

EU-NATO COOPERATION

DISTINGUISHING NARRATIVE FROM SUBSTANCE

Executive summary

■ **NICOLE KOENIG**

Senior Research Fellow,
Jacques Delors Institut –
Berlin

High-level political tensions surrounding transatlantic burden sharing masked some of the more positive outcomes of the 2018 NATO Summit. In addition to a substantial Summit Communiqué, NATO welcomed the EU's recent defence cooperation efforts and both organisations pledged to deepen their cooperation. This is an important political signal as it comes after months of revived fears that the EU's efforts would lead to decoupling, duplication and discrimination. This policy paper delineates political narrative from substance. It critically analyses these renewed fears and provides a differentiated review of recent progress in EU-NATO cooperation.

The paper shows that fears about decoupling and duplication have been overstated and, to a large extent, assuaged during the first half of 2018. Yet three broader concerns remain. First, as the EU is developing its so-called European Defence Union and deciding on the modalities of participation for third countries, **fears of discrimination persist**. Second, EU efforts to deepen defence-industrial cooperation triggered **a renewed sense of economic rivalry** that could sour transatlantic as well as EU-UK defence cooperation post Brexit. Finally, NATO formally welcomed the EU's efforts as a contribution to transatlantic burden-sharing. **If they fail to deliver more investment and capabilities, they are likely to be seen as an unnecessary distraction.** The differentiated progress review illustrates how the EU and NATO have circumvented the remaining political blockades at the highest level through informal channels and bottom-up cooperation. However, it also shows that there is a glass ceiling over implementation.

The paper concludes with four policy recommendations:

1. The EU and NATO should **deepen cooperation** by increasing joint, or at least parallel action, in two key areas: countering hybrid threats and increasing resilience in the South.
2. Both sides of the Atlantic should **mind the narrative**. US representatives should encourage the strengthening of NATO's European pillar and EU representatives should keep explaining its contribution to burden sharing.
3. The EU should **raise the level of ambition** of its defence cooperation initiatives. The next set of projects agreed under Permanent Structured Cooperation (PESCO) will be a litmus test in terms of its contribution to both EU strategic autonomy and burden sharing.
4. The EU should counteract fears of discrimination by **keeping the doors to the Defence Union** open and establishing mechanisms to ensure transparency.

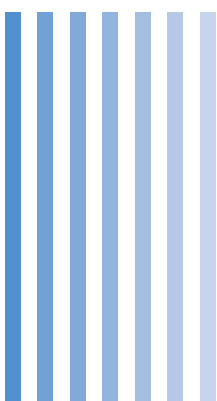


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INTRODUCTION

At the 2018 NATO Summit in Brussels, the spotlight was on high-level political tensions and contradictions. The President of the United States (US) Donald Trump accused European partners of “owing” billions of dollars to the Alliance. He rhetorically raised the pledge to spend 2% of GDP on defence to 4%. Tensions peaked when he reportedly suggested that if European Allies did not raise their defence spending, the US “would have to look to go its own way”.¹ After emotional discussions during an emergency meeting, the US President lauded the Allies’ unprecedented defence spending increases, stated that a US withdrawal from NATO was “unnecessary” and praised it as a “fine-tuned machine”.²

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THERE WAS A STRONG
POLITICAL COMMIT-
MENT TO DEEPEN
EU-NATO COOPERATION

This political drama masked some of the more positive outcomes of the Summit. Aside from a substantial Communiqué,³ there was a strong political commitment to deepen EU-NATO cooperation. One day before the Summit the presidents of the European Commission and Council and the NATO Secretary-General signed a Joint Declaration “to reaffirm the importance of and the need for cooperation”.⁴ A day later, the 29 NATO members formally endorsed the Joint Declaration and reiterated its main points.⁵

Efforts to deepen EU-NATO cooperation had intensified since 2014 due to changes in Europe’s strategic environment. Russia’s hybrid aggression against Ukraine showed that hard power returned to the Continent and illustrated that the lines between civilian and military threats increasingly blur. The combination of terrorism and migration stemming from conflict and state failure in Europe’s Southern neighbourhood demonstrated that internal and external threats are now much harder to delineate. These changes in the strategic environment emphasised the need for credible military deterrence, but they also showed that NATO needs the EU if it seeks to tackle complex security challenges below the threshold of Article 5. They forged the strategic recognition that EU and NATO are co-dependent and complementary in the provision of comprehensive security.

In 2018, a revival of old fears and narratives clouded this strategic recognition. The EU had reacted to the strategic changes in its neighbourhood and the prospect of Brexit by strengthening its own security and defence cooperation. In early 2018, US officials publicly voiced their concern about these efforts and warned against decoupling, duplication and discrimination. At the Munich Security Conference, Commission President Juncker pointed to a paradox: “For years we have been hearing Americans complain that we are not doing enough to defend ourselves. Now we are trying to do more. And that does not suit them either.”⁶ A senior NATO official commented: “Americans love EU defence – until it actually happens”.⁷

1. In Emmott, Robin; Meason, Jeff; de Carbonell Alissa, “Trump claims NATO victory after ultimatum to go it alone”, 12 July 2018.

2. Trump, Donald, “Remarks at press conference after NATO Summit”, Brussels, 12 July 2018.

3. NATO, “Brussels Summit Declaration. Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Brussels 11–12 July 2018”, 11 July 2018.

