

POLITICAL COMMITTEE (PC) Sub-Committee on NATO Partnerships (PCNP)

THE NATO-EU
PARTNERSHIP IN A
CHANGING GLOBAL
CONTEXT

Report

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### I. INTRODUCTION

- 1. The relationship between the North Atlantic Treaty Organization (NATO) and the European Union (EU) arguably the two most powerful multilateral bodies in modern history is a recurring theme in international political debates, not only for Europe but also for NATO. Although some members of the latter not least on the southern and western flanks are not, or are no longer, members of the European Union, it is evident that both organisations need to work together. The EU and NATO are continuously confronted with the demand for increased cooperation and synergy. This demand stems from the two organisations' shared roots in a post-war context (both were instrumental in guaranteeing peace and stability in Western Europe), from the partially shared membership (21 common members), but also from their allegiance to the same set of values (democracy, individual freedoms, and the rule of law). These organisations need to combine their efforts to address the new challenges of the post-industrial era, a list that has just been expanded to include the necessity to tackle global health emergencies. Both organisations have adopted a comprehensive approach to security, which creates opportunities for cooperation between them in spite of their differing mandates and nature (NATO being purely intergovernmental, while the EU has a strong supra-national component).
- NATO sees the EU as a key partner, unique of its kind. The last few years have seen a remarkable rise in joint declarations, meetings, and common projects, and an unprecedented level of activity coordination and intelligence sharing. The EU and NATO are at long last communicating with one another on a daily basis. The signing of the Joint Declaration in 2016 has truly elevated the NATO-EU partnership to a new level. However, this rapprochement comes in the context of growing centrifugal tendencies inside the Euro-Atlantic community. The NATO-EU partnership remains predominantly tactical rather than strategic. Key issues (how to make this cooperation more substantial and avoid unnecessary duplication) and challenges (how to push Europe's defence capabilities forward without jeopardising the integrity of NATO) have yet to be fully resolved. More importantly, the return of geopolitics and competition between major world powers and the fading memory of the United States' support for Europe during the Second World War and the Cold War test the very foundations of the NATO-EU partnership. The long-term prospects of this partnership will not only depend on overcoming practical problems such as the coordination of defence planning processes, but also on the capacity of NATO and EU members to revitalise their ideological unity and retain a sense of trust and solidarity. After all, relations between NATO and the EU are based on both the practical interactions between the two organisations and also on what they can do, in a spirit of coordination and complementarity, to achieve shared goals.
- 3. This report assesses the achievements of NATO-EU cooperation including the initial response of the two organisations to the COVID-19 crisis, tries to identify the critical obstacles to cooperation, explores sensitive issues such as the quest for EU strategic autonomy in the area of defence and security, and provides recommendations on the road ahead. The Alliance's current forward-looking reflection process can be seen as a significant opportunity in this regard. However, the increasing scale of joint NATO-EU activities should not obscure the fact that NATO and the EU are likely to face trends that threaten to alienate their members. In order to ensure the sustainability of this partnership, it is crucial to create favourable conditions for more extensive outreach, i.e., greater and deeper interaction at all levels between the European and Euro-Atlantic stakeholders.

### II. OVERVIEW OF THE EVOLVING NATO-EU RELATIONSHIP

### A. THE EUROPEAN COMMUNITIES AND NATO DURING THE COLD WAR

4. From the outset, NATO and what was formerly known as the European Communities (EC) had a common ambition to achieve and promote peace in Europe. For example, the founding countries of the European Coal and Steel Community (ECSC), the precursor to the EC, achieved historic rapprochement in Western Europe by agreeing to regulate the strategic steel and coal sector through pooled sovereignty. But for decades, to quote former US Ambassador to NATO, Robert E. Hunter,

"NATO and the European Union are two institutions living in the same city (Brussels) on different planets". Throughout the Cold War, NATO almost exclusively concentrated on territorial defence, while European efforts in the area of defence and security either failed (rejection of the Treaty establishing the European Defence Community project in 1954) or led to the creation of symbolic rather than operational institutions (Western European Union – WEU). Faced with the Soviet threat, the only way to guarantee the security of Western Europe was through the substantial involvement of the United States in the NATO Alliance structure. The competences of both NATO and the EC were clearly defined, and their relationship was essentially based on the fact that NATO provided a security framework under which European integration projects could flourish. The United States encouraged European integration from a bipartisan stance: for example, in 1962 the Kennedy administration urged Europeans "to move towards substantial internal cohesion to provide a solid foundation upon which the structure of an Atlantic partnership can be erected", while in 1969 President Nixon observed that "the world will be a much safer place and, from our standpoint, a much healthier place economically, militarily, and politically, if there were a strong European community" (Devuyst, 2007).

### B. THE INSTITUTIONALISATION OF RELATIONSHIP BETWEEN NATO AND THE EU

- 5. As the end of the Cold War inaugurated a radically new strategic environment, two main developments affecting Euro-Atlantic security emerged: on the one hand, NATO's adjustment to the security environment marked by the retreat of the Soviet threat; on the other hand, the resurgence of armed conflicts between the newly independent nations and ethnic groups in Europe. NATO and the EU have both worked to promote the integration of the countries of Central and Eastern Europe into Euro-Atlantic institutions, to stem conflicts in the former Yugoslavia. They have also acted together to contain threats from the south by helping several countries in the Middle East/North Africa (MENA) region, such as Jordan and Tunisia, to ensure their stability.
- These developments prompted a European institutional reflection towards a potentially more decisive role in European security in its close vicinity. Accordingly, the 1992 Maastricht Treaty, which established the European Union, also provided the basis for a Common Foreign and Security Policy (CFSP) paving the way for an integrated security and defence policy by gradually integrating the functions of the WEU into the EU between 1992 and 2000. Known as the "Petersberg tasks", these functions ranged from rescue, humanitarian aid, and peacekeeping operations to peace-making. The decisive momentum for the creation of an EU Security and Defence Policy (ESDP, now known as the Common Security and Defence Policy - CSDP) took place at a Franco-British summit in Saint-Malo in December 1998. In December 1999, the EU Council in Helsinki called for the establishment by 2003 of the potential availability of up to 60,000 troops, deployable within 60 days and sustainable for up to 12 months, capable of fulfilling the full range of the Petersberg tasks. Further measures were announced in 2004, when the EU launched the creation, by 2010, of 13 national and multinational battlegroups - units of around 1,500 troops each, capable of moving rapidly to a crisis area within 10 days of any deployment decision. Moreover, the EU created several new institutions under the CSDP framework (which will be examined later in this report) and conducted a series of military, law-enforcement, surveillance, and capacity-building missions abroad (see Figure 1).
- 7. The EU's increasing interest in becoming a leading player in the area of security prompted the Union to build relations with NATO. The early 2000s marked the start of the institutionalised relationship between NATO and the EU. Such contacts were welcomed by NATO, including by the non-European Allies. The international context was, indeed, favourable: European-American solidarity had been powerfully reaffirmed in the wake of the 11 September 2001 terrorist attacks, while the EU and Turkey's partnership was developing rapidly in the run-up to EU membership accession talks (that were officially launched in 2005). After an exchange of letters between organisations in January 2001, a mutually reinforcing strategic partnership was announced in the December 2002 "NATO-EU Joint Declaration on the European Security and Defence Policy". Three months later, the partnership was consolidated by the adoption of the "Berlin Plus" agreement, whereby the EU was given access to NATO's military assets and planning capabilities for EU-led

operations without having to resort to the formal launch of a NATO-led operation (NATO's "right of first refusal").

