



European Affairs Committee

Corrected oral evidence: Implications of Russia's invasion of Ukraine for UK-EU relations

Tuesday 17 October 2023

3.55 pm

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Members present: Lord Ricketts (The Chair); Baroness Anelay of St Johns; Baroness Blackstone; Lord Hannay of Chiswick; Lord Jay of Ewelme; Lord Lamont of Lerwick; Lord Liddle; Baroness Ludford; Baroness Nicholson of Winterbourne; Baroness Scott of Needham Market; Viscount Trenchard; Lord Wood of Anfield.

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Questions 23 - 30

Witnesses

I: Georgina Wright, Senior Fellow and Deputy Director for International Studies, Institut Montaigne; Dr Stefan Meister, Head of Center for Order and Governance in Eastern Europe, Russia, and Central Asia, German Council on Foreign Relations at Center for Order and Governance in Eastern Europe, Russia, and Central Asia, German Council on Foreign Relations; James Rogers, Co-founder and Director of Research, Council on Geostrategy.

Examination of witnesses

Georgina Wright, Dr Stefan Meister and James Rogers.

Q23 The Chair: Good afternoon, and welcome to the House of Lords European Affairs Committee and the continuing inquiry we are running on the implications of the Russian invasion of Ukraine for UK-EU relations.

I am delighted that we have two panels of expert witnesses this afternoon. For the first one, we have two witnesses joining us online. They are Georgina Wright, the senior fellow and director of the Europe Programme from the Institut Montaigne, and Dr Stefan Meister, head of the Center for Order and Governance in Eastern Europe, Russia, and Central Asia and from the German Council on Foreign Relations. Present with us is James Rogers, the co-founder and director of research at the Council on Geostrategy. Thank you very much indeed to all our witnesses.

We need to get through this session in an hour, so I would make an appeal to Members and witnesses to keep questions and answers as crisp as possible without missing out anything important that you would like us to know. Equally, not everybody has to feel they have to answer every question; you can pick and choose which ones you want to respond to.

Let us get under way. I will ask a broad question to begin with. Could each of you say briefly how you see the overall response of the EU and the EU member states to this huge geopolitical challenge of the Russian invasion of Ukraine and how much you think it amounts to a departure from the previous EU approach to common foreign security and defence policy? Let us start with James Rogers in the room and then come to the two online witnesses.

James Rogers: Thank you very much, and thank you for inviting me to be here this afternoon.

In some ways the EU and its member states have seen a quite substantial shift in their approach. This is because, in many ways, the renewed Russian offensive, or war, against Ukraine has been something of a rude wake-up call, particularly for some member states. It has upended almost 20 or 30 years of established European policy, and particularly some member states' policy, towards Russia and Ukraine and the broader EU near abroad. It has been particularly unsettling for Germany and France. The offensive has upended many of their assumptions, particularly in relation to Russia but also Ukraine. It has upended certain elements of European energy policy, and this has also been deeply unsettling. It has been a systemic issue in many different respects. It has also opened up certain fissures, initially between certain European member states led by, arguably, France and Germany on the one hand and Poland and the Baltic states and some Nordic states on the other—although recently, over the last year, I would say they have largely closed.

The offensive has also encouraged the EU to take something of a leadership role in the response. Initially, leadership was provided by the United States and the UK, but over recent months the EU has stepped up its support for Ukraine, providing more military, economic and humanitarian support together than the UK and the US combined. This is at least according to the Kiel Institute's Ukraine tracker.

I would also say that talk of the EU's strategic autonomy has become somewhat less flowery and more realistic, particularly as the UK and the US have played a disproportionate role in assisting Ukraine and ensuring that Russia does not prevail there.

On the other hand, the EU has not changed significantly its foreign and security policy, and there are a number of reasons for this. First, the speed at which the EU has been able to respond was somewhat slow to begin with, perhaps a consequence of various differences of opinion about intelligence, particularly during December 2021 and January 2022. The UK, I think, played a quite strong role there in encouraging other European countries towards a different, more robust approach, particularly towards Russia but also in support of Ukraine.

EU support is still primarily financial and humanitarian. It is very important, of course, to provide help for people and for the Ukrainian state as it seeks to survive against the Russian onslaught, but, as one prominent Briton once said, "Wars are not won by evacuations". They require a high degree of military support so that Ukraine can eventually prevail. There are still some outstanding differences between some of the key member states about how to deal with both Ukraine and particularly Russia.

More generally, the EU is finding it difficult to adapt to profoundly changed regional and global circumstances, which are increasingly intersecting with one another. The EU is still stuck, in many respects, in the world of the 1990s, not the world of the mid-2020s, and this will require a significant shift in strategic culture over the coming years.

The Chair: Thank you very much. Perhaps we could come to Georgina Wright now. I am not sure whether you are in Paris or London but, wherever you are, you are very welcome.

