

TUESDAY 20 OCTOBER 2015

Members present

Baroness Armstrong of Hill Top

Baroness Coussins

Lord Dubs

Lord Horam

Earl of Oxford and Asquith

Lord Risby

Baroness Suttie

Lord Tugendhat (Chairman)

Examination of Witnesses

Mr Hans Wessberg, Member, European Court of Auditors and former State Secretary, Swedish Prime Minister's Office, and **Mr Peter Eklund**, Head of Private Office, European Court of Auditors

Q58 The Chairman: Mr Wessberg and Mr Eklund, thank you very much for coming to talk to us. As I think you know, we are members of the House of Lords European Union Select Committee. We are the sub-committee dealing with European external affairs. This is part of our inquiry, and notes are being taken, but if you want to go off the record please say so and we will of course respect that. My colleagues have a number of questions in addition to the ones we sent you, but could I start, please, by asking if you could explain the role of the Court of Auditors in scrutinising EU external policy? I remember from my own time in the Commission the Court of Auditors scrutinising the Commission's activities, but I had not thought of the Court of Auditors in quite that role until today.

Mr Hans Wessberg: Thank you. I am happy to do that. Perhaps I could take the opportunity to point out that, when I was a very young man in 1980, I was summoned to a sub-committee of the House of Commons to give a statement on the student loans contract—student grants. I was then Chairman of the Swedish National Union

of Students. That was at the beginning of my career, and now that I am near the end of my career I have advanced to the House of Lords and foreign affairs.

The Chairman: We are all nearer the ends of our careers as well.

Mr Hans Wessberg: I feel very much at home. I would like to say a few words about the Court of Auditors. As you know, we are the independent external auditor of all the Union's spending and we like to see ourselves as the taxpayers' watchdog. We are, as you know, composed of one member from every European member country, with me being the Swedish member. We are 28 members. The majority of the members are not auditors. I am a former politician and a former civil servant, but I have never worked in auditing. We publish the results of our audit work in a variety of reports. You have probably seen our annual report where we keep track of the budget as a whole, but we also publish a specific annual report and special reports, depending on the type of audit.

We are a chamber organisation; 28 members are quite a lot—when Sweden joined we were 15—and I am in the chamber that concerns itself with the Union's external activities as a whole. That means the CSDP of course, but various other things as well. We have produced, among others, four reports that I believe would be of interest to this Committee in discussing the EU strategic review and the common security and defence policy. They include European assistance to Kosovo related to the rule of law, EU support for governance in the Democratic Republic of Congo, European Union direct finance and support to the Palestinian people, and, most recently, the special report on the EUPOL police mission in Afghanistan. I was the responsible member for three of them, not for the Kosovo-EULEX report. I took part in it, but I was not a report member. That is what we do.

It is worth pointing out that we do not look at the common security and defence policy as such. We have not benchmarked every part of it against another. We look at specific projects and we pick them ourselves. We picked the European police organisation contribution in Afghanistan as something interesting to look at on value for money. It is not that much money compared with other things that we audit. It is €400 million. That is a lot, but how much is the whole development aid budget?

Mr Peter Eklund: The EDF is €30,5 billion for the period 2014-2020, for comparison.

Mr Hans Wessberg: We have a tendency to follow the money, but in this case we picked Afghanistan because we thought it was rather a difficult and complicated task.

The Chairman: You seek to see what the value for money is, but how do you measure that in this rather diffuse area? In terms of agricultural policy, I can see how the audit works, but I find it difficult to see how the audit works in a matter of this kind.

Mr Hans Wessberg: From my side, I cannot see how the audit really works on the agricultural thing, so—

The Chairman: Well, how it should work.

Mr Hans Wessberg: Maybe. I think we mean the same thing. Value for money is a complicated thing. You cannot put up specific benchmarks for it in this field—of course you cannot. In some other audits we can say that compliance with the rules is 100% or 50% or 0%. Agriculture would be something like that. Here we have to do an estimate of the effect of the money spent and the mission done. We start by looking at the goals that are put forward for the specific mission and then we try to see if those goals have been reached. To take Afghanistan as an example—it is the latest of the audits that I have been doing in this field—why did the Union start out with the EUPOL police mission? Let me go back in history a bit. When the United States and NATO forces went into Afghanistan and got rid of the Taliban—temporarily, at least—there was no such thing as an Afghan police force at all. There were definitely no police at all in the country. The Taliban had other ways of solving problems and we should not go too deeply into that, but it was definitely not the way the Union wanted things to be done. Then various projects started to get some sort of Afghan police organisation on the road, so to speak. The Americans did a few things and other countries did a few things. For a couple of years, there was a system where Germany had leading nation responsibility for the build-up of a police organisation. Then the Union decided to make it a joint Union project. Why did that happen? Probably because the task was enormous. It is a big country. They have no police tradition—they have a violent tradition—so the task was enormous. I think the reasoning was that the Union wanted to pool its resources. That is often the case in these sorts of mission. What one member country can do is one thing, but 28 member countries can do a lot more, so the police mission was started.

