the EU discussions on the operationalisation of article 42(7) TEU, the Netherlands should strongly urge that this provision also be applied to hybrid threats and that the EU clarify what assets are available in the event of aggression.*

The government endorses the importance of devoting further thought to the operationalisation of article 42(7) TEU, which lays down the scope of the mutual defence clause. Pursuant to this provision, if a member state is the victim of armed aggression on its territory, the other member states have an obligation to

provide aid and assistance. The provision also states that NATO remains the foundation of collective defence for member states that are also NATO Allies. In order to prevent any misunderstanding, it is important to keep discussing all aspects of collective defence with NATO Allies that are not EU members, while bearing in mind the different powers and instruments at the two organisations' disposal.

The government believes that the discussion surrounding article 42(7) TEU should also be viewed in relation to article 222 of the Treaty on the Functioning of the European Union (TFEU). This article, which is known as the solidarity clause, focuses specifically on terrorist attacks and natural or man-made disasters.

The member states regularly discuss the application and implications of article 42(7) TEU. The Netherlands actively participates in these discussions. The future path of the operationalisation of this provision will be considered further in the run-up to France's EU Presidency in 2022.

The member states have already agreed to conduct exercises and simulations to come to a better shared understanding of the circumstances in which this provision might be invoked and what form mutual assistance might take. These exercises and simulations will also address hybrid and cyber threats.

Both NATO and the EU are developing instruments that will enable them to respond to hybrid and cyber threats. This too underlines the importance of cooperation between the two organisations and their respective members.

6. The Military Planning and Conduct Capability (MPCC) should be transformed into a headquarters for strategic and contingency planning in support of military missions, and should spearhead the implementation of any military tasks that the EU may – independently if necessary – have to carry out.

The MPCC was established in 2017 and was initially responsible for planning and conducting non-executive EU training missions, that is to say, military training missions. In 2018 it underwent further development,⁷ in part so that it would be better able to cooperate with the EU's Civil Planning and Conduct Capability (CPCC) in the framework of an integrated civil-military approach. In addition to a limited number of non-executive training missions, the MPCC should now also be able to plan and conduct one small executive mission of the size of an EU Battlegroup (max. 2,500 troops) (House of Representatives, 21 501-28, no. 181). The MPCC currently comprises up to 60 permanent staff members and 94 possible 'augmentees'. At the time of writing, the member states have filled approximately half the available staff positions.

Based on an evaluation of the MPCC that is expected to take place in 2020 and 2021, the EU will discuss its future development. The government is in favour of an expanded MPCC that works closely with the CPCC and is able to plan and conduct missions at military-strategic level. This would increase the EU's ability to independently conduct EU missions and operations, thus further enhancing its capacity to act.

⁷ See Parliamentary Papers 21 501-28-178 and 21 501-28-180.

The government accordingly intends to examine, with due regard for the results of the evaluation, how a strengthened MPCC could increase the EU's capacity to respond to the various stages of a conflict or crisis in an effective and decisive manner by launching CSDP missions and operations in the framework of an integrated approach.

In this context, the government believes that attention should also be devoted to shaping the MPCC's cooperation with NATO and strategic non-EU partners such as the United Kingdom. Unnecessary overlap with NATO structures should be avoided. The government is in favour of utilising the 'Berlin Plus' arrangements, under which the EU can make use of NATO command structures, but is also aware of the restrictions in this regard.

In the future, the MPCC could potentially also be deployed in support of missions or operations of smaller groups of member states (coalitions of the willing), as suggested in the AIV's advisory report and along similar lines to the 'Berlin Plus' arrangements within NATO. The government is willing to examine, in the context of the further development of the MPCC, how this might take shape.

7. The establishment of a European interparliamentary network to discuss defence plans and parliamentary decision-making procedures for the deployment of military units will enhance Europe's capacity to act.

The government endorses this recommendation of the AIV and advocates robust interparliamentary cooperation within the EU in the interests of democratic legitimacy and a strengthening of the role of national parliaments. It is up to national parliaments to put this into practice, for example in cooperation with the European Parliament. One example of such cooperation was the establishment of the NATO Parliamentary Assembly.

8. The establishment of a binding collective European defence planning process, the strengthening of Permanent Structured Cooperation (PESCO) in matters relating to the development, production and procurement of materiel and the allocation of sufficient resources to the European Defence Fund (EDF) are needed for coherent defence planning and materiel development at European level.