4. “Joint declaration by the President of the European Council, Donald Tusk, the President of the European Commission, Jean-Claude Juncker, and the Secretary General of NATO, Jens Stoltenberg”, Brussels, 10 July 2018.

5. NATO, “Brussels Summit Declaration. Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Brussels 11–12 July 2018”, 11 July 2018.

6. Juncker, Jean-Claude, “Speech at the 54th Munich Security Conference”, Munich, 17 February 2018.

7. Interview, Brussels, May 2018.

This paradox calls for a closer look at the revived fears as well as the substance of EU-NATO cooperation. This policy paper is based on official documents, think tank and academic literature as well as twelve expert interviews with American, European, EU and NATO officials conducted between May and July 2018.⁸ The paper starts by reviewing recent developments in EU-NATO and EU defence cooperation. Section two critically assesses the revived fears of decoupling, duplication and discrimination. Section three delineates narrative from substance by providing a differentiated assessment of the advances and limitations in EU-NATO cooperation. The paper closes with four policy recommendations:

1. The EU and NATO should **deepen the substance** of their cooperation. In particular, new ways to forge joint or (if politically necessary) parallel action in countering hybrid threats and fostering resilience in the South should be explored.
2. Both sides of the Atlantic should **mind the narrative**. US representatives should stop mixing trade and defence issues and push Europeans to strengthen the European pillar. EU representatives, in turn, should continuously explain the added value of this pillar in terms of transatlantic burden sharing.
3. The EU should **raise the level of ambition** of its defence initiatives. The next round of PESCO projects will be litmus test showing how serious the EU is about two sides of the same coin: its strategic autonomy and its contribution to transatlantic burden-sharing.
4. To counter fears of discrimination the EU should ensure maximum transparency and **keep the doors of its Defence Union open** to like-minded third countries.

1. THE FACTS: WHERE DO WE STAND?

The year of 2016 was a turning point for European defence and EU-NATO cooperation. NATO Secretary-General Jens Stoltenberg stated that EU and NATO had concluded more formal arrangements in the first half of 2016 than in the thirteen years before.⁹ With its Global Strategy, the EU published its first real strategic update in thirteen years. Reviewing its implementation one year on, EU High Representative Federica Mogherini underlined that “more has been achieved in the last ten months than in the last ten year”.¹⁰ Where do we stand after two years of accelerated progress?

1.1 The renaissance of EU-NATO cooperation

EU-NATO cooperation dates back to 2001 when the NATO Secretary-General and the EU Council Presidency exchanged letters to define the scope of cooperation and modalities of consultation. One year later, the organisations signed the EU-NATO Declaration on the European Security and Defence Policy (ESDP) defining the principles and modalities of cooperation in

⁸ Interviewees spoke on the condition of anonymity, but most agreed to be quoted with generic job titles.

⁹ “Joint declaration by the President of the European Council, Donald Tusk, the President of the European Commission, Jean-Claude Juncker, and the Secretary General of NATO, Jens Stoltenberg”, Brussels, 8 July 2016.

¹⁰ Council of the European Union, “Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union’s Foreign And Security Policy”, Brussels, June 2016.

crisis management. The Berlin Plus Agreement of 2003 set out the terms and procedures permitting the EU to conduct military operations with recourse to NATO's assets, capabilities and planning facilities.

EU-NATO cooperation stalled when Malta and Cyprus joined the EU in 2004. Due to the Cypriot conflict, Turkey blocked the sharing of security information with both EU members and refused to discuss issues of strategic relevance in their presence. Cyprus, in turn, rejected any formal discussion beyond the two Berlin Plus operations when it and Malta were absent. These mutual blockades significantly narrowed the scope of formal EU-NATO cooperation. While these blockades could partially be circumvented through informal channels and at the operational level, the absence of formal decisions stood in the way of real synergies. In 2007, then NATO Secretary General Jaap de Hoop Scheffer even described the supposed strategic partnership between the two organisations as a 'frozen conflict'.¹¹

From 2014 onwards, this conflict started to unfreeze. At the margins of NATO's Warsaw Summit in 2016, the President of the European Council, the President of the European Commission and the NATO Secretary General published a Joint Declaration. It stated that it was time "to give new impetus and new substance to the NATO-EU strategic partnership".¹² The rationale was clear: we are facing common and increasingly hybrid threats and need to make the most of our mutual strengths and the members' limited resources. EU and NATO subsequently agreed on two sets of implementation actions in seven priority areas (see Figure 2). A first set of 42 actions was published in December 2016 and a second set of 32 actions followed in December 2017.¹³

FIGURE 1 ■ Seven areas of EU-NATO cooperation



Source: EEAS (2018)

11. de Hoop Scheffer, Jaap, "NATO and the EU: Time for a New Chapter", speech delivered in Berlin, 29 January 2007.

12. "Joint declaration by the President of the European Council, Donald Tusk, the President of the European Commission, Jean-Claude Juncker, and the Secretary General of NATO, Jens Stoltenberg", Brussels, 10 July 2018.

13. "Statement on the implementation of the Joint Declaration signed by the President of the European Council, the President of the European Commission, and the Secretary General of the North Atlantic Treaty Organization", Brussels, 6 December 2016.