Georgina Wright: Thank you very much for the invitation. I fully agree with what James has just said. Russia's illegal invasion of Ukraine sent shock waves through Europe and it was an awakening for the European Union. When Ursula von der Leyen became President of the European Commission, we heard her talking about making the EU more geopolitical, and I think that to a certain extent that has become a reality.

James is right when he says that the EU was perhaps a little slow to co-ordinate itself, but I cannot remember any other foreign policy issue on which the EU has been more strong and united than in its firm condemnation of Russia. If you compare what happened with the war in Ukraine with what is happening between Azerbaijan and Armenia or even

Hamas's attack in Israel and the cacophony and the difficulty for the EU to speak with one voice, I think we can see a difference.

The EU's response has been multifaceted. We have had a mix of financial, humanitarian and defence assistance, with roughly €77 billion of assistance to Ukraine. That is €38.3 billion of economic assistance, €17 billion to support refugees fleeing the war, €21.6 billion in military support, and €670 million in loans and grants to support businesses in Ukraine. We have also seen 11 packages of sanctions—and we know that a 12th package is being negotiated now—and renewed talks of EU enlargement.

Another thing to note is that the EU has been working much more closely with Washington and other G7 allies, including the UK. However, I think that the next year will be the real test. We are witnessing war fatigue across Europe. We know that there have been important elections in Europe and that during those elections there have been calls from certain parties to focus on other issues. I think that it will be a test to remain united. I also think there will be difficulty in balancing the ongoing need for support for Ukraine with other issues. Perhaps we can come back to that later.

The Chair: We will, I am sure. Thank you very much. Stefan, could you add your introductory word now?

Dr Stefan Meister: Thank you also for inviting me for this session. Most of the points have been made, but I will just maybe frame them a little differently and perhaps add some points, while not speaking for too long.

The offensive in Ukraine is a game-changer, definitely. Think about the 2014 annexation of Crimea—the war had started already—and compare the reaction to the February 2022 action. We have for the first time member states supplying weapons to a country at war, and it is a comprehensive weapons supply. We have had a decoupling from Russian gas, and that is a game-changer. We also have large-scale sanctions, which have fundamentally changed relations between Russia and EU member states. It is now impossible to return to what they had been before because there has been a structural decoupling. For the first time, there has been a recognition, even in Germany but also in other member states, that this is about our security and that this is not far away. That is the big difference in our mindsets. I would say there is consensus among member states—and among the elites in member states—that this is about our security and that we have to pay for it and pay for it for longer.

We also recognised that we are not sovereign in our own security. We had US leadership and I would say that we still have US leadership. I do not see any other EU member state leading, so in my opinion there is a lack of leadership in the EU. The EU is the key. I agree here with colleagues that the EU is key in some issues and in some areas but still, without US leadership, I do not think we would move forward with some of these issues.

I think we have to close the sanctions gaps. We see a disunited EU on some specific sanctions. Some member states are still getting 80% or more of their gas from Russia; Austria and Hungary for instance. It is problematic.

I do not know how much the EU has become more geopolitical. I am not sure about that. For me, if I look at other conflicts in the post-Soviet space—say, Nagorno-Karabakh—I do not see a very geopolitical EU, but I think a geopolitical and political decision has been enlargement. We are now back to enlargement, and I think that is also a game-changer. There was a consensus that there would be no enlargement any more, but we will have enlargement with Ukraine and Moldova, and maybe Georgia. That is a big game-changer for relations with Russia, because we do not take Russia's interests or criticism into consideration anymore when we think about other post-Soviet countries. As an EU, we are willing to enlarge into the so-called Russian sphere of influence and do not recognise it anymore as Russia's sphere of influence. For me, that is also a big geopolitical change from the EU's side. Maybe I will stop at this point.

The Chair: Thank you very much indeed. Let us pass over to Baroness Ludford.

Q24 **Baroness Ludford:** Thank you, all three, for assisting us today, and for a very interesting answer to the first question.

How would you assess co-operation between the EU, its member states and the UK in response to the Russian invasion of Ukraine? Should co-operation be deepened and, if so, in what way?

Georgina Wright: Undoubtedly, the war in Ukraine has brought the UK and the EU closer together, but also the UK and some member states where relations were tense—I am thinking about France, of course. France and the UK held their first Franco-British summit after a five-year hiatus.

It goes back all the way to the start of the war in Ukraine, when Liz Truss, as then Foreign Secretary, attended the EU Foreign Affairs Council with Antony Blinken from the United States. There was greater co-ordination between the FCDO and the EEAS, which is the EU's quasi-foreign ministry. Then there was the decision in October 2022 by Liz Truss, who was then Prime Minister, to get the UK to join the EU's PESCO Military Mobility project. There has definitely been more formal co-operation between the UK and the EU and lots of informal co-ordination. I hear this a lot when I go to Brussels, where there are many more discussions about how the war is unfolding and what we need to do collectively to continue to support Ukraine, not only militarily but in rebuilding all the infrastructure that has been damaged by the war and to sustain the Ukrainian economy. What I hear when I am in Brussels and in different EU capitals is overwhelmingly good.