Since 2016, the EU has taken steps to improve and increase the coherence of the European defence planning process. The Coordinated Annual Review on Defence (CARD) and the Capability Development Plan (CDP) form a good basis for European defence planning. During its EU Presidency in 2016, the Netherlands played a key role in the establishment of CARD.

In due course, the Strategic Compass will lead to more shared priorities, thus facilitating a more collective and tangible European defence planning process. In this context, it is important that the EU defence planning process strengthen the NATO Defence Planning Process (NDPP) and vice versa. The Netherlands' objective is a high level of coherence and synergy between these two planning processes, and its priority is meeting needs that strengthen both NATO and the EU.

At present, participation in CARD is voluntary. The government shares the AIV's view that it should be made mandatory. It should be noted that CARD focuses

chiefly on identifying opportunities for closer defence cooperation, and its approach therefore differs from that of the NDPP. Imposing specific capability objectives on EU member states would be a new step, and it remains to be seen which EU instrument would best lend itself to this purpose. Besides CARD, the CDP or PESCO might also be suitable candidates. Generally speaking, the Netherlands believes that CARD should align with the NDPP as closely as possible, so that countries that are members of both the EU and NATO can focus on the shared priorities and capability shortfalls of both organisations. This is important not only from the perspective of efficiency and effectiveness but also given the scarcity of available capabilities and the lack of financial resources for the development of new capabilities.

Like the AIV, the government is in favour of strengthening PESCO in matters relating to the development, production and procurement of materiel. The aim of the binding PESCO commitments and the PESCO projects is to improve interoperability and advance standardisation. As the AIV rightly notes, the forthcoming strategic review of PESCO could be used to enhance the clarity and feasibility of the 20 PESCO commitments. This process could eventually result in the adoption of PESCO benchmarks. In principle, the Netherlands is not opposed to such benchmarks, which would enhance the clarity and feasibility of the commitments.

The government attaches great value to the European Defence Fund (EDF) as a tool for stimulating European defence cooperation in the field of research and development and boosting the competitiveness and innovative potential of the European Defence Technological and Industrial Base (EDTIB). The agreement concluded by the European Council on 21 July 2020 concerning the Multiannual Financial Framework (MFF) for 2021-2027⁸ sets aside a sum of €7.014 billion for the EDF. The current MFF sets aside a total sum of €590 million for equivalent activities: €500 million for the European Defence Industrial Development Programme (EDIDP) and €90 million for Preparatory Action on Defence Research (PADR). In order to take maximum advantage of the opportunities available to the Dutch defence industry and knowledge institutions in the framework of the EDF, the relevant ministries must provide co-financing. This is reflected in the ambitions of the revised Defence Industry Strategy (DIS) of 2018.⁹ The chapter on economic affairs and climate policy in the 2021 national budget reserves a sum of €20 million for EDF-related co-financing. The Netherlands' cooperation with the EDF is coordinated and managed by the Interministerial Coordination Group on European Defence Cooperation (ICG EDS).

9. *In order to make European defence cooperation more efficient, it is essential to standardise and improve the interoperability of military units. The Netherlands should cooperate closely with France and Germany in the areas of materiel and arms export controls, subject to the EU Code of Conduct on Arms Exports.*

The government agrees with the AIV that it is essential to standardise and improve the interoperability of military units in order to make European defence cooperation more efficient. Alongside existing close bilateral cooperation, PESCO

⁸ See Parliamentary Paper 2020D30499.

⁹ See Parliamentary Paper 31 125-92.

and the EDF contribute to the achievement of these goals at EU level, as does cooperation in the framework of the EU Battlegroups and NATO exercises and activities in which European countries collaborate. As far as the Netherlands is concerned, the aim should be to improve interoperability and advance standardisation not just between EU member states but also between EU member states and NATO Allies that are not members of the EU, and between the Netherlands and its seven strategic partners (the United States, the United Kingdom, Germany, France, Norway, Belgium and Luxembourg). That is partly why the Netherlands has strongly pressed for the involvement of third countries and entities from third countries in PESCO and the EDF since the beginning of the relevant negotiations.

As regards the Franco-German arms export control agreement, the Netherlands already has a solution for avoiding the underlying problem of double export controls in the case of products that have been jointly developed or produced, namely a general export licence. This licence, which is used for the F-35, could also be used for products that have been jointly developed under the EDF and/or PESCO. This system provides the private sector with an almost identical level of facilitation and offers more scope for customisation. The government therefore would prefer to facilitate cooperation between Dutch and other European companies on the basis of a general licence rather than by aligning itself with the Franco-German arms export control agreement. In general, however, the government continues to support harmonising the implementation of arms export control at European level.