On 10 July 2018, the leaders of the two organisations renewed their commitment to EU-NATO cooperation in another Joint Declaration.¹⁴ They stressed the need to deepen cooperation based on the existing proposals and to focus on implementation with “swift and demonstrable progress”. They welcomed the recent EU efforts in security and defence cooperation, which would “also strengthen NATO”. While the Communiqué of the 2016 Warsaw Summit only mentioned efforts to strengthen EU-NATO cooperation in passing, this year’s final document formally endorses the Joint Declaration and its main points.¹⁵ It welcomes the EU’s defence efforts as contributing to transatlantic burden-sharing and supporting “an overall increase in defence spending”.

1.2 The birth of the European Defence Union

Meanwhile, the EU established the foundations of what became known as the ‘European Defence Union’. The EU Global Strategy of June 2016 promotes the aim of European strategic autonomy in security and defence.¹⁶ It outlines three main objectives: protecting the Union’s citizens, responding to external crises, and fostering the resilience of partners. The Global Strategy also emphasises that a competitive European defence industry is a precondition for strategic autonomy. A more credible Common Security and Defence Policy (CSDP) is presented as essential for the sake of a healthy transatlantic relationship.

Since 2016, the EU and its member states have undertaken significant efforts to implement the aims outlined in the Global Strategy. Among a range of reforms, three key pillars of the European Defence Union stand out:

1. In late 2017, 25 EU member states signed up to **Permanent Structured Cooperation on Defence (PESCO)**. They thereby agreed to a set of legally binding commitments such as regularly increasing defence budgets in real terms and raising the share of investment expenditure to 20% of total defence spending. They also established a first set of 17 projects tackling a broad range of issues including a European Medical Command, Cyber Rapid Response Teams, and upgrading maritime surveillance.
2. In November 2016, the Commission presented the European Defence Action Plan foreseeing the establishment of the **European Defence Fund (EDF)**. Located within the EU budget, the Fund is supposed to foster more joint defence research, capability development and procurement. For 2021–27, the Commission proposed providing €4.1bn for joint defence research and €8.9bn to co-finance (20%) the collaborative development of prototypes. In the latter case, it expects a fivefold multiplying effect raising the total means for joint prototype development to €44.5bn for seven years.
3. In May 2017, the Council established the **Coordinated Annual Review on Defence (CARD)** to foster the synchronisation and adaptation of national defence planning

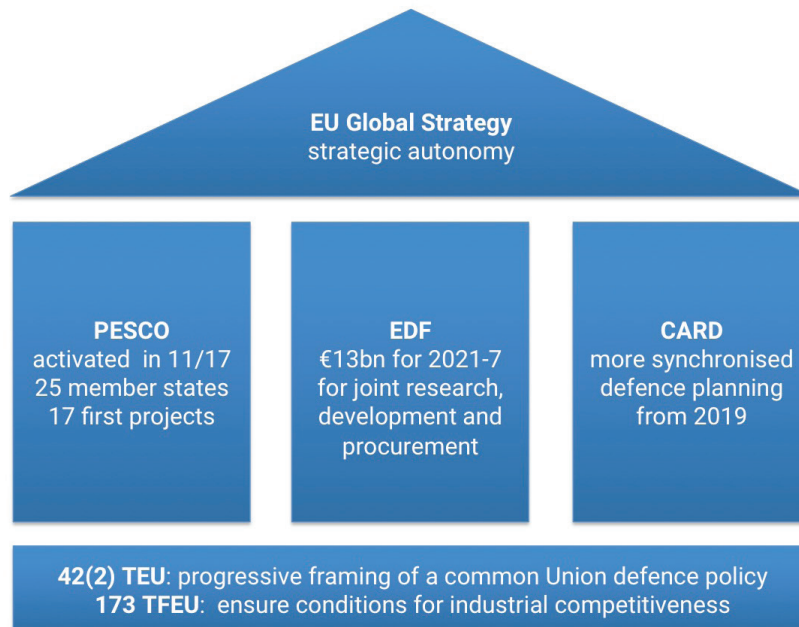
¹⁴. “Statement on the implementation of the Joint Declaration signed by the President of the European Council, the President of the European Commission, and the Secretary General of the North Atlantic Treaty Organization”, Brussels, 6 December 2016.

¹⁵. NATO, “Brussels Summit Declaration. Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Brussels 11–12 July 2018”, 11 July 2018.

¹⁶. Council of the European Union, “Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union’s Foreign And Security Policy”, Brussels, June 2016.

cycles. The voluntary mechanism started with a trial run in autumn 2017 with a view to full implementation in autumn 2019. It should help identifying collaboration opportunities to address the joint military capability gaps listed by the EU's Capability Development Plan and inform PESCO and EDF projects.

FIGURE 2 ■ Three key pillars of the European Defence Union



Source: Own compilation (2018)

2. THE NARRATIVE: REVISITING THE THREE D'S

The gradual development of a European Defence Union triggered old fears among EU and NATO members. Twenty years ago then US Defense Secretary Madeleine Albright formulated the so-called three Ds. She warned that the fledgling European (later Common) Security and Defence Policy should not lead to:

1. Decoupling: It should complement NATO and not threaten the indivisibility of European and North American security.
2. Duplication: It should not draw resources or personnel away from the Alliance and not duplicate command structures. The key argument is that EU and NATO members only have a 'single set of forces'.
3. Discrimination: Non-EU Allies should not be excluded from formulating and participating in the European Security and Defence Policy.