In the beginning it was my feeling—my feeling—that the Commission wanted to reach out to the whole of the territory of Afghanistan, to have representation in all the provinces, mainly to train police recruits and equip them and so on. In the end, that was not feasible. Why was it not? The security situation in many of the provinces was too bad to have a police training mission in it. To be honest, there were provinces where you could not move around without military protection; every base had to have some sort of military protection. In the end they concentrated on the Kabul area and went from mentoring to a real “train the trainers” system, which worked fairly well. Were they successful? Could we say that there has been value for money? Yes, I think so. Why do I think so? I will give two examples, if you will allow me. I visited Afghanistan for the first time at the beginning of 2009. I was then with the Swedish Prime Minister. The Swedish Prime Minister visited our military unit in northern Afghanistan and I joined him. When we visited Mazar-e-Sharif, the Afghan national police were held in extremely low regard by everybody. Our soldiers said that they might be a bit worried about the Taliban but they were a lot more worried about the Afghan national police. This is true. We have had in my country—the country I know best—losses among our soldiers from attacks made by the earlier Afghan national police. It really was a very unorganised and unprofessional unit. When Peter and I went to Kabul in 2014 we saw, I would say, a rather professional police organisation with equipment that worked, with communications that worked,

with policemen who could read and write—not all of them, but most of them—concerning themselves not only with fighting the Taliban but with the rule of law. That was the big idea with the police organisation. When we arrived in Afghanistan they had just had their final test, I would say; they had organised and protected the freest and most secure election ever in Afghanistan. That depended heavily on the Afghan national police, so something had really happened. EUPOL played a very big role in that but there were enormous problems, and I can go into them if you want a long answer. Yes, there was value for money, but it is hard to say whether it was 100% or 0%. The Afghan national police contribute in rather a good way to building some sort of stable society.

Q59 Lord Horam: What sort of freedom of action do you have in deciding to investigate a particular thing? Are you totally able to say which subject you will do next? If you look into something and find something you are unhappy with, can you report and say that you will follow it up at a later stage?

Mr Hans Wessberg: Yes. I might be a little bit off the record here, but to be very honest, every auditing organisation has to fight to keep its independence.

Mr Hans Wessberg continued off the record

Our independence is extremely important to us. We decide what to do. In the case of Afghanistan, we never asked anybody. We can do a follow-up if we want to. I suppose we will not do that because Afghanistan is not comparable to anything else, but we might look at how the Commission and the EEAS use our recommendations, because we have serious recommendations on what not to do next time. They concern mainly the start-up phase of the mission when we saw serious problems in manning, planning and executing things. The answer to your question is that we are fully independent. In reality, I decide myself what to audit, together with my colleagues in the chamber; we have five members in the chamber.

Q60 Lord Horam: When you have made recommendations about how things might be improved, do you find they are followed up by the relevant directorate?

Mr Hans Wessberg: I would say so, yes. I have been in this job for four years now and I have had the good fortune to be in that chamber all the time. I have never worked with cohesion, agriculture or anything else—thank God. I am really interested in foreign affairs and security things, but there are other reasons as well for me saying, “Thank God”. I must say that nowadays the Commission mainly accepts all our recommendations. In our case, Peter, they have accepted almost every recommendation.

Mr Peter Eklund: Most of them, yes.

Mr Hans Wessberg: Also, when we follow them up, they try to implement them. We look back sometimes and see if they have implemented our recommendations. In this particular field—I would not say that it applies to all the Court of Auditors’ activities towards the Commission—I would say that we have a very happy situation. We have

no political mandate and sometimes individuals in the EU system think that we behave in a political way, that we audit the decisions. We do not. We audit the implementation of decisions. That is an enormous difference. But sometimes individuals think that we get too political. That happened in the case of Afghanistan. Individuals thought that we put too much work into whether or not we should be there. No, we do not. That is not our business at all. But when the Commission—when the Council—decided to go into Afghanistan, it was our job to see if they did it in a good way. The answer in this case was yes, relatively so.

