



This policy paper is part of a series of six on the priorities of the Netherlands for the EU for 2019-2024

# An EU that safeguards and promotes its interests and values in the wider world

**The world the EU finds itself in in the years to come, poses great challenges. The core values of the liberal world order are under threat and the rules-based multilateral order that has brought unprecedented security and prosperity is being challenged. Traditional partnerships cannot be taken for granted. Focus is less on cooperation and more on confrontation.**

These developments call for a European Union that safeguards European **values and interests abroad and defends the rules-based multilateral order**. In a turbulent world, a united EU puts us in a position of power. The fact that it has the world's biggest internal market gives it great economic power, which can and must be used to greater advantage, for example by making greater use of the EU investment and trade policy to strengthen the rules-based international order and ensure that it reflects European values and standards. The EU is in a position and has to show leadership when it comes to addressing global challenges, for example in relation to achieving the **Sustainable Development Goals**. This is in the interest of the EU, and in the interest of the wider world.

To deliver results on the EU's key priorities – migration, security, a robust economy and climate – **vigorous external action** by the EU is a necessity. This calls for greater coherence between external and internal policies.

## Integrated external action

The impact the EU can have at the world stage lies in its ability to **deploy a wide range of policies and instruments** to achieve its goals. The main challenge is to put these policies and instruments, such as trade, development cooperation, sanctions, CSDP to use in a **strategic, coordinated and coherent manner** to maximize effect.

- This requires first of all the European Council to provide more strategic guidance on EU external action.
- The Foreign Affairs Council should continue to provide direction.
- Strong coordination is needed between the EEAS and the various DGs working on external policies within the Commission. The external cluster of Commissioners led by the HR/VP under the current legislature was a step in the right direction. This should be taken to the next level by the next Commission: stronger coordination on external action at the level of the College of Commissioners as well as closer cooperation at the lower levels. Here lies an important role for the next HR/VP.

Integrated external action is most needed and possible in the **EU's neighbourhood**, as stability and good cooperation with our neighbours are essential for our own security and prosperity. For the countries of European Neighbourhood Policy and the enlargement countries, the EU has the broadest set of policies and instruments at its disposal. In particular, cooperation in the field of rule of law, migration and climate is of importance in this region.

**Conditionality** has proven to have the best leverage for far-reaching reforms and other concrete results. Therefore, it is important to stick to the existing conditionality of the neighbourhood and enlargement policies.

**Summits with third countries** will continue to be an important tool. A **more strategic preparation**, keeping in mind the integrated approach, is needed.

### Driven by a more responsive CFSP

Given the developments in the world, the EU is in dire need of a **more effective Common Foreign and Security Policy (CFSP)**. Too often, the EU is not able to respond effectively and timely to urgent developments due to a lack of consensus among member states.

- This challenges us to look for thinking-outside-the-box solutions.
- More emphasis should be put on building and maintaining consensus among member states, while at the same time exploring other options such as the use of constructive abstention. This is first and foremost up to the member states, but here is also an important role to play for the HR/VP.

An important question with regard to CFSP is how the EU employs the instrument of sanctions. **Sanctions give teeth to the CFSP.**

- Strengthening of this instrument is needed, including through the increased use of thematic sanctions regimes.
- Introduction of Qualified Majority Voting on sanctions should be seriously considered to enable the EU to take swift and decisive action in cases where it is needed.
- The EU should be more serious about enforcement of sanctions. This requires better coordination and information sharing among national enforcement authorities and better guidance to ensure a level playing field. Here lies a task for the Commission.

### With a focus on an external security agenda

Undesirable foreign interference in Europe, terrorism, cyber and hybrid threats, energy politics, draining of knowledge from our universities and risks to our economic security call for a stronger focus on external security. The nature of such threats requires a **response broader than CFSP/CSDP**. Stronger resilience against such threats is needed and has to be addressed using both the EU's external and internal policies and instruments. The EU Regulation on Investment Screening is a good example in this regard.

When it comes to **defence**, Europe must be able to respond to external threats and anticipate or respond to situations that affect European security, together with non-European partners if possible, but alone if needed.

*To this end, the EU should bring more focus in operationalising the defined EU level of ambition, taking into account its own unique strengths and that of its strategic partners, especially NATO:*

- Addressing today's challenges requires collective responses, and organisations like the EU, NATO and the UN have unique strengths. Combining strengths and comparative advantages is especially necessary knowing that nations have a single set of forces and limited defence budgets.
- The EU's combined civil-military toolbox and the EU's integrated approach are to be seen as EU strengths that should be developed further, also for strengthening the internal-external security nexus through supporting internal security interests.
- Close alignment of capability development processes and operational planning is crucial, particularly between EU and NATO, but also between the EU and the UN.
- Supporting Europe's CSDP ambitions a level playing field is imperative for a strong European defence technological and industrial base.