During the first half of 2018, the three Ds reappeared in political discourse.

2.1 Concerns about decoupling

The goal of European strategic autonomy fuelled concerns about decoupling on both sides of the Atlantic. Several EU politicians justified the need for autonomy with doubts about the reliability of the US. These doubts stem from the transactional approach the Trump administration has adopted towards Alliance solidarity. According to a senior NATO official, Americans reacted very badly to the framing of European strategic autonomy as “the need for an insurance policy in case of NATO’s failure.”¹⁷ The notion of strategic autonomy also caused tensions within the EU. Atlanticist member states such as Poland feared it could weaken transatlantic ties and thereby deterrence against Russia.

However, concerns about decoupling seem unjustified. First, and despite all rhetoric, the US remains materially committed to deterrence. US spending on the European deterrence initiative will rise to \$6.5bn in 2019 which is almost double compared to the final years under Obama. Second, the aim of EU strategic autonomy is not an attempt to decouple from NATO. It should rather be understood as the EU’s ability to intervene autonomously in its neighbourhood when necessary, and when collective interests or values are at stake. Moreover, the EU Treaties stress that the CSDP respects the obligations of NATO members, “which remains the foundation of their collective defence and the forum for its implementation”.¹⁸ The EU Global Strategy also underlines NATO’s primacy in collective defence and marries the aim of strategic autonomy with a strong pledge of multilateralism and transatlantic cooperation.¹⁹

2.2 Warnings of unnecessary duplication

A senior NATO official said that “PESCO became an emotive term for the Americans” as it revived fears of unnecessary duplication.²⁰ In February 2018, Katie Wheelbarger, a senior Pentagon official covering NATO, expressed concern that the EU’s efforts would pull requirements and forces away from the Alliance.²¹ At the 2018 Munich Security conference in the NATO Secretary-General Stoltenberg reflected on these concerns. While welcoming the EU’s defence cooperation efforts, he also warned against potential risks of duplication.²²

EU representatives were negatively surprised by these comments and warnings. German and French officials described the duplication narrative as “misguided” and “artificial”.²³ The American concerns were partially assigned to a lack of expertise. A senior NATO official explained “that many of the leading figures in the Pentagon were new in office had little experience with NATO, and absolutely no idea about the EU and the history of its defence cooperation”.²⁴

Rather than promoting duplication, the PESCO notification underlines that the developed ca-



“PESCO BECAME AN EMOTIVE TERM FOR THE AMERICANS”

¹⁷ Interview, Brussels, May 2018.

¹⁸ Article 42(7) Treaty on European Union.

¹⁹ Council of the European Union, “Shared Vision, Common Action: A Stronger Europe. A Global Strategy for the European Union’s Foreign And Security Policy”, Brussels, June 2016.

²⁰ Interview, Brussels, May 2018.

²¹ In Manson, Katrina and Peel, Michael, “The US fears closer EU defence ties could undermine NATO”, Financial Times, Brussels, 12 February 2018.

²² Stoltenberg, Jens, “Remarks by NATO Secretary General Jens Stoltenberg at the opening session of the Munich Security Conference”, Munich, 16 February 2018.

²³ Interviews, Brussels and Berlin, May 2018.

²⁴ Interview, Brussels, July 2018.

pabilities should “strengthen the European pillar within the Alliance and respond to repeated demands for stronger transatlantic burden sharing”.²⁵ The first binding PESCO commitment is to “regularly increase defence budgets in real terms, in order to reach agreed objectives”, which is an implicit reference to NATO’s 2% goal for EU Allies. Several interviewees in Brussels confirmed that fears of duplication were assuaged over the course of the first half of 2018.²⁶ The fact that the issue did not appear amidst the political tensions surrounding the Brussels Summit points in the same direction.

The more relevant issue is the sense of economic rivalry triggered by the establishment of the EDF. According to the draft regulation proposed by the Commission, only companies located in EU member states and associated countries (currently Iceland, Liechtenstein and Norway) should benefit financially. The proposed conditions for third country participation are very restrictive.²⁷

US and UK representatives have perceived the Fund as a French-driven ‘Buy European’ policy, designed to shrink the share of their defence industries in the European market (senior NATO official).²⁸ In February 2018, US NATO Ambassador Kay Bailey Hutchinson warned that the European Defence Union should not become a “protectionist vehicle for the EU” and that there would be “serious consequences” if the EU shut US defence companies out.²⁹ After all, Europe accounted for 11% of the US total arms exports between 2013 and 2017.³⁰ The UK’s fears were reinforced by the Commission’s decision to exclude it from the development of the EU’s satellite navigation system Galileo in light of Brexit. A British official commented: “The Commission’s position is disastrous. (...) It is French-driven protectionism aiming to push the Brits out of the market”.³¹