- 8. The rapprochement between the EU and NATO also gained from similar threat assessments included in NATO's 1999 Strategic Concept, in the decisions of the 2002 Prague Summit and the EU European Security Strategy (ESS) in December 2003: both organisations recognised terrorism, the proliferation of WMD, and failed states as the principal security challenges. In subsequent NATO documents, including the Strategic Concept 2010, the Alliance's comprehensive approach to security was reiterated.
- 9. On the basis of this cooperation framework, between March and December 2003 the EU embarked on its first peacekeeping operation in North Macedonia, *Concordia*, under NATO's Deputy Supreme Allied Commander Europe (DSACEUR) as the Operational Commander. Similarly, the transition from the NATO Stabilisation Force (SFOR) operation in Bosnia and Herzegovina to the EU-led Operation *Althea* in December 2004 was undertaken within the framework of Berlin Plus.



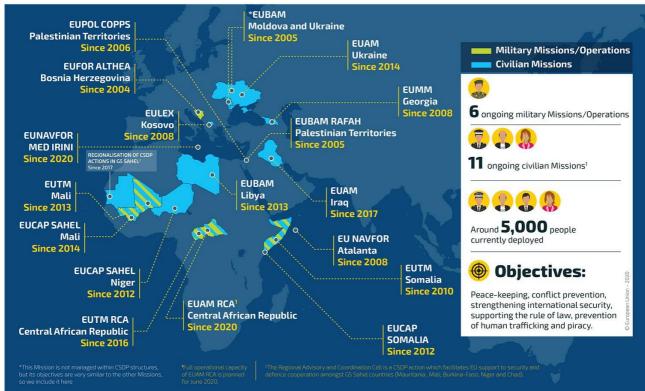


Figure 1 (Source: European External Action Service - EEAS)

10. On the whole, however, this phase of cooperation between NATO and the EU made limited progress and was marked by institutional shortcomings and mutual suspicion. With the accession of Cyprus to the EU in 2004 and Turkey's membership of NATO, efforts to further institutionalise the NATO-EU partnership were affected. Consequently, the Berlin Plus framework was never invoked again and the EU's Operation *Althea* in Bosnia and Herzegovina is the only operation in this framework. Meetings between senior NATO and EU representatives – such as those between the North Atlantic Council (NAC) and the EU Political and Security Committee (PSC) – are mainly informal. If both Turkey and Cyprus are present during the informal NAC-PSC meetings, and the exchange during informal meetings is the same as during the formal ones, what differs is the legal status of the outcome. Exchanges of sensitive security information between NATO and the EU

members were also hampered. Difficulties in exchanging sensitive intelligence remains one of the major obstacles to NATO-EU cooperation, particularly in terms of preventing cross-participation in strategic-level exercises. It is important to note, however, that information exchange problems mainly concern sharing sensitive documents with Member States – the institutions themselves usually find ways to exchange information on a regular basis, particularly since the reinvigoration of NATO-EU relations in 2016.

- 11. Despite these reservations, there were several examples of simultaneous operations that successfully complemented one another, such as the EULEX (EU) and KFOR (NATO) missions in Kosovo. Between 2009 and 2016, NATO and the EU patrolled together off the Horn of Africa as part of their counter-piracy missions *Ocean Shield* (NATO) and *Atalanta* (EU), with NATO ceasing operations when *Atalanta* reached maturity.
- 12. The progress made by the EU in developing its military capabilities remained limited: although they were declared fully operational in 2007, the EU Battlegroups were never deployed in crisis situations, primarily due to the scarcity of essential logistical means in Europe and the lack of effective decision-making structures at a strategic and operational level. During that time, there were no permanent military command and control structures in the EU. However, the CSDP was seen with apprehension by some within NATO, particularly the United States. Already back in 1999, former US Secretary of State Madeleine Albright succinctly summed up this concern with the so-called "3 Ds", namely the threat of decoupling (of NATO and EU actions), duplication (of capabilities), and discrimination (of non-EU NATO members). While the EU Battlegroups played a useful role in promoting military transformation, the concept itself where nations committed to provide different components of multinational rapid reaction units on a rotational basis was similar to that of NATO's Response Force (NRF). National units designated for both the NRF and the battlegroups are essentially the same, requiring close coordination between NATO and the EU about the priority of using these forces in times of crisis.
- 13. The EU has also introduced mutual defence and solidarity clauses in its founding treaties: Article 42(7) of the 1993 Treaty on European Union (TEU) states that Member States have an obligation to provide "aid and assistance by all the means in their power" to any member that is the victim of armed aggression, while specifying that "Commitments and cooperation in this area shall be consistent with commitments under the North Atlantic Treaty Organization, which, for those States which are members of it, remains the foundation of their collective defence and the forum for its implementation". Article 222 of the Consolidated version of the Treaty on the Functioning of the European Union (TFEU, as amended in 2009) calls on the Union and the Member States to "act jointly in a spirit of solidarity if a Member State is the object of a terrorist attack or the victim of a natural or man-made disaster". This has been perceived by some within NATO as creating confusion as to which Treaty Washington, TEU, or TFEU should be invoked in an emergency.
- 14. While 2016 heralded the beginning of a new chapter in NATO-EU cooperation, most challenges and elements of the institutional framework are inherited from the pre-2016 period.

# III. THE NATO-EU PARTNERSHIP IN THE NEW GLOBAL POLITICAL AND SECURITY ENVIRONMENT

15. At the 2014 Wales Summit, NATO recognised explicitly and substantively the role of the NATO-EU strategic partnership in all its dimensions: the political dialogue between organisations, but also the complementarity of European operations and initiatives carried out in various fields. The consensus is that more progress was made with NATO-EU cooperation in the last four years than in the previous two decades. In 2016, in the margins of the NATO Summit in Warsaw, the President of the European Council, the President of the European Commission, and the Secretary General of the North Atlantic Treaty Organization signed a historic Joint Declaration outlining seven areas for intensified cooperation (see Figure 2). In 2018, a follow-up joint declaration was signed, outlining four other priority areas: military mobility; counterterrorism; building resilience to chemical, biological,

radiological, and nuclear-related risks; and promoting the women, peace and security agenda. Although not clearly identified in the joint declarations, the need to broaden political dialogue is also recognised as a priority area. Guided by these priority areas, both organisations also agreed on a set of 74 actions to carry out to translate these declarations into concrete deliverables.