*A strong role for the Council and linking internal and external security is essential in making CSDP more effective:*

- The Council should be leading efforts to enable a more effective CSDP and the High Representative and the Commission should facilitate a truly integrated approach.
- These efforts should also be reflected in the future agenda and format of the meetings of the Council and its preparatory and decision making procedures.

*The EU should strive for a more output oriented approach:*

- Introducing concrete deliverables and timelines by means of specific FAC conclusions, could be a modus operandi to be applied more broadly in the EU context. This is especially relevant in relation to the issue of capability development and in achieving more interoperability between EU armed forces, which are essential when it comes to Europe's capacity to act.

*There is a need to focus on a successful and coherent implementation of the current CSDP instruments:*

- The architecture is in place with the building blocks of CDP, CARD, PESCO, EDF, MPCC<sup>1</sup> and the Civilian Compact being ready and EPF being designed. This is not to say that there should be no room for new initiatives, but now is the time to implement and yield concrete results, showing a Europe that protects.

<sup>1</sup> Capability Development Plan, Coordinated Annual Review on Defence, Permanent Structured Cooperation, European Defence Fund, Military Planning and Conduct Capability

## Development cooperation

Development cooperation should be part of an integrated strategy.

- It is imperative that programming is based on **strategic country analyses and joint programming documents**. These documents entail cooperation on e.g. conflict prevention, strengthening rule of law, improving gender equality, addressing root causes of irregular migration, assisting third countries with climate adaptation/ mitigation and their Nationally Determined Contributions.
- EU development aid should target the greatest needs, especially in Least Developed Countries (LDCs) and countries in states of fragility and conflict, in line with **the EU Consensus on Development** of June 2017 and the Sustainable Development Goals.
- The **private sector** can contribute to the implementation of these goals and is instrumental in reaching the most vulnerable and marginalised people.

Development cooperation is a parallel competence: both EU and Member States can act.

- Better **cooperation** is needed, to ensure that efforts are **aligned and complementary** for the best results possible, and that comparative advantages of EU institutions on the one hand and member states on the other are used to the maximum extent possible.

The increased attention from the EU on the **African continent** is a positive development, not only because 33 African countries are classified as LDCs but also because it is in the EU's strategic interest.

- Further strengthening and modernising the EU's relationship with the African continent is necessary, working on the basis of both European and African interests.

## A trade policy adjusted to today's challenges

The objective of the EU's trade policy in coming years should be to maintain and strengthen the **multilateral trade and investment system**; in conjunction with internal market policies, create a **level playing field** and gain further market access to global markets while safeguarding the **EU's strategic (economic) interests**.

- The EU should take the lead in reforming the WTO, including through:
  - Working to close gaps in the WTO rulebook to ensure a level playing field, particularly with regard to State Owned Enterprises (SOEs), industrial subsidies and to address forced technology transfers.
  - Strengthen the monitoring function of the WTO, to ensure better enforcement of the multilateral trade rules.
  - Address the Appellate Body crisis to ensure binding dispute settlement.
- Based on the leverage of the internal market, the Commission should continue to conclude comprehensive, deep and sustainable EU trade agreements and investment agreements with third parties, in particular with the UK, Indonesia, MERCOSUR, Australia, New Zealand. The sustainability chapters of these agreements should be based on high international standards in the field of labour, human rights, climate, gender, environment. Trade agreements must give due regard to the importance of free data flows, while upholding the right to protect personal data, in accordance with the adopted Council Conclusions.
- The Commission should make a determined effort to further regional trade and market integration in Africa through the conclusion and implementation of Economic Partnership Agreements, laying the foundation for an overall EU-Africa Trade Agreement. Transparency of EU negotiations with third countries should be improved, for example by publishing negotiation mandates.
- The Commission should assist Member States in the implementation of the new EU Regulation on Investment Screening and explore options for further strengthening EU cooperation in this field inter alia by using the outcomes of the foreseen evaluation of the Regulation. The EU must be willing to more assertively take third countries to task over insufficient market access or discriminatory trade practices, including through dispute settlement where appropriate.
- The Commission has to take a leading role on Responsible Business Conduct (RBC), amongst others by developing an EU RBC Action Plan towards development of a framework for RBC, involving an appropriate policy mix to change business behaviour, and by appointing a lead DG within the Commission. RBC is instrumental to a fair and sustainable economy. EU coordinated action on RBC ensures a level playing field for European enterprises and leads to a bigger impact on the ground.