You will know that the Nordics and eastern countries have had traditionally a very close co-ordination and security partnership with the

UK, and that has been strengthened as a consequence of the UK increasing its presence on the eastern flanks. All these are positive signals that relations are in a much better place than they were.

James Rogers: What Georgina has said is entirely accurate. Russia's renewed push into Ukraine has almost changed the philosophy guiding many on the continent, and indeed in the UK. It has created a new environment. That is not to go so far as to say that every cloud has a silver lining, but it has certainly created a new environment in which the UK, the EU and certain member states can co-operate more effectively, not only because of the decisive leadership that the UK provided at the beginning of the conflict, or the reinitiation of the conflict, back in January and February 2022 but in the ways that Georgina has outlined between the UK and EU.

Beyond that, there has also been not so much a thawing but a deepening of relations between the UK and several countries in northern and eastern Europe, which has also animated this. For example, the UK's support for both Sweden and Finland, providing security assurances last year to help speed their admission into the NATO alliance, was quite important; and the establishment of the Joint Expeditionary Force has helped to galvanise the northern European region, as has the Tallinn pledge and, to some extent, the trilateral initiative between the UK, Poland and Ukraine, which shows that Europe is not just the EU but includes a number of other actors.

If you take all these together and add, for example, the positive reception of the integrated review and the integrated review refresh, particularly in northern and eastern Europe, I think you have a much different environment between the UK, the EU and others compared with what existed in previous years, particularly since 2016.

Baroness Ludford: Could I add a supplementary question, James? What about the future? You have described how we have got to where we are. How do you see the future? Does co-operation need to be deepened further?

James Rogers: Yes. Co-operation between the UK and the EU should be taken further where it is in the interests of both parties. However, I also think that, given certain limitations in this area, and particularly in the area of security and defence, the UK needs to focus on the NATO alliance and more broadly on the minilateral initiatives that it and other member states have initiated, particularly since Russia's renewed strike on Ukraine. There is also a great deal of opportunity for those to be further developed and strengthened, creating islands of co-operation that will support the overall effort of the larger multinational structures, whether the EU or NATO.

Dr Stefan Meister: To be honest, I see limits here, too. NATO has become more important for European security than the EU. I do not see the strategic autonomy of the EU in its security policy; I just see an

enlarged NATO. I see US leadership in the security field, and I see an active UK in the military field.

I think that the EU will be more active in reconstruction, playing a key role in creating a framework for reconstruction, and I do not see that so much for the UK. The UK will also play a role but it will not be as decisive a role as it plays in the security field. It is NATO, and then it is what my colleagues described—the bilateral relations with particular member states that are EU members but also NATO members.

On the institutional side, I see limits, because of the focus on the military field and the importance of NATO, and the EU's bigger role in sanctions. There is a lot of co-ordination, but reconstruction of Ukraine will take place with EU integration. This is a parallel process, and here the UK is not really an actor, so I also see limits here. Again, I think NATO is the key player and then it is at a bilateral level.

Q25 Lord Hannay of Chiswick: Stefan, you and Georgina both mentioned sanctions and this question is about sanctions. Very many packages of sanctions have been agreed since the Russians invaded Ukraine. There were some, of course, before that but many more since, both on individuals and on large sectors of the economy and on dual-use items and so on.

Could you comment on how well you think that the UK and the EU have co-ordinated on the imposing of sanctions? Could you also look at implementing sanctions, which is an open-ended obligation so long as Russia is sitting half way across Ukraine, and probably even longer than that? Not only is that a long-term one but it is, of course, up against massive attempts by the Russians, with probably some tacit support from the Chinese and some other countries around the world, to get round those sanctions.

Implementation has become very complex and difficult, and I would like you to comment on whether you think that the machinery that exists between the UK and the EU, which have largely similar sanctions packages, is sufficient or whether it needs bolstering and strengthening in sharing intelligence and information and taking action to deal with countries outside those that are being sanctioned and which might be helping the sanctioned countries to get round them. A few comments on those issues would be helpful.

Dr Stefan Meister: I can start. I am not an economist and I think this is also a question for economists. I think there is good co-ordination on sanctions between the UK and the EU, and the US, which is crucial here. On sanctions, the packages are quite comprehensive. I rather see a limit of more sanctions. It is more about how to close the gaps and how to work with secondary sanctions more systematically. It is very complex. It is also partly about implementation by the member states and not so much by Brussels, and about institutional capacity to follow secondary sanctions and to follow companies.