# Information sharing Coordinated planning Concrete cooperation In the areas of: OTHER OF THE PROPERTY OF THE PRO

### **NATO-EU COOPERATION**

Figure 2 (Source: European External Action Service - EEAS)

16. Two major factors underpin this surge in cooperation: (1) the growing awareness that neither NATO nor the EU possesses enough capabilities, expertise, and tools to offer comprehensive solutions to the very complex and multifaceted global security challenges; and (2) a new round of European security initiatives conducted outside the NATO framework.

### A. TACKLING NEW SECURITY CHALLENGES

17. In the last decade, and especially since the illegal annexation of Crimea in 2014 by Russia and the violations of the territorial integrity of Ukraine, both the EU and NATO have had to face a rapid succession of crises and new threats that radically transformed their security environment: a series of terrorist attacks, unprecedented migration and refugee crises, the return to the world stage of a strongly resurgent and increasingly assertive Russia, the rising threat of hybrid and cyber-warfare, the growing assertiveness of China, and the escalating importance of the climate change issue. In that context, cooperation between the two organisations has moved from simply desirable to vitally important. The following paragraphs offer a short overview of EU and NATO cooperation addressing some of these new challenges.

### Operational Maritime Cooperation

18. In 2015, responding to the humanitarian refugee and migration crisis in the Mediterranean, the EU launched Operation *Sophia* to identify and dismantle networks of human smugglers and traffickers. The EU Coast Guard and the EU Agency Frontex also initiated border security and search-and-rescue operations *Poseidon* and *Triton* (later replaced by *Themis*) in the central and eastern Mediterranean. At the same time, in 2016 NATO responded to the consequences of this crisis by extending its own counter-terrorism and intelligence-gathering operation in the Mediterranean (*Active Endeavour*, launched in 2001 as part of NATO's response to the terrorist attacks of 11 September 2001 against the United States), renamed *Sea Guardian*. A detachment of

Standing NATO Maritime Group 2, complemented by Allied naval assets, was also deployed to the Aegean Sea to help tackle human trafficking and illegal immigration. In this way, NATO provided active support to Operation *Sophia* (which was part of the official *Sea Guardian* mandate), and to Frontex operations as well as to the relevant national coastguards in the Aegean Sea through the timely provision of real-time operational information and logistical support. In order to coordinate their action, Frontex and the NATO Maritime Command (MARCOM) approved, in March 2016, arrangements at the operational and tactical level. The successful operational collaboration between NATO and the EU in the Mediterranean owes much to the liaison arrangements between both parties.

19. Operation Sophia was discontinued in March 2020. Instead, the EU launched a new naval operation, Irini, tasked with enforcing the UN arms embargo on Libya. At the time of writing, the prospects of signing a similar arrangement that existed between Sea Guardian and operation Sophia and extending NATO-EU maritime cooperation to support operation *Irini* were uncertain. In practical terms, such support would be highly appreciated by the EU naval forces, since NATO can provide crucial surveillance assets, such as AWACS planes and Global Hawk drones. However, politically, there is no consensus among the Allies on the benefits of operation Irini, reflecting different assessments and divergent approaches to the conflict in Libya. All Allies strongly support the UN-led efforts in Libya, the implementation of UN decisions, including the arms embargo, and the so-called Berlin Process. However, one NATO ally, namely Turkey, argues that operation Irini, in practice, puts Libya's Government of National Accord in Tripoli at a disadvantage and benefits the forces of Khalifa Haftar, who Turkey alleges to receive most of its arms by land and air. Diverging approaches among the Allies to the conflict in Libya have also affected NATO maritime activities in the Mediterranean. Following a naval incident between the French frigate Courbet – part of NATO's operation Sea Guardian - and Turkish navy ships in the Mediterranean in June 2020, Paris temporarily suspended its participation in operation Sea Guardian. These political disagreements need to be addressed through open and direct dialogue among NATO members and with the EU in order for their important maritime missions and collaboration to continue. This collaboration is essential in ensuring stability in the Mediterranean and saving human lives.

### Counterterrorism

The Paris (2015) and Brussels (2016) terror attacks, the problem posed by the many thousands of European citizens engaged in the conflicts in Syria and Iraq as foreign fighters, and the call by the Trump administration on NATO to play a more active role in the fight against terrorism are some of the key elements that prompted the leaders of both NATO and the EU to flag the fight against terrorism as a priority area for NATO-EU cooperation. Indeed, both organisations can complement one another, since NATO focuses on supporting the Global Coalition to Defeat ISIS (by providing AWACS surveillance aircraft for airspace management) and counter-insurgency, while the EU provides opportunities for judicial and police collaboration, including the sharing of intelligence on suspicious travellers. The two organisations also complement each other in supporting the Iragi authorities: through its NATO Mission Iraq (NMI), NATO provides expertise and training to the Iraqi Ministry of Defence, whereas the EU, via the EUAM Iraq (EU Advisory Mission in support of security sector reform in Iraq), supports the Ministry of the Interior authorities on the reform of their civilian security sector. Since 2016, the EU has adopted or revamped a number of counter-terrorist financing instruments to prevent money laundering and to reinforce guarantees against unlawful cash movements - matters for which NATO does not have a mandate. Apart from this coordination of activities in this context, cooperation between the EU and NATO on counterterrorism includes staff interaction and cross-participation in each other's working groups and seminars. It is also worth noting that NATO cooperated with the EU in developing a Counter-Terrorism Reference Curriculum, introduced in July 2020 and designed to help Allies and partners to improve education programmes in the field of counterterrorism. Actions in other priority areas defined in 2016 and 2018 joint declarations, such as assisting with the capacity building of partners, countering arms proliferation, maritime security, and cybersecurity have also contributed significantly to progress in countering terrorism.