EU representatives reject accusations of protectionism arguing that it is a matter of reciprocity. Several EU and NATO officials argued that the US defence market has been far more closed than the European one in the past. As a senior NATO official put it, “they have pursued a ‘buy American and sell anywhere’ policy”.³² He added that the US has its ways of exerting pressure: “They told the Germans: ‘if you buy the Eurofighter, we will not certify it for a NATO nuclear role. So if you don’t opt for the [American-produced fighter jet] F-35, you will drop out of nuclear’”. At the time of writing, Germany was pressing the US to clarify whether and under what conditions (costs and time) the Eurofighter could be certified to carry nuclear bombs. The answer is likely to influence a multi-billion-euro decision on the follow-up model for Germany’s Tornado fleet.³³ Opting for the F-35 could undermine the Franco-German project of jointly developing a sixth-generation fighter jet.³⁴

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US AND UK REPRESENTATIVES HAVE PERCEIVED THE FUND AS A FRENCH-DRIVEN ‘BUY EUROPEAN’ POLICY

25. Council of the European Union, “Notification on Permanent Structured Cooperation”, Brussels, November 2017.

26. French diplomat, Brussels, May 2018; senior NATO official, Brussels, July 2018.

27. European Commission, “Proposal for a Regulation of the European Parliament and of the Council establishing the European Defence Fund”, Brussels, 13 June 2018.

28. Interview, Brussels, May 2018.

29. In kw/kms (AFP, AP), “EU’s new defense union must not undermine NATO, warns Stoltenberg”, Deutsche Welle, 13 February 2018.

30. Wezeman, Pieter D.W.; Fleurant, Aude; Kuimova, Alexandra; Tian Nan and Wezeman, Siemon T., “Trends in international arms transfers, 2017”, Stockholm International Peace Research Institute, March 2018.

31. Interview, Berlin, May 2018.

32. Interview, Brussels, May 2018.

33. Reuters, “Germany Seeks U.S. Certification for Eurofighter Nuclear Role”, Haaretz, 21 June 2018.

34. Gutschker, Thomas, “Was kommt nach dem Eurofighter?” Frankfurter Allgemeine Zeitung, 20 June 2018.

2.3 Revived fears of discrimination

Developments under the label of the European Defence Union also reignited fears of discrimination. Non-EU Allies have been uneasy about not being directly involved in EU discussions on issues such as the EDF or PESCO. Moreover, the UK's quest for a deep and special security partnership post-Brexit going beyond any existing cooperation models has made non-EU Allies such as Turkey or Norway nervous. Both have long sought more access to EU decision-making or -shaping. In addition, they have contributed to the CSDP in ways, which at least in the case of Turkey, often went beyond the UK's contribution as an EU member. Non EU-Allies have thus been concerned about being left behind by the European defence train and about ending up as a second or third class partners.

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FEARS OF DECOUPLING AND DUPLICATION SHOULD NOT BE OVERSTATED AND HAVE BEEN ASSUAGED

To sum up, fears of decoupling and duplication should not be overstated and have been assuaged during the first half of 2018. However, three issues of concern remain. First, hostility towards increased European defence market autonomy and mutual accusations of protectionism are bound to become a toxic issue in transatlantic and EU-UK defence cooperation post-Brexit. Second, fears of discrimination from non-EU Allies will remain high on the agenda as the EU negotiates criteria for third-country participation in PESCO and the EDF.. Finally, and most importantly, there are doubts how much the EU's defence cooperation efforts will actually contribute to burden-sharing. As a senior NATO official put it: "There was scepticism as PESCO was watered down. Some see it as old wine in new bottles and are just waiting for the whole thing to collapse, even if Mogherini tells us that this time it's different". If the EU's initiatives do not deliver more investment and readiness, the US will see them as an unnecessary distraction.

3. THE SUBSTANCE: A DIFFERENTIATED PROGRESS REVIEW

Below the political radar, EU-NATO cooperation has seen progress since 2016. The trend towards circumventing high-level blockades through informal channels and pragmatic bottom-up cooperation has been pursued. Most of the 74 implementation actions refer to enhanced staff-to-staff contacts, information exchange, as well as joint seminars and workshops. A senior NATO official commented on them saying: "It's all well and good but it is largely bureaucratic stuff". He added that political tensions between Turkey on the one hand, and Cyprus and Greece on the other, continue to put a "glass ceiling on implementation." In the following, I briefly review four key areas of implementation to show how this combination of pragmatism and glass ceilings has played out in practice.

3.1 Military mobility

One of the key deliverables of EU-NATO cooperation that illustrates the potential for synergy is cooperation on military mobility. In autumn 2017, former US NATO General Ben Hodges had called for a 'military Schengen zone' in order to lower logistical and regulatory barriers to moving heavy military equipment or hazardous substances across Europe's borders in case of crisis. The proposal was taken up by the Dutch, which are now leading the PESCO project on military mobility.

In March 2018, the Commission and the EU High Representative published an Action Plan for Military Mobility.³⁵ In accordance with this plan NATO provided the EU with its generic parameters for transport infrastructure. In May 2018, the Commission proposed spending €6.5bn from the next Multi-Annual Financial Framework to support implementation.³⁶ At the Brussels Summit, NATO decided to establish a new Joint Support and Enabling Command in Ulm to foster military mobility.