10. The European countries should start focusing on task specialisation as soon as possible in order to enhance the effectiveness of their defence spending, expand crucial military capabilities and strengthen solidarity and interdependence.

The government agrees with the AIV that further cooperation and some form of specialisation can create opportunities for Europe in the areas of efficiency, quality, capabilities and enhanced cooperation. By focusing on specialisation, we can have a greater collective impact and improve the quality of our performance. Within NATO and the EU, the Netherlands therefore advocates further specialisation with a view to achieving greater collective effectiveness.

The EU is taking steps in this direction by means of the PESCO and EDIDP/EDF projects. This could encourage further specialisation by groups of member states in certain areas, which ultimately will benefit all member states. Such cooperation also enables member states to exploit economies of scale and avoid costly duplication. In this context, the government also sees opportunities in the joint and/or coordinated procurement of materiel.

In fact, the European countries already no longer operate entirely independently. There is a great deal of cooperation and interdependence. This also applies to the Netherlands. Specialisation often starts with the intensification of cooperation and the pooling and sharing of capabilities. The Netherlands is closely involved in such activities. Examples include the integrated cooperation between the Dutch and Belgian navies and the joint protection with Belgium of the airspace of the Benelux countries.

In this context, however, the government believes it is important to distinguish between the benefits of increased cooperation, on the one hand, and the need to preserve autonomous national capabilities and knowledge in order to protect the Netherlands' interests, on the other. These include a domestic technological and industrial base, as specified in the 2018 Defence Industry Strategy.

As the AIV indicated, efforts to strengthen solidarity and interdependence go hand in hand. It is important to strike the right balance in this regard, since interdependence without solidarity can lead to vulnerability. Decisions relating to specialisation should therefore be adopted in a concerted and coordinated manner. A fair distribution of the risks and financial and other costs (risk sharing and burden sharing) is also important in this regard. In this way, it is possible to achieve reliable cooperation with reliable partners.

Concluding remarks

Within these parameters, the Netherlands will continue to push for the further strengthening of defence cooperation between European countries, in the interests of both the EU and NATO.

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Ank Bijleveld-Schouten
Minister of Defence

Annexe I

Overview of the main new initiatives and instruments developed in the framework of the CSDP since 2016:

- The Coordinated Annual Review on Defence (CARD) was launched in 2017. Through CARD, the member states and the European Defence Agency (EDA) identify what military capabilities are lacking and need to be developed.
- Permanent Structured Cooperation (PESCO): At the end of 2017, 25 of the 27 member states committed themselves to closer defence cooperation (both operational and for the purpose of capacity building) in the framework of PESCO, which encompasses both a binding commitment and specific projects. Since then, various groups of PESCO members have launched 47 PESCO projects. The Netherlands participates in 10 PESCO projects and leads a PESCO project on military mobility. An EU Action Plan has been developed for this project, and €1.5 billion has been set aside for it in the Multiannual Financial Framework (MFF) for 2021-2027.
- European Defence Fund (EDF): As part of the MFF 2021-2027 agreed by the European Council, a sum of €7 billion has been set aside for cross-border cooperation on the research and development of new military technologies and capabilities. The EDF is managed by the European Commission.
- The Military Planning and Conduct Capability (MPCC) for the planning and conduct of military training missions was established in 2017. Its mandate was expanded to cover other types of missions in 2018.
- In the Civilian CSDP Compact of 2018, the Council and the EU member states undertook to make civilian CSDP more effective and improve and strengthen their capabilities for deployment in civilian CSDP missions. In addition, they committed to promoting the synergy and complementarity of the military and civilian dimensions of the CSDP and to enhancing cooperation between civilian CSDP missions, actors in the area of Justice and Home Affairs (JHA) and the relevant Commission services.
- European Peace Facility (EPF): In the framework of the MFF 2021-2027 agreed by the European Council, €5 billion has been set aside for the EPF over the next seven years. The EPF is a new intergovernmental financial instrument, existing outside the EU budget, that brings together and reforms the financing of the common costs relating to EU missions and operations (the current Athena mechanism), on the one hand, and funding for peace support operations carried out by third parties (the current African Peace Facility), on the other. The Council decision establishing the EPF is expected to be finalised in the coming months.