### Joint Capacity Building (JCB) and assistance to partner countries

- While both the EU and NATO have identified programmes to provide assistance to their eastern and southern neighbours - such as the EU's Capability Building in support of Security and Development (CBSD) and NATO's Defence and Related Security Capabilities Building (DCB) and Building Integrity (BI) initiatives – EU and NATO joint activities in this field were identified as priorities in the Joint Declaration of 2016 and led to the identification of Bosnia and Herzegovina, the Republic of Moldova, and Tunisia as "pilot countries". Since the adoption of the first joint resolution, both organisations have made significant efforts to identify potential areas of common interest, intensify information exchange, and coordinate their strategic communication in a wide range of areas. Bespoke assistance programmes have been introduced for each of these countries in such areas as strategic communications, civil protection, cybersecurity, and the protection of arms and ammunition. Subsequently, the NATO-EU partnership on defence capabilities assistance was extended to Ukraine and Iraq. More recently, in March 2020, NATO and EU officials held a meeting in Tbilisi, exploring ways to regularly exchange information with a view to maintaining dialogue on key political messages, de-conflicting activities and mapping potential areas of cooperation (NATO 2020). The EU also decided to allocate funds to NATO's BI programme, which is designed to combat corruption and foster good governance in the areas of defence and security. Regular collaboration and coordination of activities between NATO liaison offices and the European Commission representations in partner countries are becoming the norm, although this collaboration is impacted by the considerable imbalance between a usually modest NATO presence and the much more sizeable and better funded EU offices. Yet despite an impressive and growing list of areas of cooperation in the development of defence capabilities, analysts are still not convinced that it was necessarily translated into tangible results and added genuine value for partners. Greater attention should be paid to the local ownership and sustainability of these assistance projects (Lindstrom and Tardy, 2018).
- 22. One area where NATO-EU cooperation has produced some particularly tangible results is in responding to the growing assertiveness of Russia in Eastern Europe and beyond. Specifically, the two organisations considerably intensified their joint efforts to address hybrid threats, reinforce cybersecurity, and improve military mobility. Moreover, NATO suspended all practical cooperation with Russia as well as meetings of the NRC below the ambassadorial level and restricted the size of the Russian diplomatic presence at NATO Headquarters as a response to Russia's breach of international law in 2014. Due to its wider remit, the EU has more leverage as far as sanctions are concerned. Since 2014, the EU has imposed a series of sanctions on Russia, namely by restricting access to the EU markets for major Russian financial, energy, and defence institutions as well as by limiting Russian access to certain sensitive technologies in the field of oil production and exploration. Sanctions such as visa bans or asset freezes against individuals considered responsible for the violation of human rights, international laws and standards, are also noteworthy.

### Hybrid threats

23. This area emerged as one of the most pressing areas for reinforced NATO-EU collaboration. The EU's Hybrid Fusion Cell and its NATO counterpart, the Hybrid Analysis Branch, have established a technical capacity allowing them to systematically exchange intelligence with a view of improving situational awareness. Another noteworthy example of cooperation in this field was the creation of a European Centre of Excellence for Countering Hybrid Threats (Hybrid CoE) certified by both the EU and NATO in April 2017. This centre provides a platform where experts from both institutions as well as participating Member States can share best practices, new ideas, and produce multidisciplinary analyses on hybrid threats. NATO and EU staff participated in joint workshops, such as one on harbour protection against hybrid threats in October 2019, which included a table top exercise, and another on the impact of disruptive technologies in hybrid threats in February 2020 (NATO, 2020). In the age of hybrid threats, NATO Allies can draw valuable learnings from non-NATO EU countries, namely Sweden (which developed the whole-of-society approach to defence: the Total Defence concept), and Finland (which has considerable experience in building the resilience of society in the face of Russian misinformation and covert activities).

NATO's Public Diplomacy Division (PDD) and the European External Action Service's Strategic Communications Division (EEAS StratCom) have forged close links to tackle Moscow's disinformation campaigns. NATO and EU information officers have also been working together to counter disinformation campaigns on COVID-19. Such campaigns are aimed at undermining European and Euro-Atlantic solidarity, portraying the EU and NATO as ineffective organisations, or even claiming that the United States designed the virus as part of its biological warfare against its enemies. Working in a spirit of solidarity, the EU's strategic communications officials helped demystify COVID-19-related disinformation attacks against NATO. EU and NATO staff shared Information Environment Assessments with each other and held weekly calls with international partners such as the G7 Rapid Response Mechanism. NATO staff has shared with EU staff the COVID-19 Strategic Communications Framework, the COVID-19 Integrated Communications Plan and a weekly selection of proactive communications products. Furthermore, EEAS StratCom was invited to brief the NATO Crisis Management Task Force on the topic of disinformation surrounding COVID-19 and EEAS StratCom attended the NATO StratCom Working Group. More generally, it can be argued that the cooperation between NATO and the EU on hybrid threats has considerably increased both the awareness of this challenge and the resilience of the Euro-Atlantic community in the face of hybrid tactics.

### Cybersecurity

The foundations for NATO-EU cooperation on cyber defence to swap information and avoid the duplication of research were already set in 2013 through a Cooperation Framework Agreement between the NATO-certified Cyber Defence Centre of Excellence (CCD CoE) and the European Defence Agency (EDA). In February 2016, this agreement was supplemented by the signing of a technical agreement to share operational-level information by the Computer Emergency Response Team for the EU (CERT-EU) and the NATO Computer Incident Response Capability (NCIRC). Between June 2019 and June 2020, the NATO Communications and Information Agency and CERT-EU exchanged information on 86 events using the Malware Information Sharing Platform (NATO, 2020). There are regular inter-staff discussions on concepts, doctrines, training courses, as well as frequent cross-briefings and coordinated cyber-exercises. Both the EU and NATO are currently putting together rapid reaction cyber defence teams that can be dispatched to help an impacted Member State. Within the scope of the EU's Permanent Structured Cooperation (PESCO), six EU Member States are also setting up Cyber Crisis Rapid Response Teams (CRRTs), that can be deployed in cyber-crisis situations. These teams will be equipped with specially designed, jointly developed cyber toolboxes for detecting and responding to cyber-attacks. But NATO and the EU will have to make sure that their respective Rapid Response Teams do not compete for the same resources and that the allocation of tasks remains clear. On the whole, the interaction between NATO and EU staff on cyber-attacks has improved, but the possibilities for sharing classified information between the two institutions are still limited (Lindstrom and Tardy, 2018).

### Military mobility

- 26. Military mobility has become a pivotal area for NATO-EU cooperation, one which can effectively contribute to European defence. The concept of military mobility entails the ability to swiftly deploy troops and equipment across Europe to defend the Allies in the event of a conflict a capacity that was lost since the end of the Cold War and that had to be reacquired. For example, while NATO deploys battalion-sized units to the Baltic States and Poland in the context of its strengthened forward presence, the capacity to quickly deploy additional troops in an emergency is crucial to guarantee the credibility of the Alliance's deterrent and defensive posture. Improvements in military mobility are fundamental for the responsiveness of NATO's forces, especially the NATO Response Force (NRF) and Very High Readiness Joint Task Force (VJTF). In 2018, the NATO Exercise *Trident Juncture* highlighted the vast room for improvement in the area of military mobility.
- 27. More explicitly, allied military commands should be able to rely on (1) the ability to deploy troops and resources with minimal bureaucratic border-crossing procedures (the notion of "military

Schengen") and (2) the requisite logistical infrastructure, including roads, railways, bridges, seaports, and airports. In this respect, the EU is in a unique position to lead the way since NATO has a limited capacity to launch cross-border infrastructure projects or negotiate the creation of a border-free zone.