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MILITARY MOBILITY
IS AN AREA WHERE
EU AND NATO
ACTION IS MUTUALLY
REINFORCING

Military mobility is an area where EU and NATO action is mutually reinforcing. Upgrading European infrastructure will benefit military as well as civilian transport. NATO needs to cooperate with the EU as well as national administrations regarding regulatory questions. But while there has been very close cooperation between EU and NATO staffs, recent attempts to agree on a ‘joint’ roadmap on military mobility between the two organisations are, once more, doomed to fail due to the existing political impasse (senior NATO official).³⁷

3.2 Countering hybrid threats

With 20 out of the 74 actions, countering hybrid threats has been a focal area of cooperation. According to a senior NATO official, “it is also the area that worked best as both organisations have equivalent interest in cooperation”.³⁸ In this field, the line between military and civilian threats blur and the EU’s mandate to protect its citizens meets with NATO’s primary aim of collective defence. The 2016 EU-NATO Joint Declaration stated that the organisations would boost their ability to counter hybrid threats by cooperating on analysis, prevention, strategic communication and response, and by developing coordinated procedures through their respective playbooks.

An important step towards closer cooperation on coordinated analysis was the establishment of the European Centre of Excellence for Countering Hybrid Threats in Helsinki in 2017. The Centre is neither an EU nor a NATO institution, but an international body mandated to “encourage strategic-level dialogue and consulting” on hybrid threats among their members. It is thus shielded from the political blockade that impairs EU-NATO cooperation. It currently includes eleven EU and NATO members,³⁹ two non-NATO EU members (Sweden and Finland), and two non-EU Allies (the US and Norway) and is open to other EU and NATO members.

In addition, close working-level contacts have been established between the EU’s Hybrid Fusion Cell within the EU Intelligence Analysis Centre and NATO’s Hybrid Analysis Branch. The EU’s Single Intelligence Analysis Capacity and NATO’s Joint Intelligence and Security Division automatically exchange open source intelligence on hybrid threats unless there is a veto. The respective forecasting teams also meet more often.

Yet, cooperation on countering hybrid threats is largely restricted to joint analysis, training and the exchange of open-source intelligence.⁴⁰ There has been coordination between EU and

³⁵. European Commission and High Representative of the Union for Foreign Affairs and Security Policy, “[Joint Communication to the European Parliament and the Council on the Action Plan on Military Mobility](#)”, Brussels, 28 March 2018.

³⁶. European Commission, “[A Modern Budget for a Union that Protects, Empowers and Defends. The Multiannual Financial Framework for 2021–2027](#)”, Brussels, 2 May 2018.

³⁷. Interview, Brussels, July 2018.

³⁸. Interview, Brussels, May 2018.

³⁹. At the time of writing, these included the Czech Republic, Denmark, Estonia, France, Italy, Germany, Latvia, Lithuania, the Netherlands, Poland, Spain and the UK.

⁴⁰. Helwig, Niklas, “[New tasks for EU-NATO cooperation](#)”, Stiftung Wissenschaft und Politik, Comment no. 4, January 2018.

NATO staffs on the respective playbooks to avoid gaps between them. Attempts to develop a joint EU-NATO playbook on hybrid threats to establish interfaces for effective interaction in the event of a hybrid attack have been blocked, in part due to the EU's reluctance of associating its broad civilian toolbox too exclusively with NATO.⁴¹

At the Brussels Summit, NATO strengthened its role in countering hybrid threats. The Summit Communiqué stated that NATO is ready to assist any ally, at any stage, in case of a hybrid campaign, including by invoking Article 5.⁴² In addition, it announced the establishment of Counter Hybrid Support Teams to provide Allies with targeted assistance in preventing and responding to hybrid threats. The question to what extent and when NATO should become active in hybrid campaigns below the level of Article 5 has been subject to controversial debate.⁴³ Some Allies, such as Turkey, hold that NATO should play a greater role below Article 5, which could be perceived as NATO stepping on the EU's turf and lead to duplication (senior NATO official).⁴⁴

3.3 Coordinated exercises

Joint EU-NATO exercises continue to be blocked by the Turkey-Cyprus issue. However, cooperation has intensified in terms of parallel and coordinated exercises (PACE) and mutual invitations. Every year, one organisation takes the lead in preparing the PACE scenario, which the other shadows. This year the EU is in the lead in developing a hybrid scenario including cyber and terrorism aspects.⁴⁵ NATO staff is participating in EU planning meetings and workshops and will include elements of the EU scenario in its own. In late 2017, the EU participated, for the first time, as full participant rather than observer, in NATO's Cyber Coalition exercise in Estonia. In early 2018, NATO sent observers to the EU's maritime exercise MILEX 18 in Spain.

Parallel exercises and mutual invitations help synchronize the respective crisis response activities and promote the exchange of expertise and lessons learned. However, they also illustrate practical cooperation challenges. They show, for instance, when the EU would have to leave the room in an emergency situation. The inability to share classified material severely complicates cooperation in a crisis. In addition, there are still cases where mutual invitations are politically blocked. One example was the EU exercise 'Cyber Europe' in Greece organised by the EU Agency for Network and Information Security (ENISA). As there is no security agreement between ENISA and NATO, the latter could not participate (senior NATO official).

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THE INABILITY TO SHARE CLASSIFIED MATERIAL SEVERELY COMPLICATES COOPERATION IN A CRISIS

3.4 Maritime operational cooperation

In light of the migratory crisis, the EU and NATO have engaged in new forms of operational cooperation in the maritime domain. Since 2016, NATO Operation Sea Guardian has provided the EU's naval anti-smuggling operation EUNAVFOR Sophia in the Southern Central Mediterranean with situational awareness and logistical support including refuelling. NATO also deployed its

41. Pawlak, Patryk, "Countering hybrid threats: EU-NATO cooperation", European Parliamentary Research Service, March 2017.