I see that there is still a lot to do, because Russia was quite successful in circumventing sanctions and in getting exceptions from some EU member states. That is highly problematic and we lack capacity. Maybe there could be better co-ordination in how to close the gaps, which are often to do with multinational companies working with post-Soviet countries, Asian countries and other countries in the world. How to close these gaps is quite tricky.

We need to keep the sanctions long term. They will hit Russia; it will become more costly and difficult for Russia. But Russia has created an architecture to circumvent sanctions, and the secondary sanctions, and I think we are not there yet. A lot of money is still being earned. It is about oil, gas and resources but it is also about getting the technology for the military industrial complex and the machinery to build weapons and produce munitions.

There is a lot of research on how these schemes work. Again, I think it is more about particular states and how they work and less about the EU. I am not so sure how to improve co-ordination, but I think we need to work better with the transnational companies, and, there, more co-operation between EU member states, the UK and the US is needed.

The Chair: We will go to James and Georgina, but can we be reasonably brief? I am anxiously watching time ticking away.

James Rogers: I am also not a sanctions expert but my understanding is that, given the situation we are in today, although sanctions are important—and I am not for one moment saying that we should lay off the gas pedal, so to speak—the Russians are still in control of significant regions of Ukraine and the Ukrainian counteroffensive is not going perhaps as well as some would like it to go. I am not sure that sanctions will necessarily have a disproportionate effect on helping Ukraine to prevail in this conflict, assuming that that is what we are seeking to achieve here, and I think it generally is. If that is the case, I think it would be better if we were to focus on how we can help Ukraine win the war, and that will require a significant build-up of the military industrial effort needed to furnish Ukraine with the weapons it requires to prevail.

Lord Hannay of Chiswick: You have not really answered the question. Sanctions are a fact. They will be sustained. We are not asking you how effective you think they are being. We are asking whether you think that the UK and the member states are co-ordinating sufficiently to deal with the attempts by the Russians to elude these sanctions, which could go on for many years. I would be grateful if you could address that point.

James Rogers: I cannot add to what Stefan has said. I think more can potentially be done but, as Stefan has also said, there are serious problems with how the Russians have gotten around the sanctions regime that we have already imposed. I suppose more effort needs to be applied—particularly by the UK, given our linkages with other parts of the world—to getting countries in the so-called middle ground that some

perhaps call the global South to also cut off any loopholes so that the sanctions regime can be applied more effectively.

The Chair: Lord Lamont wanted to add something quickly.

Lord Lamont of Lerwick: It is all very well to talk about more co-ordination, but could it not be that the design of some sanctions is fundamentally misconceived? The idea of having a \$60 cap on trading oil when the price of oil is pushing up to \$100 seems a pretty tall order. Then there is the tracking of shipping. I think that three-quarters of Russia's seaborne oil is travelling without western insurance, which is the means by which we will track it. This is not a question of co-ordination. Some of these sanctions are fairies in the air.

The Chair: Let us go to Georgina.

Georgina Wright: I think the question is absolutely the question that the EU is asking itself right now. If you look at co-ordination on sanctions originally, you see that there are two tiers. The first is definitely Brussels-Washington—that was the most important nexus—and that is closely followed by co-ordination between the EU and the UK and other G7 allies. I was in Washington just a couple of days ago and I heard there again that it was very happy with how the talks with Brussels had been going, reiterating that point.

I think that the EU is thinking about two aspects of sanctions at the moment. The first is sanctions evasion and how to have an international response to that. There is a sense that member states are sometimes better able to talk to those countries that might be helping or enabling sanctions evasion than the EU itself is able to, but there is a discussion going on right now in the Foreign Affairs Council about what the EU could do to facilitate an international discussion and who you would involve in that.

The second priority with sanctions is looking at the impact that they have had on Europe and the EU itself—so on societies. As I think Stefan said, it is member states that are responsible for the implementation of sanctions, not the EU. At the moment, they are looking to figure out what the impact has been and then, on that basis, at how to improve the sanctions that are already in place.

I do not have an answer, other than that I know the EU is thinking about this. It would be a good time for the UK Government, if they have not already done so, to engage the EU on that to try to be part of that thinking about how to talk about sanctions evasion and the future sanctions that we may wish to impose on Russia.

The Chair: Thank you. To cover all the issues, we will have to move on at this point.

Q26 **Baroness Blackstone:** Since the invasion, the EU has taken a more co-operative approach among member states to weapons production. Do you think the UK should involve itself in this co-operation and, if so, how?

Georgina Wright: I am afraid that my answer will not be very satisfactory. The EU has been talking for years about how to improve defence production and we can tell from stalled initiatives between France and Germany that that is not particularly going very well.