Q61 Baroness Armstrong of Hill Top: You now have some experience both from Sweden and from the EU of external affairs, of foreign policy and so on. How do you assess the success or otherwise of this process in the EU, and can you give us some examples of what you think have been successes of EU intervention and then maybe where you think they have not met the objective?

Mr Hans Wessberg: This is an enormous field to dig into. I have mixed experience. I have experiences from the country I know best, when I was in the Prime Minister's office, at the Foreign Affairs office and the Ministry for Defence. It is hard for me to separate those experiences, which I think you will understand. There are success stories and stories that are not so successful. Let me take one example.

I do not know when—it was quite a few years ago—the EU system decided to have some sort of military ability. I would not say a rapid deployment force because it is definitely not rapid and it has never been deployed, and whether it is a force or not I do not know. I am sorry. I am speaking about the battlegroup system. I came into contact with this when I was State Secretary for Defence in Sweden, and Sweden opted to be lead nation for a battlegroup. You know the system—two battlegroups standing in readiness for every six-month period. Sweden being what Sweden is, of course we thought that if we were supposed to have a battlegroup ready for the first half of 2008, it must be ready in late 2007. We are the only country that says to Germany, "Can you please try to behave in an orderly fashion?" We are what we are. Our soldiers must be recruited not only to the last day of the mandate date but for six months more because nobody knows if we need to stay longer. Anyhow, we took it rather seriously, as many other countries did. We organised a battlegroup, together with the Nordic and Scandinavian countries, and, Sweden being a small country, it was quite a challenge. The good thing about being in the EU family is that we could go to the United Kingdom—to Northwood—and say that we needed operational staff as support, because we could not organise it ourselves. Could that be done? It was easily done because both of us were EU members. Everything worked very well. I think the EU battlegroup was 2,000 soldiers strong, half of them Swedes and the rest of Finns, Estonians and Latvians and things like that, and Norwegians; even if they are not members of the Union, they are members of the battlegroup system. But they have never been used. The cost for that battlegroup force for Sweden was about 1 billion Swedish crowns. That would have been £800 million or £900 million. We could definitely afford to keep the force in readiness in our home country, but the problem

was that when we had the force organised we could not send it out on other missions. We had a request for it to go to Chad and to other places in Africa, but we could not send it because it was tied up in the EU battlegroup system. It could be argued that other countries, being less German than we are, would have sent them anyhow and said, "This battlegroup is now standing in readiness in Chad instead", but we do not do it like that. Many European countries do not do it like that. I am trying to say that a common approach is of course very successful; it is good to have a system like that, but if it is never used, is it a good thing? I have even contemplated auditing it, but, to be honest, it does not cost the Union anything. I follow the money, so I do not think we will ever do that. On the other hand—we have not audited it, of course—a success story might be the common approach to the new situation between European countries and Russia. That could be an example of when the common foreign policy is moving in the right direction. That could be two examples.

Q62 Baroness Suttie: You have to a certain degree just answered the question I was going to ask, because I am particularly interested in ad hoc alliances and groupings, but to what degree do Nordic and Scandinavian countries work together on EU defence and security policy? Would you anticipate that you would have a common response to the strategy review? Secondly, do the Scandinavian and Nordic countries have a common response if they disagree, for example, with a particularly strong German position on security and foreign policy?

Mr Hans Wessberg: I will gladly answer you, but you must remember that I have to step out of my position as—

Baroness Suttie: Sure, this is from your memory as a former Swedish State Secretary in the Ministry for Foreign Affairs rather than the Court of Auditors.

Mr Hans Wessberg: Yes. You can see it as a titbit from the memoirs I am not going to write.

Lord Dubs: Why not?

Mr Hans Wessberg: Because my Prime Minister recently did and it is the most boring book I have ever read.

Lord Dubs: You could make yours interesting.

Mr Hans Wessberg: He would not like that, would he?