42. NATO, "Brussels Summit Declaration. Issued by the Heads of State and Government participating in the meeting of the North Atlantic Council in Brussels 11–12 July 2018", 11 July 2018.

43. Raik, Kristi, and Järvenpää, Pauli, "A new era of EU-NATO cooperation: How to make the best of a marriage of necessity", International Centre for Defence and Security, May 2017.

44. Interview, Brussels, May 2018.

45. EU and NATO, "Third progress report on the implementation of the common set of proposals endorsed by NATO and EU Councils on 6 December 2016 and 5 December 2017", Brussels, 31 May 2018.

Standing Maritime Group 2 in 2016 to support Greece, Turkey and the EU's border management agency Frontex with reconnaissance and surveillance in the Aegean Sea.

These new forms of operational cooperation rely on informal civil-military information-sharing mechanisms including liaison arrangements between NATO and Frontex and the Shared Awareness and De-confliction in the Mediterranean forum (SHADE MED). However, the inability to share classified material remains a key obstacle. In its 2017 report on EU-NATO cooperation, the NATO Parliamentary Assembly stated that there are still "significant gaps in maritime surveillance coordination".⁴⁶ As the EU still lacks capacities in maritime Intelligence, Reconnaissance and Surveillance (ISR), there are important deficiencies in situational awareness.

4. THE WAY FORWARD: FOUR RECOMMENDATIONS

The Joint EU-NATO Declaration and the 2018 Summit Communiqué of 2018 were important political signals showing that, despite political tensions, the commitment to strengthen cooperation remains high. There was a clear emphasis on deepening cooperation within the existing set of proposals rather than broadening it by adding new areas. On this basis and considering the political hurdles, how could cooperation be deepened?

4.1 Deepen the substance of EU-NATO cooperation

Commenting on recent developments in EU-NATO cooperation, a senior NATO official complained that there was "just too much mutual briefing, too much process. We very rarely get together and act". The EU and NATO should deepen informal cooperation in areas where respective strengths can lead to real synergies. In terms of acting together, two areas should be highlighted: countering hybrid threats and fostering resilience in the South.

EU and NATO staffs should work towards harmonising the respective hybrid playbooks to outline a division of labour and modes of cooperation in crisis prevention and response. In addition, they should take up previous proposals for the establishment of joint counter hybrid teams. In April 2016, ten NATO members (Croatia, Denmark, Germany, Latvia, Lithuania, Norway, Poland, Romania, the UK, and the US) had proposed establishing a Brussels-based hub which could deploy small teams of officials from NATO, EU member states and EU institutions with expertise in emergency response, counter-terrorism, border management, intelligence analysis, energy security or strategic communications.⁴⁷ If a *joint* hub is politically not feasible at this stage, the EU and NATO could establish a shared roster to which they nominate the same experts. This could at least lead to the 'parallel' deployment of relevant counter hybrid experts.

In the near future, there will be more operational overlap regarding fostering resilience and capacity-building in Europe's Southern neighbourhood. At the Brussels Summit, NATO endorsed a Package on the South. It decided to launch a non-combat training and capacity-building mission in Iraq where the EU has been active with a civilian advisory mission (EUAM Iraq) in support of security sector reform since last year. NATO also announced further security

⁴⁶. NATO Parliamentary Assembly, "NATO-EU cooperation after Warsaw", Brussels, 7 October 2018.

⁴⁷. Pawlak, Patryk, "Countering hybrid threats: EU-NATO cooperation", European Parliamentary Research Service, March 2017.

sector support to Tunisia and potentially Libya, both of which have stood at the centre of the EU's neighbourhood and migration policies. To provide comprehensive civil-military support to these countries, the EU and NATO should work on a case-by-case division of labour on the ground. This division of labour should be discussed in regular informal meetings between the EU's Political and Security Committee and the North Atlantic Council. Country-specific task forces bringing together officials from NATO, the European External Action Service and relevant Commission services could prepare these discussions.

4.2 Mind the narrative



LANGUAGE REMAINS
A KEY INGREDIENT FOR
MUTUAL TRUST

It seems obvious, but language remains a key ingredient for mutual trust. This message might not reach the highest political level, but it should inform those that are actually dealing with day-to-day EU-NATO cooperation. Instead of warming up old narratives of duplication, mixing defence and trade issues, and stirring the pot on protectionism US representatives should focus their energy on pushing their EU counter-parts to strengthen the European pillar within NATO. Less unfruitful European competition means the ability to do more with less. The real danger is that the European pillar, becomes fragmented, loses steam and fails to deliver.

EU representatives, in turn, should keep explaining how EU efforts contribute to burden-sharing. A senior NATO official said: "The EU comes to NATO and lists all its achievements, but it fails to explain how they contribute to burden-sharing. It is a bit like a doctor who tells you about all the medicine he has without explaining how it will address your illness."⁴⁸ The NATO Communiqué states *that* EU efforts will contribute to burden sharing. EU representatives should continue to make a point of explaining *how*.