A number of member states are pushing for EU funding for defence industrial projects, and to my understanding that would be exclusively for European or EU-based companies. It would be harder, therefore, for, say, a British company or a company based in the UK, to benefit from that funding. However, I think that is one of the weakest links when the EU talks about defence policy, because it has not cracked that at all.

When we talk to defence industrial players, they say that they are very well aware that it is not just about giving them more money but about securing the supply chains and ensuring that they have people who are skilled enough to think about, maximise and rapidly increase production. The EU is thinking about a number of things, but, at the moment, we are very far from the EU improving its defence industrial posture and, in the circumstance, thinking about how to associate non-EU countries or firms in non-EU countries to that.

James Rogers: I do not have a great deal to add to that. I agree with Georgina that the EU has been talking about this for many years, but I am not sure about it, absent significant increases—and I really do mean significant—in investment in defence. This has started to happen in countries such as Poland, but the limitations of the scale of the Polish GDP means that it is not potentially as great as it would be if a country such as Germany or Italy or France, or even the UK for that matter, were to begin a significant defence build-up or even to co-ordinate it.

There is something to be said about the degree of co-ordination, given that the areas that various European countries have specialised in, or the force postures that they have, are potentially complementary. For example, Poland is currently undertaking a significant build-up in its armour and personnel primarily for fighting on land, whereas the UK traditionally has had focus more on sea and air. Many of these different components can reinforce one another. There needs to be a discussion between European countries, between European countries and NATO, between NATO and the EU, and between all the different minilateral and other structures to facilitate this.

The key issue for me is that we need to move away from a 30-year period of a drawdown in defence investment—not defence spending—and begin to change course. As I said, some countries, including the UK to an extent, have started to do that, as have the Baltic states and some of the Nordic states. Germany has announced that it has a *Zeitenwende* with a €100 billion increase in defence spending over the next few years. But this has to be put on a sustained footing, and there has to be some understanding as to where defence investment will go to, arguably as an allocation of GDP. For example, during the Cold War, most European countries were spending at least 3%, and some up to 5%, of GDP, even during the tail-end of the Cold War. This is the kind of investment that

you need for an environment the like of which we are now beginning to live in, where we have a dangerous revisionist power on our border, and others beyond, that arguably is seeking to revise the regional and even the global order. You need that investment to provide a long-term footing to create the Armed Forces and the posture that you are seeking to achieve.

Dr Stefan Meister: As Georgina said, the EU is not the key player here. It is again about the member states and their decisions for increasing the production. The main problem is that they still have not ordered a lot of weapons and ammunition and production has not really started. The companies are waiting for these orders. Russia has increased or tripled its production and that is a big problem.

The other point is that there is a problem of co-ordination among the member states about who produces which part. It takes so much time in this pan-European project that is co-ordinated among the member states to finally produce something, and so we always have a delay. It may also be a question for the UK of whether it makes sense to participate in these projects when you can do it by ourselves. We have some projects where the UK is involved, and I think there should be a co-ordination of who produces what, with maybe a more integrated European security system, like Germany is doing now with its defence shield, where it is providing a core and co-operating with a lot of member states. This is not so much about Ukraine but it can then also help Ukraine.

I am not so sure if the UK should be so engaged in this production among different member states, but rather in co-ordinating it and saying, "We are able to produce this part or that part, and you do this part". I can imagine that that makes more sense than being part of multi-country projects that take decades to get a result.

Q27 **Lord Lamont of Lerwick:** The Government have expressed concerns that third-country participation terms for EU defence industrial policy are too restrictive. Do you agree with this? I suppose this follows naturally from strategic autonomy, and it may be that there is also possibly an element of protectionism in it, but if it is going for strategic autonomy that is a logic. How worried should we be about this?

James Rogers: I think that some of those restrictions were put in place or envisaged while the UK was an EU member. They were also designed, in no small extent, to protect our own defence industrial base, or at least to protect those countries that we were going to be potentially working with, if, for example, things such as PESCO—Permanent Structured Cooperation—were to eventually take off. Obviously, the UK has now left the EU and it has left those structures, and although last November it became part of one of those projects to enhance military mobility, there are still about 60 that it is not involved in, and it may not make sense for it to be involved in. That is a decision for the Government to take, of course.

There is clearly a case to be made for them being arguably or potentially too narrow, particularly if countries that are not in the EU are to become involved. This perhaps needs to be reinvestigated for large, potent military powers such as the UK, and arguably the US, Canada and others beside.

Dr Stefan Meister: For me, it makes no sense. If you are all together in NATO and NATO is the main security actor in Europe, you need to co-operate with the countries that are in NATO. Then there is the UK also. There is an interest in a kind of protectionism and in keeping it among the EU member states. There are particular member states that have an interest in keeping out non-members of the EU. I think that there is a threat, and it should be discussed from the UK side with the EU and the member states.