This is rather a big story. It goes back in history to 1945. Nordic countries have definitely diverging experiences from the Second World War. You know this as well as I do. With Norway and Denmark having been rapidly occupied by Germany, their conclusion was that standing alone was not an option. Finland got into conflict first with Russia, then with the Soviet Union again for a second time, and then a third time in what they called the Lapland War when they had to kick their German allies out of northern Finland in 1944; it was an extremely bloody battle. They had their own experiences that led them to the conclusion: "We could manage in 1939-45 alone, without any assistance at all. We would gladly do it again". That would be a typical

Finnish solution. Having the experience of neutrality played out rather well for Sweden—not morally, but we were not hit by the war. We had to tear down our cities ourselves in the years after the war and we gladly did, so it looks exactly the same as in the rest of Europe. The experiences vary a lot. Sweden and Finland are not NATO members, and Denmark, Norway and Iceland are NATO members, but there is some sort of co-operation and there always has been. There was a debate in 1945-46 as to whether a Nordic defence alliance should be created instead. That came to nothing and it is probably a good thing, because NATO is much more important for Norway and Denmark, and maybe for Sweden and Finland as well. There is co-operation, but it never leads to common conclusions when we come down to this city. There is close co-operation in the Nordic capitals, but when Governments send their delegations down here it is pretty much everybody for himself. That has always been the case. I would say that both Sweden and Finland prefer to be in NATO-led operations, moving on to the CSDP dimension. Sweden and Finland prefer to be in NATO-led operations, in Afghanistan, in Kosovo and other places as well, rather than in United Nations-led or even EU-led ones, because NATO operations are militarily better led. They are more professional. That is easy to understand. NATO is a professional organisation and we, not being NATO members, prefer to be led by professionals instead of being led by non-professionals. It is very simple. There is no clear Nordic identity on this; there are diverging experiences. Sweden and Finland are now moving closer to NATO than we have ever been before. We are partners and we used to say that we are better integrated in NATO than most NATO members, but then again, being Swedes—

Q63 Baroness Coussins: You referred earlier to the importance of the independence of the ECA and the fact that your mandate is not a political one. I imagine that your independence would be better safeguarded if there were more of a common shared political vision rather than 28 Member States each with their differing priorities for foreign policy and security. Drawing on your experience in the Swedish Foreign Ministry as well as from your experience at the ECA, could you comment on whether you think a shared political vision or degree of unity over foreign policy is shaping up to be more likely now, and is the current consultation over the new strategy likely to help it on its way or not?

Mr Hans Wessberg: That is a very difficult question to answer. You must remember that when I take up my position, like any other member of the European Court of Auditors, I have to swear an oath not to take any instructions from anybody, including our home Governments. Most of us take that very seriously. I have been renewed once and when we are renewed we have to go to Parliament for a second time and for a hearing. The only question I was asked in Parliament on my second hearing was, "Has there ever been any attempt from the Swedish Government to influence you or to instruct you?". Of course there has not. Most of us are in that position. When we take up our positions in the Ardennes up in Luxembourg we start to be a bit isolated from what goes on. It is easy for us to see that in Europe there is this common

identity on foreign affairs, but how far reaching is it, how deep? Would it be better if it was a very clear vision, as I think the Baroness indicated? Maybe, but I am not sure. It depends a little on where you stand on European co-operation. Again, stepping out of my mandate as an EU official, I would say that, being a Swede, I was very active in the referendum campaign that led Sweden into the Union in 1994. We entered on 1 January 1995. I was very active in that. I was in fact at the head of the campaign team. But what did I join? I joined a co-operation between nations. I wanted to join a co-operation between European nations because I, as a person, have a strong conviction that there is a European identity and a European culture; there is a European destiny—to go very high up in the clouds. But there is also definitely no place for a European super-state. Co-operation between nations is what Sweden and I joined. I feel happier without the far-reaching vision that you might be implying—I do not really know for sure. I feel rather at home with co-operation between nations.

There is big variation in history on the concept of nation as well. In Britain and Sweden, both being 1,000 year-old monarchies, the idea of nation is rather strong in the population. Other countries in eastern Europe have totally different experiences of nationhood and totally different experiences of entering a union, so there will always be differences.

Mr Hans Wessberg continued off the record.

I think it is better to keep it that way, but this must be considered a very private opinion.

Lord Dubs: As a slight digression, I think we could do with your help in the coming referendum in Britain if you have a bit of time to spare.

Mr Hans Wessberg: I have done my last referendum.

Q64 Lord Dubs: Could I turn to another issue—the question of the UK's contribution to the CSDP missions? Have you had a chance to have a look at that? Do we add any value, and have we made a lesser contribution in the recent past than we did earlier?

Mr Hans Wessberg: I will try to answer this question. As you know, we do not audit specific member countries, but you understand that, so I will try to answer to the best of my ability. Peter and I both met UK policemen in the EUPOL mission. They were doing excellent work, of course. I have met policemen in the field as well doing excellent work. There are different traditions in Europe on police work. My home country and the United Kingdom both belong to the group in the non-gendarmerie tradition, which means that we usually want to use our policemen as policemen and not as soldiers. I feel very much at home with that, so I saw very competent trainers of trainers. They were held in high esteem, were they not?