28. The EU Action Plan on Military Mobility (also known as "military Schengen") incorporated NATO parameters in terms of transport infrastructure, which basically resulted in a joint framework of military mobility requirements. In addition, to reinforce the regular informal exchanges between NATO and EU staff, a structured dialogue on military mobility was initiated in November 2018 to ensure greater coherence and achieve synergies. In this process, the EU has taken into consideration existing NATO standards on military mobility, such as the infrastructure parameters of the transport network. Military mobility is also a PESCO project now. However, the question of adequate funding for military mobility remains acute. The European Commission initially asked for EUR 6.5 billion for double-use infrastructure from the next EU multi-annual budget for 2021-2027. In subsequent negotiations, proposals were made to substantially reduce, or even cut entirely, funding for military mobility. When the EU leaders endorsed the budget in July 2020, the funding for military mobility was slashed to EUR 1.5 billion. The multi-annual budget is now being discussed by the European Parliament. Although the importance of the EU's budgetary contribution to military mobility in Europe should not be overestimated, the slashing of the budget for this flagship project will affect the expectations from NATO-EU partnership in this area.

# B. NEW EU DEFENCE INITIATIVES AND IMPLICATIONS FOR NATO-EU COOPERATION

- 29. A breakthrough in the 2016 NATO-EU partnership coincided with a new impetus in the defence and security efforts of the EU. Emerging new challenges, along with the results of the Brexit referendum and the uncertainty about US foreign policy priorities under the new US administration inspired European leaders to reconsider the global role of the EU. In 2016, the European Union Global Strategy (EUGS) which replaced the 2003 European Security Strategy (ESS) fostered the notion of "European strategic autonomy" in defence and security matters, while acknowledging that, in terms of collective defence, "NATO remains the principal framework for most Member States". The EUGS invites Europeans to "take greater responsibility for [their] security" and "be ready and able to deter, respond to, and protect [themselves] against external threats" (European Union, 2016).
- 30. The EU has launched a series of new institutions and initiatives designed to give substance to the concept of "strategic autonomy". An institutional framework was created at the dawn of the CSDP in the 2000s, among which the EU Military Committee (EUMC) made up of the Chiefs of Defence of the Member States (under the aegis of the EU Council), EU Military Staff (EUMS) providing military expertise (under the aegis of the European External Action Service), and a separate European Defence Agency (EDA) to strengthen the European Defence Technological and Industrial Base (EDTIB). But these institutions had very limited mandates, staff, and resources. Throughout the 2010s, the average annual budget of the EDA was around EUR 30 million. In addition, the collective EU budget could not be used to fund military research and development. The EU Military Staff remained limited in number and was not in a position to provide operational command and control.
- 31. However, since 2016, the situation has significantly improved. The EU has taken a step towards establishing its own operational headquarters: within the EUMS, a Military Planning and Conduct Capability (MPCC) was set up with a mandate to conduct non-executive i.e. supporting a host country and not requiring combat missions, such as the EU training missions in the Central African Republic, Mali, and Somalia. However, by the end of 2020, the MPCC should be in a position to undertake executive military operations equivalent to the size of an EU battlegroup if the EU Council request it (European Union, 2018).

- 32. Moreover, the EU has launched new initiatives to develop a more effective, deployable, sustainable, and interoperable set of defence capacities. In this respect, some important milestones were reached:
  - 1) In June 2017, the European Council adopted a decision activating Permanent Structured Cooperation (PESCO) enshrined in the Lisbon Treaty (but not applied until then): a process intended to urge all parties to cooperate and strengthen their defence efforts. Within this framework, Member States entered into several binding commitments to promote a more visible and effective defence posture. The Member States submitted 17 initial cooperation projects, including EUFOR Crisis Response Operation Core (EUFOR CROC), a European Medical Command (EMC), and a joint European Union Intelligence School (JEIS). There are now 47 PESCO projects, involving 25 (out of 27) EU Member States¹. These joint military projects encompass a large number of training projects (including a training and simulation centre, a medical training centre, a defence training centre, a cyber academy), and heavily focus on capability development, particularly in the field of advanced technology (tactical land-based missile systems beyond optical range [BLOS], unattended anti-submarine systems, etc.).
  - 2) The EU Member States called upon the EDA to establish an annual review of existing capabilities in the Member States Coordinated Annual Review on Defence (CARD) to provide a snapshot of the overall capability landscape and to identify capability shortfalls and opportunities for cooperation. In collaboration with the Member States, the EDA also draws up a Capability Development Plan (CDP) designed to identify priorities for capability improvements. For example, throughout the 2018 CDP process, 11 priority capability development areas were identified, including cyber-response, space systems and naval manoeuvrability.
  - 3) In parallel, the European Commission suggested the creation of a European Defence Fund (EDF) to boost cross-border defence capability projects by offering EU co-financing. This marked a revolutionary step for the Union where common budget spending on military R&D was taboo. Between 2019-2020, some EUR 500 million was invested through the EDF in European defence capability development, and, between 2017-2019, another EUR 90 million in defence-related research. In the next budget cycle (2021-2027) the size of the EDF will increase considerably. However, it will not be as ambitious as initially projected: in July 2020, the EU Council has announced a EUR 7 billion allocation for the EDF, down from the originally proposed 13 billion.
  - 4) The EU also proposed the so-called European Peace Facility (EPF), designed to provide EU funding on a permanent basis for the common costs of EU military CSDP operations. The EPF will not be a part of the Union multi-annual budget and will be funded from Member State contributions. It aims to rectify the limitations of the previous EU mechanisms of this kind: Athena and the African Peace Facility. The EPF is expected to make the EU a more consistent contributor to international peace operations. The current proposal on the size of the EPF stands at EUR 5 billion (down from EUR 8 billion in the original proposal).

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With the exception of Denmark and Malta

### COMMON IMPACT ON **DEFENCE REVIEW** PLANNING & PROJECT **PRIORITY** & OPPORTUNITIES **EUROPEAN CAPABILITY** SETTING FOR COOPERATION **IMPLEMENTATION** LANDSCAPE CDP CARD **PESCO** CAPABILITIES Capability Development Plan Coordinated Annual Review Permanent Structured Cooperation Owned by Member States ) Common planning, harmonised ) Coherent set of usable, deployable requirements, coordinated use of capabilities, collaborative approach to interoperable, sustainable capabilities and forces Provides a full picture of capability Monitors implementation of EU capability development and R&T capability gaps implementation of projects in Assesses state of defence capability & operational domains Identifies cooperation opportunities Long term capability trends EDA projects ED:

## A coherent approach from priorities to impact

Figure 3 (Source: EDA)