I do not think that is the right policy or that this is sustainable. There is a difference between Canada, the US, the UK and China and some other countries where maybe we should not have this co-operation. There will be a further discussion of this. That is one of the sectors where we have protectionism and national interests of member states, and that is reflected in this.

Georgina Wright: I am slightly more optimistic, especially with the upcoming US election. If we look at some of the debates that the Republican Party has been having, and also some of the recent decisions by Congress, it looks increasingly likely that Europe will have to play a much greater role in securing its own security architecture and supporting Ukraine. That creates a new logic and perhaps some flexibility inside the European Council.

It also depends on the balance. Donald Tusk is likely to become the new Polish Prime Minister. I think that that will do a lot to bring the EU and the UK closer together. Of course, he is not alone in deciding, but the UK has many friends inside the EU. The geopolitical context is such that we cannot simply be thinking in defence and security terms about the EU. As both panellists have said, NATO plays a hugely important role, and of course the UK is an ally.

There might be more flexibility but first we need to sort out—and by “we” I mean the EU—the defence industry and ensure that co-ordination. That provides space for greater creativity in co-operating with third countries, especially if they are located in Europe.

The Chair: Thank you very much. Let us move on to post-war reconstruction work, and I will ask Baroness Anelay to take that up.

Q28 **Baroness Anelay of St Johns:** This is a question about the focus now on who should be involved in reconstruction and how. In what ways should the UK, the EU and other partners, including corporate and international institutions, co-operate on the future reconstruction of Ukraine? Are there any specific areas in which the UK can take the lead? Perhaps I will start with Dr Meister, who said in answer to a previous

question that the EU will have a greater role than the UK in this because there will be a parallel process with integration and reconstruction. Can you expand on that?

Dr Stefan Meister: There is a big discussion about how this construction can go on in times of war. Think about a long war, which is more likely; we have to think on the one hand about how we reconstruct or diversify infrastructure in Ukraine while the war is still going on and also prepare for after the war. At the same time, we will have an integration into the EU within the next years, which means that Ukraine will be much more in line with EU norms and standards. That will impact on investment but also on the reconstruction itself. We know that the EU has created an infrastructure for the co-ordination of reconstruction of Ukraine, so it is more or less co-ordinated in Brussels. That is why I see there being parallel processes, which are very much driven by the EU and EU integration, and increasingly by EU investment and budgetary support for Ukraine.

I am not so sure how much the UK wants to participate in this reconstruction. I saw the UK role first of all as being in the military support; it is one of the leading countries and it is very proactive. In a way, it is supplying what others later supply in advancement. I saw the UK as one of the leading countries there and less so on the reconstruction side, which may be a mistake or oversight from my side. I think that, in the end, co-ordination will be created in the EU framework, and the UK should definitely play a role there, and maybe also in some specific sectors where this will take place.

We have to understand that this will be a longer war and that we have to reconstruct during the war. This is a very important message. We cannot wait until after the war. There is also the whole question of where private investment comes from in times of war. The question of where the security guarantees are coming from is very difficult. It is also about NATO membership and maybe NATO security guarantees to provide a security framework for reconstruction.

Georgina Wright: You may have seen the World Bank report that estimated the cost of Ukrainian recovery and reconstruction after the first year of the war at \$411 billion. We know that the Commission has already requested an increase in the EU budget of €86 billion to support Ukraine. There have been further leaked papers from the European Commission that estimate that if Ukraine joined the EU, the EU would have to spend roughly €186 billion a year on Ukraine. That is more than the total of the EU budget for one year. We are talking huge numbers and, as Stefan said, we are talking about recovery and rebuilding right now, during the war, and of course after the war.

There are two things that the UK can do. The first is to perhaps work on prioritising the sectors that need investment first, and Stefan talked about this. All sectors will want funding and support immediately but there will be a need to create some form of hierarchy there. The second thing is fighting corruption. Of course, reconstruction cannot come from

only government and institutional funding; the private sector will have to play a role. At the moment, I think it is very reluctant to because of the problems of corruption in Ukraine, and the UK has shown interest in leadership on this in the past. I think that is something that the EU and other European countries would expect the UK to lead on right now, too.

Baroness Anelay of St Johns: Thank you for the reference to the need to create priorities. I think it will always be difficult to achieve co-operation on matters such as that.

James Rogers: I will add one or two short things. First, I think it is too soon to be talking about reconstruction just yet. There is a huge challenge in helping Ukraine prevail ultimately, and after that military reconstruction of the Ukrainian armed forces will be required to allow for the re-establishment of deterrence. That also opens the question of security guarantees for Ukraine, which have been mooted, whether those are provided by NATO or by a combination of various NATO member states. I cannot see a situation where the UK, as a nuclear power and as one of Ukraine's biggest backers, would not be one of those.

