



## The Dispute over Nord Stream 2 after the Navalny Poisoning

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The assassination attempt on Russian opposition leader Alexei Navalny has sparked a heated debate within the EU on the rationale behind Nord Stream 2 (NS2) and the political implications of its construction. Despite the growing criticism (e.g., in Germany, a key partner of the project), it is almost certain that the German leaders will maintain their support for the 95%-completed pipeline. Therefore, U.S. sanctions remain the main threat to the project.

**The Debate on NS2 So Far.** The construction of the pipeline, which started in 2018, and its political implications have [for years been controversial](#). The investment has been criticised by Central and Eastern European countries, Denmark, the U.S., the European Parliament, and others. The European Commission has also expressed scepticism about the project.

These concerns have long been ignored by the German government, which besides Russia is the main advocate and promoter of the project (NS2 is also strongly supported by Austria). Although [NS2 construction almost certainly would not have begun without strong political support](#), the pipeline is promoted as a “business project”, and the involvement of private companies allegedly proves this. Such an approach has allowed the German government to emphasise that it is not directly involved in the project. At the same time, Germany has tried to weaken the criticism of NS2 and make it more acceptable to the country’s allies.

One of the reasons why Gazprom has pushed for NS2 is to bypass Ukraine as a transit country for Russian gas to Europe. To dispel the controversy surrounding the pipeline’s construction, German diplomacy [actively supported trilateral negotiations between Ukraine, Russia, and the EC on maintaining Ukrainian gas transit \(the agreement, however, will not guarantee maintaining it in the long term after NS2 is completed\)](#). As the construction of NS2 has progressed, Poland, together with other EU countries, supported amending the EU’s gas directive (the changes were adopted in 2019); they are meant to ensure that when NS2 is completed it operates according to transparent EU regulations. Germany and Austria had been trying to [stall updates of the legislation](#), and when the amendments were

eventually adopted, German diplomats then claimed that the amended directive reconciles the divisions over NS2. German Minister for Economic Affairs and Energy Peter Altmaier also claimed that the pipeline [could support the EU’s energy transition](#).

Moreover, Germany also tried to wean U.S. President Donald Trump and Congress away from introducing sanctions on NS2. To do this, Germany declared its readiness to develop infrastructure for importing liquefied natural gas (LNG) from the U.S. However, these attempts failed and the Congress [passed a law setting sanctions on NS2 \(signed by the president in December 2019, which halted construction of NS2\)](#) and then [in June 2020, a bill was introduced to expand these sanctions](#). Also, the U.S. Department of State decided to use the CAATSA law from 2017 and [in July 2020 announced the U.S. would implement the sanctions against NS2](#).

These sanctions, beside stalling NS2’s construction, sparked a debate within the EU against the use of such measures against European allies. The sanctions were criticised not only by EU countries but also by High Representative of the European Union for Foreign Affairs and Security Policy Josep Borrell. These tensions were framed in the wider disputes on U.S. sanctions, including those against Iran or the [International Criminal Court](#).

**Reactions to the Poisoning of Navalny.** In recent weeks, the controversy about the U.S. sanctions have been overshadowed by the debate on NS2. This shift was caused by the [poisoning of Navalny](#) (which was directly ordered or at least greenlighted by Russian authorities) and allegations by Russia that Western intelligence services might have been behind it. Along with the criticism of the Russian authorities,

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in Germany more vocal calls to give up support for NS2 have appeared.

Despite the new dynamics in the debate, the criticism has mostly come from politicians and groups already critical of NS2 (e.g., the Greens). There was a noteworthy statement from Heiko Maas, the German minister of foreign affairs, who suggested that Germany could withdraw its support for NS2 if Russia does not investigate Navalny's poisoning. It is the first such case when such a prominent German official has linked Russia's aggressive policy to continued support for NS2. However, within Maas's party, the SPD, his voice is lone and has not translated into concrete decisions by Germany's leaders. Moreover, a number of prominent German politicians have expressed continued support for NS2: Olaf Scholz, finance minister and vice-chancellor (SPD), stated that NS2 would not lead Germany to more dependence on Russia and that he opposes the U.S. sanctions; Peter Altmaier (CDU) even questioned the effectiveness of the sanctions themselves and the pipeline is supported by the heads of Germany's eastern Länder. Furthermore, Chancellor Angela Merkel has not withdrawn her support of NS2.

Simultaneously, the international pressure on Germany regarding NS2 has become stronger with criticism from Poland, the Baltic States, Denmark, and other countries. The pipeline was openly criticised by Commission President Ursula von der Leyen, who also emphasised that the gas trade has not made Russia a more predictable partner. Also, the European Parliament again called for a halt to NS2.

The Russian authorities are aware that Germany lacks the political will to withdraw its support of NS2. Russia's energy minister, Alexander Novak, assured that the pipeline will be completed, and Kremlin spokesman Dmitry Peskov stated that there is no threat to NS2 from the German side. The Russian foreign ministry also started to suggest that Germany (where Navalny was hospitalised) is hiding the "truth" about his poisoning and that it is using the case for political purposes. Such baseless assertions by Russia stems from Germany's continued support for NS2 despite Russia's military aggression against Ukraine and illegal annexation of Crimea, assassination of Kremlin enemies in Europe, and political repression at home.

**Perspectives.** The U.S. sanctions remain the greatest threat to finishing and launching NS2. Germany could potentially undertake some efforts to halt its completion but lacks the

political will. What makes it harder for Germany is its strategy—adapted at the beginning of the project—that NS2 is a private business project.

A firm declaration by Germany that it opposes NS2, while very unlikely, could, along with the U.S. sanctions, lead to a halt to the project. The companies involved would have to factor in that if the most important NS2 advocate will not try to prevent the U.S. from introducing the sanctions (e.g., through lobbying) or protect impacted companies (e.g., through EU initiatives) but on the contrary works to stop the pipeline, then they face a greater risk. Such steps could theoretically be taken through the Foreign Trade and Payments Act (Außenwirtschaftsgesetz). But besides requiring a political decision, it would necessitate proving that NS2 threatens Germany's security or, for instance, could lead to the "disturbance of the peaceful coexistence of nations", in comparison to the German authorities' promotion of the pipeline as beneficial. Furthermore, the law requires setting a specific goal that would be achieved by such steps.

The German government is more open to a joint EU reaction to Navalny's poisoning, but it does not include undermining NS2. EU sanctions require unanimity, and the first step to impose them against NS2 would be the firm action of Germany diplomacy to gain wide support for this. It is unlikely that Germany changes its stance as a result of pressure from other EU countries. Poland can, however, support introducing EU sanctions against NS2 as a form of additional pressure. It would increase the political costs of supporting NS2 and in the long run should be used to persuade Germany to pursue more assertive policy vis-a-vis Russia. Poland can argue that the lack of decisive steps by Germany and EU countries toward crucial Russian projects like NS2 encourages the latter to continue its aggressive policy.

In the short term, Germany could use the period when construction is halted to lobby the U.S. administration (especially if Democratic challenger Joe Biden wins the November presidential election) and Congress to soften the sanctions. It will be difficult to achieve any results since in the U.S. Congress there is broad support for punishing Russia for its aggressive policy. Such a trend is favourable from Poland's perspective, which has consistently opposed NS2 and is sympathetic towards sanctions on the project.