4.3 Raise the EU's level of ambition

Strategic communication alone will not do the trick. In line with the aim of strategic autonomy and that of making a substantial contribution to burden sharing, the EU member states should raise the level of ambition of their defence cooperation initiatives. The formal adoption of the second set of PESCO projects in November 2018 will be a litmus test in this regard. These should be more ambitious and reflect the priorities identified by the 2018 EU Capability Development Plan. Capabilities that would also contribute to NATO requirements, for instance, include air-to-air refuelling, strategic transport, and Intelligence, Surveillance and Reconnaissance capabilities.

In terms of burden-sharing compliance with PESCO's more binding commitments may even be more relevant. After all, they are about raising defence spending and the share of investment expenditure. PESCO members have to submit a yearly national implementation plan to show how they are planning to fulfil these commitments. The key question is what happens if they don't. In theory, a qualified majority of PESCO members can suspend membership if membership criteria are no longer fulfilled. However, this is politically sensitive and therefore unlikely. PESCO members should consider alternative sanctioning mechanisms, such as suspending the 10% additional co-financing that PESCO members can receive for projects under the EDF.⁴⁹

⁴⁸. Interview, Brussels, May 2018.

⁴⁹. Fabry, Elvire; Pellerin-Carlin, Thomas; Koenig, Nicole, "European defence: Who sits at the table, what's on the menu?", Jacques Delors Institut – Berlin, Tribune, 20 October 2017.

4.4 Keep the doors open

Reflecting concerns about discrimination, the NATO Brussels Summit Communiqué called on the EU to take further steps to ensure the participation of like-minded third states. In the coming months, the EU will discuss arrangements for third country participation in PESCO projects.

PESCO members have already articulated some red lines: Third countries “may be invited exceptionally” if they “provide substantial added value to the project, contribute to strengthening PESCO and the CSDP and meet more demanding commitments”.⁵⁰ In line with the principle of the EU’s decision-making autonomy, they will not have decision-making powers. Furthermore, the Council ‘in PESCO format’ is to decide if the third state invited by the participants of a specific project meets the conditions. In other words, 25 member states would have to agree if, for instance, Norway or Turkey were to join a specific PESCO project. The political entry barriers are thus very high when one considers that Cyprus or Greece could easily block the participation of Turkey.

The PESCO members should lower these political entry barriers by making the decision subject to a unanimous vote by the respective project participants, rather than the PESCO-25. At least, they should opt for a more flexible approach when it comes to defining the terms “exceptionally” and “substantial added value”. Non-EU NATO Allies should be eligible for regular, rather than exceptional invitations. Furthermore, PESCO members should develop mechanisms to ensure systematic and regular information and consultation on projects that might be relevant to NATO and its non-EU members.

CONCLUSION

At the 2018 Brussels NATO Summit the more technical aspects of inter-organisational EU-NATO cooperation were marginalised by high-level political tensions. This paper underlines the need to look at the substance beyond the rhetoric. Whereas transatlantic relations seem to be in constant crisis mode, the Brussels Summit featured one of the strongest political commitments to EU-NATO cooperation in years. While Allies doubt the reliability of the US, its material contribution to deterrence in Europe is (still) at a high point. Revived fears about duplication and decoupling that stirred the political debate in the first half of 2018 have, to a large extent, been assuaged.

The fact that the renewed political commitment to deepening EU-NATO cooperation almost passed unnoticed also shows that the issue has become largely consensual. In the past two years, noticeable progress in EU-NATO cooperation has been achieved below the political radar, through informal channels, and in a bottom-up fashion. In light of pressing threats and challenges, NATO and the EU should deepen pragmatic cooperation and find new ways of circumventing old red lines.

However, this paper also illustrates that there are limitations to informal and bottom-up cooperation. The medium-term goal should remain joint, rather than parallel and coordinated analyses, exercises and action. This leads us back to politics. Burden sharing is not the only area of friction. In 2018, we have seen renewed tensions between Greece and Turkey. In addition, Turkey has displayed a tendency to seek closer security cooperation with Russia.

⁵⁰ Council of the European Union, “Notification on Permanent Structured Cooperation”, Brussels, November 2017.



NATO AND THE EU SHOULD DEEPEN PRAGMATIC COOPERATION AND FIND NEW WAYS OF CIRCUMVENTING OLD RED LINES

If the EU and NATO truly join forces they represent, by far, the world's most powerful civil-military security provider. However, strategic divergence, tendencies of fragmentation, and a continued decay of trust fuelled by unilateral rejections of multilateralism significantly narrow this potential.

ON THE SAME TOPIC

- Nicole Gnesotto, [“The EU’s four strategic challenges”](#), Policy Brief, Jacques Delors Institute, 10 July 2018.
- Nicole Koenig, [“Towards Norway plus? EU-UK defence cooperation post-Brexit”](#), Blog Post, Jacques Delors Institut – Berlin, 7 February 2018.
- Elvire Fabry, Nicole Koenig and Thomas Pellerin-Carlin, [“Strengthening European defence: Who sits at the PESCO table, what’s on the menu?”](#), Tribune, Jacques Delors Institute / Jacques Delors Institut – Berlin, 20 October 2017.
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- Nicole Koenig and Jekaterina Grigorjeva, [“The right time for ever closer EU-NATO cooperation is now”](#), Blog Post, Jacques Delors Institut – Berlin, 21 July 2016.

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