Beyond that there are other specialist sectors in which the UK has expertise and has been developing its relationship with Ukraine—for example, the maritime sector, but that of course assumes that there will be a coastal dimension to Ukraine in the future. Georgina mentioned corruption, and there is also the issue of insurance, which will perhaps be increasingly important.

The UK could begin thinking about using additional areas of leverage in reconstruction; for example, the Three Seas initiative. The UK is not a member of that but it could become an associate, similarly to Germany and the United States. That aims to increase the connectivity north-south rather than east-west, which the EU has tended to focus on. As I mentioned earlier, there is the trilateral initiative between Poland, the UK and Ukraine, where two of the key areas that were initially identified for expansion of co-operation were energy and cyber. I wonder whether there is also another area through that kind of initiative that the three countries could secure moving forward.

Q29 **Lord Wood of Anfield:** Thank you very much for coming today. I want to ask you about the much-discussed topic of strategic autonomy. What is the flesh on the bones of that concept, particularly in the eyes of France and Germany? What do you see Paris and Berlin meaning by the evolution of strategic autonomy in the EU, and how much has the Russian invasion of Ukraine accelerated or changed the thinking on that so far?

Dr Stefan Meister: From a German perspective, this is a more French concept. There is scepticism in Germany, especially in the security field, about strategic autonomy of the EU and the capabilities of the EU member states to be a serious security provider in Europe. We all understand that it will take a decade to build up our defence industries and our armies, especially looking to the German army. I think that the €100 billion Zeitenwende fund is just a starting point. You also need to

operate what you buy, and it is just not adequate for where we are coming from and the security situation we are in. There is a different understanding in France and in Germany about strategic autonomy.

We also understand that German-French relations are not in the best shape at the moment and are toxic on some topics. I think that this German-French tandem is not really functional. Even if there are several working groups and meetings at the top level, I do not see this growing together. In key areas—such as energy, partly defence, and the role of EU and NATO in defence—we have very different policies and understandings. For Germany, the key partner in this war is the US. I think that, when Chancellor Scholz makes a decision, he first co-ordinates with Washington and then he talks to the EU member states.

I do not see, from a German perspective at least, EU strategic autonomy coming. I see NATO as more important, with NATO's northern enlargement, which is changing security architecture in Europe. I see a more and more dysfunctional EU, where member states are blocking decisions and where we need reforms in decision-making, because of not only enlargement but the ability to act in certain situations. I think that we will have more coalitions of member states, and maybe even with external partners, especially on security issues.

In my opinion, this is not a push for more strategic autonomy from a German perspective, even if we have these attempts and initiatives. The EPC is getting down; it is not getting up. Compare the last summit to the previous summit in Chişinău. If you look further, you see the limits.

The Chair: In passing the floor to Georgina, I will insert a sub-question. Do you see an evolution in the way that Paris, for example, is thinking about this more towards autonomy in an industrial sense, a technology sense, looking more towards China, than perhaps what was the original idea of autonomy potentially from a US that was losing its focus on Europe? Do you see that as an evolution in French policy, Georgina? I am sorry to use you as our French spokesperson, but you are best placed to do that.

Georgina Wright: I am very happy to qualify as your French spokesperson.

Thank you very much for that question. That was going to be my answer. If you look at what strategic autonomy meant when it was first announced, you see that it was said very much in a security and defence realm. It was the ability to act alone when you cannot act with partners, and that meant developing your own capabilities, having some form of central co-ordination and being able to make quick decisions. That was what it meant originally. The war in Ukraine has shown how difficult that is and how dependent Europe is on US leadership and US intervention in Europe, but also how, even though Europeans know that we need more European security, that has not necessarily led to more European provision in defence industrial matters, for example. We have seen how difficult that is.

On strategic autonomy, we hear the term a lot less in Paris but also across the EU. Instead, we talk much more about EU sovereignty, which is really the idea of being able to make your own decisions without interference from abroad; that is interference in your economic decisions, your industrial decisions and where you decide to act militarily. We have seen much more sovereignty on a series of issues, including, first and foremost, on industrial decisions.

That was also a consequence of Covid and the realisation that our supply chains are incredibly integrated and that there are weak points that need addressing. We have lots of discussions inside the EU about reshoring or onshoring or having specialised partnerships with countries that produce certain critical minerals. We see much more discussion of how the EU can mutualise skills and prioritise certain sectors where the EU thinks it can have a competitive lead.

On all those issues, that is where we are talking about strategic autonomy or EU sovereignty, and far less so in the defence and security space.

James Rogers: I can add one last thing. I think everything that Georgina said is generally correct. There has definitely been a shift away from the original conception of European autonomy to the idea of European sovereignty. There is also another issue here, and that is whether we are referring to—it is not entirely clear whether President Macron has referred to this either—EU autonomy or sovereignty or European autonomy or sovereignty. Those are not necessarily the same thing.