- 33. While responding to the widely accepted affirmation that Europeans must "do more" for their own security and defence, these initiatives raised a debate among and within NATO allies. There were concerns, particularly from non-EU NATO allies, that these new initiatives crossed the red line defined by Albright's "3 Ds": no decoupling, no duplication, and no discrimination.
- 34. For example, it is argued that the rules of the EDF could discriminate against non-EU based defence equipment manufacturers, including US industries, on participation in certain European projects benefiting from EDF funding. Under EDF rules, externally controlled companies located within the EU are eligible for funding, provided they comply with a number of conditions. Externally controlled companies located outside the territory of the Union may take part in projects financed by the EDF again subject to a number of guarantees but may not receive funding. Some believe that these rules could potentially curb transatlantic cooperation and even ultimately reduce the range and quality of the equipment that Europeans can buy (Deutsche Welle, 2019) or lead to duplications in equipment production.
- 35. Moreover, some perceive the EU's Military Planning and Conduct Capability (MPCC) as a step towards creating a rival to NATO's Allied Command of Operations, while the EU's CARD is seen as the equivalent of the NATO Defence Planning Process (NDPP). In the eyes of these critics, this creates a risk of decoupling and duplication. It is worth recalling, however, that at least at this stage, the MPCC could hardly be seen as a rival structure with its 90 people against some 6,800 at the Allied Command Operations (ACO). With the CARD, the risk of duplication is also very limited because the CARD is less structured, less prescriptive, and differently oriented than the NDPP. The CARD embraces a cooperation dimension that the NDPP does not have, while the capabilities developed remain national capabilities, which would therefore be declared by the Allies involved in

the NDPP. Therefore, the issue at stake is one of proper coordination/synchronisation rather than true duplication. EU staff were invited by individual Allies to attend bilateral and multilateral consultations in the framework of the NDPP, while several EU Member States that are also NATO Allies or Partners invited NATO staff to their CARD bilateral meetings (NATO, 2020). According to Jorge Domecq, former EDA Chief Executive "[i]t is important that these [the bilateral visits of the CARD and consultations with Member States] align in the best way with PESCO's framework and with NATO's defence planning consultations to benefit from the latter's data collecting effort while avoiding any unnecessary burden on the Member States". He also noted that PESCO's upcoming strategic review in 2020 and the next CARD report (November 2020) would provide the overview and guidance necessary to help link national planning, multinational PESCO projects and the European Defense Fund, while remaining complementary to the planning objectives of NATO's defence planning.

36. The EU institutions stress that the Union's defence initiatives were designed to enable Europe to address threats more effectively in cooperation with and in the interest of NATO as well as to contribute to fairer burden sharing. The European Union's defence modernisation ambitions supplement NATO's efforts to develop its capabilities within the framework of a fair distribution of tasks: the defence capabilities developed within the scope of the EDF and PESCO by states that are also members of NATO will be made available to countries of the Alliance. Furthermore, the European Parliament's analysis found that many PESCO or EDF projects, "if appropriately financed, could see the EU being better prepared to face future pandemics among other threats" (EPRS, 2020).

# IV. NATO-EU PARTNERSHIP: OVERCOMING OBSTACLES AND CHARTING A COURSE AHEAD

- 37. The development of the EU as an autonomous security stakeholder seems irreversible. Two phenomena explain this trend. First, the steady socialisation of European nations through their participation in EU policymaking. The EU is more than an international organisation it possesses an impressive supranational dimension and some of the qualities of a federal state. European integration continues to grow and spread to new areas, including defence and security. European citizens support this trend: according to the 2017 Eurobarometer survey, around three-quarters of Europeans want the EU to adopt a common defence policy, a figure that has remained remarkably stable in every survey since 2004. Up to 55% of European citizens questioned supported "totally" or "somewhat" the idea of a "European army". The departure of the United Kingdom a staunch critic of the idea of a "European army" is seen by some as potentially conducive to the progression of the Union's defence and security efforts. But this departure is also detrimental to the defence and security capabilities of the European Union, and the UK's commitment to remain a leading player in European defence is commendable.
- 38. Secondly, at a time when the United States still continues to invest significantly in European defence, particularly through generous funding of the European Deterrence Initiative EDI (USD 6.5 billion for FY 2019), the "Pivot to Asia" of US strategic priorities is a clear trend that originated with the Obama and even George W. Bush presidencies and that is expected to continue under future administrations, whether Republican or Democrat. However, it is important for the Euro-Atlantic community to send a strong signal that the aim of increasing Europe's military weight is not misinterpreted as an invitation for the redirection of American resources away from Europe.
- 39. EU and NATO members must strike a delicate balance between the ongoing strengthening of the European dimension of the Euro-Atlantic community and the necessity to avoid an unintended uncoupling of the United States and Europe. A number of elements will be essential to secure this equilibrium:

### Objective assessment of Europe's defence ambitions

- 40. European achievements in the area of defence and security are substantial but should not be exaggerated. While the idea of a "European army" dates back to the late 1940s, it is not yet on the horizon. Firstly, apart from the more radical Euro-federalists, few Europeans believe that Europe's long-term security will not need a strong alliance with the United States, at least for the foreseeable future. Even the staunchest champion of European strategic autonomy France does not consider it to be an alternative to NATO and stresses the critical role that the United States and NATO play in tackling the Russian threat along the eastern flank of Europe.
- 41. Although the GDPs of the European Union and the United States are comparable in size, the military capacity of the EU members remain significantly lower than their US counterpart. In 2017, European defence budgets amounted to EUR 240 billion (with the United Kingdom, France, and Germany providing almost two thirds) while the US defence budget for the same year was EUR 545 billion, or 1.34% and 3.2% of their GDP, respectively. During the 2014 Wales Summit of the North Atlantic Treaty Organization, the Allies formalised what had been an unofficial target since 2006 and pledged to "aim to move towards the 2% guideline within a decade". The recent NATO report *Defence Expenditure of NATO Countries* (2013-2020) highlights the fact defence spending by European Allies and Canada continues to grow tangibly since 2015 and is projected by 4.3% in 2020, despite the pandemic. Nine European Allies are expected to spend at least of 2% of GDP in 2020. 15 European Allies meet the requirement of spending at least 20% of their defence budget on equipment. But the following table shows that, despite some clear progress, there is still a gap between the European Allies and the United States<sup>2,3</sup>. Brexit will further increase the contribution of non-EU Allies to the defence of Europe.
- 42. That said, more than half of European defence budgets goes to personnel, compared with only one-third in the United States, a country that invests far more in operations, R&D, and procurement. Consequently, the EU invests about USD 24,000 per soldier in equipment, compared to more than USD 100,000 in the United States. Finally, in the main categories of weapons, EU members invest in more than 150 different systems, whereas the United States focusses on 27. In 2011, the operation in Libya showed the extent to which Europe depends on critical US capabilities such as strategic airlift, air-to-air refuelling, smart munitions, and reconnaissance (Valasek and Brattberg, 2019).

Outside NATO, for instance, Ireland spends 0.3% of its national budget on defence, Malta 0.5%, Austria 0.7%, Sweden 1%, and Cyprus 1.6%.