Mr Peter Eklund: Yes. We saw various examples of UK police officers in action training first the Afghan national police and officials in the ministry and also teaching them how to manage the police staff training college, which was then handed over to the Afghan authorities, as well as UK police officers in the field teaching the principles

of civilian policing to their Afghan counterparts. That is a concrete example of UK professionalism and added value in action.

Mr Hans Wessberg: I think we saw the same thing in Palestine, although they were not policemen. There is a difference. To be honest, I come from a small country and the United Kingdom is a big country. Small countries must work together within the Union to get something done. That is very simple. We simply cannot cope ourselves. If we want to do something, co-operation is the word. Small countries are often better at co-operation than big countries, because big countries always have the option of doing it themselves. Areas like Afghanistan, or for this purpose also Palestine, show that even big countries benefit a lot from working together. For me, it is quite obvious that the United Kingdom is doing that. I should not comment on your national debate, but maybe it shows a little bit in your commitment to various operations that there is an ongoing debate on whether Europe is good or not. That shows a bit, yes, but I cannot say that we have seen anything negative—not at all. There are two countries within the Union that could do anything themselves: the United Kingdom and France—militarily, diplomatically and economically. If you are speaking about economics, you should add Germany, but not on military. During the years that I have been at the Court of Auditors, UK commitment to the common policy has been quite high. I, for one, am glad to see that; many small countries like to have co-operation with one or two of the big countries because it makes life a lot easier. Your home country is always easier to cope with.

Q65 The Chairman: Could I ask you a different question? Do you think that the exercise that Mrs Mogherini has embarked on could, from the point of view of the Court of Auditors, make the CSDP a more efficient and effective operation, or do you think that its benefits would come in other fields?

Mr Hans Wessberg: That is an extremely good question. I think the answer depends on the circumstances that we are moving into. Who can say what stormy waters Europe is moving into in the CSDP field? I think the answer lies there more than in her work. I really do not know, but it is a good attempt.

Q66 Earl of Oxford and Asquith: Can I ask a supplementary on a hypothetical question in the CSDP context? It has been presented to us in evidence that, for example, the operation in the Gulf of Somalia against piracy has been a good operation. It has been presented to us that the European naval force in the Mediterranean is a good operation. I am not quite so sure that I am convinced of that yet. My hypothetical question is whether there is a role for you, or would you not take it on, in making a comparative study of the value for money of the kind of projects that would be the basis of recommendations going forward, or is that not your role yet?

Mr Hans Wessberg: We could, of course. We have no limitations. We could do that. Whether we do it or not depends on whether we think that we have the capability to do it ourselves. We are a rather limited organisation. Auditors are auditors and they

are relatively specialist. Peter and I do performance auditing and we could use that competence to do something comparative, as you say. It could be possible, yes, but we would think twice, or even three times, before we did it, because we would rather stick to audits where we know that we can produce a solid result. But it would be a very interesting question to compare different missions. We could definitely do it. We have never done it.

Mr Peter Eklund: We have not done it so far, no.

Mr Hans Wessberg: Can I go on to your different naval operations? I do not think anybody can say anything about the Mediterranean yet, but the Somalia thing—we have not audited it but I know, again from my experience in the country I know best—is rather a good example of both co-operation and delivering results. There are fewer pirates in that part of the world now. The bad story is that they have probably migrated to other parts of the world, but that is beside the point, is it not? There are fewer pirates. It is easier for cargo vessels to move around there nowadays than it used to be, so the result is good. The co-operation between nations to deliver that is also good; it does not always take place. I used to say, from my experience in the reports I have done myself, that the more important an issue is, and the more complicated a European task is, the more complicated co-operation between Member States is, because when it is really important you have instructions from home. You have to deliver this for purely political reasons. I have full respect for that, but it does not make life easier for the EU delegation with the task to co-ordinate. Palestine is a very good example. Everybody thinks that the whole issue is enormously important. Most nations share the same view as to where the solution is as well. But since it is very important, it is also very important for politicians. That makes it more complicated for the European Union head of mission down there to co-ordinate things. It is easier when nobody cares, if I am very blunt.

Earl of Oxford and Asquith: I understand.

The Chairman: Thank you very much indeed. That was a quite different perspective on the issues from the one we have been getting from others, so I am very glad you were able to come to give evidence to us. Thank you very much.

Mr Hans Wessberg: Thank you. It is an honour.

Mr Hans Wessberg continued off the record.