In that case, as I said initially in my introductory remarks, the Russian offensive against Ukraine and Russia's rapid transformation—which many saw coming for some years, and which over the last year revealed its true face and true colours—has unnerved many people who originally clung to the idea of European autonomy. The simple reason is that Russia is a nuclear weapon state. Russia has revisionist intentions in eastern Europe and if the EU, let us say, is to meet it as an autonomous equal, it would need to go down the same route. This is very difficult because the continent security—or at least the security of those countries that are within the EU or within the broader western sphere in Europe—are under British and American nuclear protection, which is forwardly deployed with conventional forces as part of the Enhanced Forward Presence and a number of other forward deployments. The intersection of those two things is utterly critical when you are facing a country such as Russia.

The Chair: Thank you very much. We have five minutes for our last question, from Lord Liddle, if you can possibly fit a huge subject into that short time.

Q30 **Lord Liddle:** This is the question of Ukraine joining the EU. Presumably, you think that this has got great momentum as a result of the Russian invasion of Ukraine that it otherwise would not have had. Where do you see Britain fitting into the picture here, particularly, as one of you said,

given that the questions around Ukraine joining the EU and reconstruction are inextricably linked? What role can Britain outside the EU play?

James Rogers: There has been formidable momentum built up over the last six months to a year around Ukraine joining the EU, but we also have to be realistic here. The war must be won before Ukraine can join the EU, and even then there may be some outstanding territorial issues that would need to be overcome, which I think would prevent it becoming an EU country. You can point to the situation in Cyprus, but the situation elsewhere, particularly in relation to Russia, is somewhat different. That is one thing.

Then there is the issue that it would require unanimous agreement among member states that Ukraine could become a member in the future. There are all manner of things that could occur, with domestic politics intervening as we have seen in some other examples in the past.

Assuming that this could happen—and I think the UK should actively promote the idea—there is one key area where the UK could provide assistance, and that is in the provision of security guarantees moving forward. The UK would be instrumental, and that would provide the breathing space for Ukraine to prepare to become an EU member and then to become one under the protection of the UK and another group of member states of NATO or through some other format.

Beyond that, there is also the developing and evolving idea of the European Political Community, which I think the UK should actively cultivate because it provides something outside of the EU framework, but in a way connected to it, that helps facilitate discussions and co-operation about the future of Europe as a geopolitical space.

Georgina Wright: I am mindful of time and I have a lot of things to say, so I will be very quick and precise.

Look at France, which has traditionally been very enlargement-sceptic. I think it was around May 2022 when France really changed its tune on enlargement, so before the speech that President Macron made in Bratislava this year. I think France saw three opportunities around EU enlargement. The first was that the public see Ukraine as European, so that is one less obstacle to worry about—un obstacle de moins, as they say in France. The second is that it is an opportunity to reform, and so if we were to enlarge we could also reform. The third is that it would finally provide the EU with the mass it needs to be a true geopolitical actor. I think that explains France's shift on enlargement, but it will be extremely difficult, for all the reasons that we know.

Increasingly, inside the EU there are discussions of either a multi-speed Europe or different forms of membership, and that poses a crucial question of where the UK sits in that architecture. It is very difficult for the UK Government to participate in those discussions because it chose to leave, but I think it should be thinking quite seriously about how the EU

is evolving and what opportunities this could provide for the UK as well. I am thinking about access to the single market but not only that.

There are many more things I could say but I will stop there.

The Chair: Thanks so much for being brief.

Dr Stefan Meister: I will add some points and also confirm what was said. I think that the EU itself will change. There will be no integration as there was before of such a big country as Ukraine if the voting system in the EU is not changed. I do not think that we will have full-scale integration into the EU, but there may be partial integration of Ukraine in some sectors. The EU itself will change, and the question will be how and when.

You also asked what UK relations will look like in the future and in which areas there might be more co-operation, or where a country such as Ukraine is not integrating but co-operating with other European countries such as the UK. There will be much more flexibility in a way, but it will also take more time.

I am also rather afraid of frustration from the Ukrainian side that it will not be a high-speed integration and the benefits may not be coming so soon. That will be a big discussion on how to create these benefits. Then it is a question of security, investment and reforms, and you also mentioned corruption before.

I think that there are a lot of common interests between the UK and the EU where they could co-operate, but it is really about the future of the EU itself. It is about what enlargement will look like and very much about UK-EU relations and how these will emerge in the future.

The Chair: Very good. Thank you very much to all three of our witnesses: Georgina Wright, Dr Stefan Meister and James Rogers. It has been a very large area covered in an hour. We are most grateful for everything you have said. There will be a transcript provide that you will have the chance to correct. In thanking you, I will now suspend the session just for a few minutes so that we can change to the next panel.