However, it is worth noting that the share of an ally's accumulated defence spending does not necessarily reflect its actual contribution to NATO. Individual Allies, particularly the United States, but also the United Kingdom and France, spend a considerable part of their defence budgets on supporting national activities beyond NATO's area of responsibility. IISS estimates that, in 2018, about 6% of the US defence budget (about USD 36 billion, roughly the size of France's entire defence budget) was spent directly on European defence. It is important to bear in mind, of course, that NATO's mandate is to protect not only Europe but also North America, so American spending on the defence of its own territory must also be taken into account. As an institution, NATO's budget is modest - only about USD 2.5 billion a year. The US contribution to this budget is around 22% and, from 2021, it will be further reduced to 16% - which is the level to which Germany currently contributes. That being said, when implementing its core tasks of collective defence, crisis management, and cooperative security, NATO primarily relies on the mobilisation of national capabilities rather than on its common budget or jointly held assets. Consequently, the military potential of NATO countries, including the nuclear deterrent capabilities of the United States, the United Kingdom and France, constitutes the key element of the credibility of the Alliance, although the individual contribution of the Allies to this credibility is difficult to ascertain.

### expenditure as a share of defence expenditure 2020e % 40 Equipment expenditure as % of defence expenditure Median 1.86% LUX NATO guideline 2% THR 35 HÚN 30 SVK USA POL ROU 25 ESP NLD Median 22.95% DNK GBR 20 NATO guideline 20% DEU EST CZE 15 ALB GRC NMK 10 BEL. HRV 5 0 0.00 0.50 1.00 1.50 2.00 2.50 3.00 3.50 4.00 % Defence expenditure as % of GDP

Defence expenditure as a share of GDP and equipment

Notes: Figures for 2020 are estimates

Figure 4 (source: NATO)

- In this context, the strengthening of EU defence initiatives provides the unprecedented if not the only – opportunity to get "more bang for the buck" in Europe, something which is also in NATO's interest. According to the European Parliament, Europeans could save over EUR 1 billion just by sharing infantry vehicles and harmonising ammunition certification systems (European Parliament, 2019). However, from the perspective of NATO, the EU would benefit from not only focusing on a more efficient use of available funds, but also by encouraging its members to commit to spend more on defence in general.
- Even with the departure of the United Kingdom, the EU remains divided on the expansion of the existing mutual defence clauses in its treaties. Various EU members strictly adhere to the policy of neutrality, notably Austria, Finland, Ireland, Malta, and Sweden. Moreover, Denmark opted out of European defence integration projects such as the Western European Union, So-called "Atlanticist" members of the EU such as the Netherlands and most countries that joined the Union after 2004 are generally reluctant to subscribe to European defence initiatives that could alienate the United States.
- Finally, while the two partners in the "European motor" France and Germany agree that peace and stability in the continent require Europe to become a strong security actor, there are still some differences between them. France is anxious to move forward with plans to integrate European defence as quickly as possible despite the fact that only a minority of EU members - the "avant-garde" countries – subscribe to it. The more inclusive German position has contributed to the fact that almost all EU members have joined PESCO. France is traditionally proactive and open to taking part in operations abroad, while Germany favours diplomatic and other non-military means (even if Germany is, for instance, already largely engaged in the Sahel and intends to contribute actively to the "Partnership for Security and Stability in the Sahel"). Moreover, "Europe" is by no means synonymous with the "European Union". In line with France's long-standing advocacy of a "multi-speed Europe" approach, in 2017 Paris launched the European Intervention Initiative (El2), which brings together 14 European countries, including the United Kingdom and Denmark, that are

both traditionally sceptical about European defence integration. The EI2 is designed to be a flexible and pragmatic mechanism fostering a joint strategic culture – the absence of which in Europe is an acute problem – to exchange information and reinforce interoperability within the scope of future joint operations.

46. European military efforts should thus be placed in context. With adequate information and realistic assessments of these efforts, both their potential and limitations can be measured properly. An in-depth analysis of European initiatives is preferable over systematic criticisms. The EU structures offer an opportunity to improve capacities that would also be made available to NATO. A strong EU continues to be a cornerstone of a strong NATO.

### Improving inclusiveness and coordination

- 47. Major improvements have been made to increase synergies and avoid the duplication of work between NATO and the EU. For instance, of the 47 PESCO projects, 38 also reflect NATO priorities. Another example is OCEAN2020, an EU-funded defence research project aimed at improving maritime situational awareness through the integration of legacy and new technologies and designed to be compatible with NATO standards. As indicated earlier, the EU's CARD ensured coherence of taxonomy and strives to better coordinate with NATO's NDPP. Lastly, in this respect, it is worth noting the increase in the number of high-level meetings in 2018-2020, including meetings of the North Atlantic Council and the Political and Security Committee of the European Union, but also briefings by European Commissioners to the North Atlantic Council. For instance, Josep Borrell, the High Representative of the European Union for Foreign Affairs and Security Policy, attended the NATO defence ministerial meeting on 15 April 2020 to discuss NATO's response to the COVID-19 emergency, while on 26 August 2020, NATO Secretary General Jens Stoltenberg took part in an informal meeting of European Union defence ministers in Berlin.
- 48. However, coordination needs to improve, particularly since NATO and the EU are not the only stakeholders: a plethora of bilateral or multilateral defence cooperation initiatives abound in Europe, including the EI2, the Anglo-French Combined Joint Expeditionary Force, the UK Joint Expeditionary Force (JEF), a United Kingdom-led expeditionary force which may consist of as necessary Denmark, Finland, Estonia, Latvia, Lithuania, the Netherlands, Sweden, and Norway, the "framework nations" initiative led by Germany, and the Nordic Defence Cooperation (Nordefco). Some experts have suggested models based on formats such as the "Structured Dialogue on Military Mobility", launched in November 2018, or the Centre of Excellence (CoE) formula used by NATO and the EU during the creation of a Hybrid CoE in Helsinki (Drent, et.al, 2019).
- 49. Better harmonisation of the capability development and industrial planning processes would help make the NATO-EU relationship more effective. Moreover, the High Representative of the EU for Foreign Affairs and Security Policy could be granted observer status in NATO's defence planning process, where he or she could serve as a potential bridge between the many EU institutions involved in the development and planning of defence capabilities.
- 50. The access of non-EU Allies to European capability development frameworks such as PESCO and the EDF remains an outstanding issue. Talks on how to address the concerns of non-European Allies particularly the United States are underway to reconcile the overriding issue that Europeans need to do more to increase their defence capabilities with the participation of those Allies, in accordance with clear rules. (At the time of finalising this report, the EU Council has agreed on 5 November 2020 on the rules to allow third-country entities to participate in PESCO projects. The participation is limited to trusted third countries that share the democratic values of the Union). Having said that, it should be remembered that the initial budget proposed for the EDF is EUR 7 billion (for capabilities and R&D) for the entire 2021-2027 period, which pales in comparison with the United States' annual USD 60 billion budget for defence R&D alone. Equally, it is crucial to guarantee the continued participation of the United Kingdom in European defence capability development projects.

### Exploiting the strengths of each organisation

- At the time of writing, Europe and North America continued to be engulfed by a health crisis triggered by the coronavirus pandemic. There are many profound implications of the health emergency for transatlantic security, ranging from Alliance military missions and exercises to public health and economic stability in Euro-Atlantic countries. NATO provides military support coordinated by the Supreme Allied Commander Europe (SACEUR) to identify military airlift capabilities to ensure the delivery of medical equipment and the evacuation of patients. The two key players involved in the management of this emergency are the Euro-Atlantic Disaster Response Coordination Centre (EADRCC) – the Alliance's disaster response mechanism for coordinating requests for and offers of assistance – and NATO's Supply and Support Agency (NSPA), which provides logistical and material support. Meanwhile, the European Union is engaged in the areas of crisis management and solidarity, the economy, research and innovation, public health, and education. The EU's EUR 1.8billion post-COVID recovery package will be crucial in facilitating Europe's speedy and sustainable recovery. Inside the European Commission, a policy coordination team made up of Commissioners in charge of the policy areas most concerned (public health, internal market, trade, border controls, and transport) has been implemented. It is also worth noting the considerable contribution of the European Air Transport Command (EATC), a consortium of seven EU member states, which provides the operational control of over 170 aerial assets of participating states. EATC implemented aeromedical evacuation, delivery of supplies and repatriation of citizens during the pandemic. The response to the coronavirus pandemic illustrates the considerable convergence of NATO and EU resources and the great added value of coordinating measures and efforts between both partners to guarantee security and defence in Europe.
- 52. Invariably, a NATO or EU intervention in a specific geographical area stems from a political and then possibly military decision for example, to stabilise the Balkans, the Mediterranean or to address the threat of terrorism. When the NATO umbrella label invokes major sensitivities, such as the monitoring of the implementation of the EU-mediated 12 August 2008 Ceasefire Agreement and the surveillance of the occupation line in Georgia between the Georgian Government controlled territory and Georgian regions de facto occupied by the Russian Federation, the EU provides an advantage. In contrast, today this label reinforces the security guarantee provided by the Enhanced Forward Presence (eFP) to Poland and the Baltic States. The military mobility partnership and the enforcement of economic and targeted sanctions also provide examples of the EU's significant contribution to NATO's action in the area of European security. Both NATO and the EU have successfully coordinated their maritime security and counter-piracy operations in the Mediterranean and off the Horn of Africa; for instance, in the event of a new emergency at Europe's maritime borders, a political decision would once again determine the details and scope of an intervention. Continuing political dialogue at the highest level is thus indispensable; the current prospective reflection process will provide a useful opportunity for NATO in this respect for NATO.

### Broadening cooperation to new areas

- 53. As for the future, NATO and the EU should continue to explore new areas of collaboration where both organisations could add value to their respective efforts. Your Rapporteur suggests two particular areas:
- 1) A structured dialogue between NATO and the EU on China. In recent years, both NATO and the EU have become increasingly concerned about the implications of the rise of China for European security and transatlantic relations. In spite of the diverging positions on the nature of the challenge posed by China within the Euro-Atlantic community, references to China in the Declaration of the December 2019 London Meeting of NATO and in the Joint Communication of the European Commission and the High Representative of the European Union for Foreign Affairs and Security Policy on EU-China Relations of March 2019 marked a significant milestone in building a broader consensus on China's growing role in Europe. However, to build a coherent strategy on China's geostrategic development, a more structured and formal dialogue between both institutions should

be considered (Simón, 2019). Such a dialogue would provide a relevant forum for addressing the multifaceted Chinese challenge. Military mobility is a very relevant topic for discussion since China's substantial investments in European infrastructure (the Chinese Belt and Road Initiative [BRI] and 17+1 Initiative) could potentially impact NATO's mobility projects in Europe. The current COVID-19 pandemic reinforces this common interest since China's response to the health emergency encompasses a geopolitical dimension through its "mask diplomacy".

2) **Artificial intelligence**. As the ongoing fourth industrial revolution is changing every aspect of the global political, economic, and social landscape, NATO-EU cooperation could also extend to the field of artificial intelligence (AI), which carries with it risks and opportunities for Euro-Atlantic security. As an emerging area of competition between the West, Russia, and China, and with its military and non-military dimensions, AI could become an important area of practical cooperation between both institutions, capitalising on their respective strengths. The EU is stepping up its investment in innovative R&D, not only through the PESCO and the EDF but mostly through a civilian Horizon Europe programme which is expected to be allocated some EUR 76 billion in 2021-27. Moreover, the successful launch of the Hybrid CoE in 2016 could serve as a model for a similar centre of AI expertise.

### Further formalising the NATO-EU relationship

- Last but not least, while the NATO-EU partnership will continue to develop in the short-term through informal meetings, staff exchanges, and ad hoc practical operational cooperation, one must not lose sight of the need to find a political solution to the Cyprus-Turkey dispute and, more broadly, to address the current complex relationship of key NATO Ally Turkey with other NATO members and with the EU. Promoting political dialogue on this issue is a precondition for tackling some of the key issues of the NATO-EU partnership, namely 1) removing obstacles for more effective exchange of information, particularly classified and sensitive intelligence; and 2) establishing EU operational headquarters without this being perceived as a duplication of NATO – a more formalised NATO-EU partnership would allow the Berlin Plus arrangements to be re-invoked or create another way for the EU to develop command and control capabilities that would be separable, but not separate, from NATO. A new position of Deputy SACEUR (Supreme Allied Commander Europe) could be created and assigned to an EU Member State representative (in addition to the existing position, which was traditionally reserved to a Briton). A more formal NATO-EU relationship would further consolidate the strategic partnership between both organisations as reflected in the 2018 Brussels Summit Declaration: "We will continue to further strengthen our strategic partnership in a spirit of full mutual openness, transparency, complementarity, and respect for the organisations' different mandates, decision-making autonomy, and institutional integrity, and as agreed by the two organisations".
- 55. Euro-Atlantic leaders must engage in a genuine, sustained, and open political dialogue, including on sensitive issues, by exerting pressure on those who undermine solidarity and the declared values, and by maintaining standards of membership and behaviour that are higher than the lowest common denominator in both organisations. Europeans and North Americans have to build a new consensus within and among themselves on common political priorities and on the strategy to achieve those priorities. A commitment to the values of democracy, human rights, and the rule of law binds the Euro-Atlantic community together. Anyone within NATO and the EU who promotes "anti-liberal-democracy" undermines the very foundations of the Euro-Atlantic community. This sense of community has to be nurtured through regular high-level and staff meetings, joint declarations and communiqués, and joint training and projects. Parliamentarians and the NATO Parliamentary Assembly must be fully prepared to play their role.

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