A New Era of EU-NATO Cooperation
How to Make the Best of a Marriage of Necessity

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Executive Summary

This report examines the challenges and opportunities for EU-NATO cooperation in the fields of defence and security. The challenges confronting both the European Union and NATO today are severe and complex, including terrorism, refugee and migration crises, hybrid threats, cyber-attacks, and a Russia willing to break international law and other treaties and agreements, thus undermining the post-World War II international order. The importance of EU-NATO cooperation, based on shared values and interests, has become more critical than ever.

Aim of the report. The report seeks to identify and analyse the most crucial and promising areas of cooperation between the EU and NATO. It is divided into two parts. The first examines the short history of EU-NATO cooperation on defence and security from 1998 up to the present day. The second part focuses on two areas of cooperation, arguably the most important for meeting Europe's current defence and security challenges: hybrid threats and strengthening defence capabilities. Based on this analysis, the authors offer conclusions and recommendations.

A short history of EU-NATO defence and security cooperation. The report distinguishes three phases in the relationship: first, the promising start from 1998 to 2003, when the foundations for cooperation were established; second, the period between 2004 and 2013, when the relationship suffered from formal and political obstacles; and third, the ongoing phase of renewed cooperation that resulted from a number of external shocks in 2014. The analysis of past experiences shows that, in many areas, the current agenda is actually not so new, but reflects earlier achievements, failures and obstacles.

Current major challenges. Both organisations need to pay growing attention to hybrid threats. A shared understanding is gradually emerging about the need for active countermeasures and improved resilience to malicious influence by external actors seeking to undermine Western democracies and the current international order. The EU in particular has an important role to play in strengthening Europe's resilience, but has yet to build a coherent response including shared analysis drawing on all relevant EU policies and improved crisis-response mechanisms. The second major challenge, capability development, has been at the focus of EU-NATO cooperation ever since the creation of the EU's Common Security and Defence Policy, but with few results. Fragmentation of European defence capabilities and the difficulty of harmonising national activities undermine both the EU and NATO. New EU initiatives are being developed which can potentially make an important positive contribution also to NATO.

Conclusions and recommendations. EU and NATO member states are slowly waking up to the new reality that there will be no "business as usual". In the 2010s, these organisations have faced growing, simultaneous dangers to their east and south, as well as a series of security challenges not defined by geography. The two areas highlighted in this paper – countering hybrid threats and developing European defence capabilities – offer avenues for new and much-needed cooperation. On top of these efforts, the EU and NATO should develop mechanisms and procedures for shared strategic and situational awareness. The member states should understand that all this is not beyond their capabilities, should they decide to act together.

Introduction

On 13 December 2016, the President of the European Council, Donald Tusk, the President of the European Commission, Jean-Claude Juncker, and NATO Secretary General Jens Stoltenberg published a joint op-ed article in which they pledged to take EU-NATO cooperation on security and defence "to a totally new level".[1]

Facing what the authors called "the greatest security challenges in a generation", Europeans and, indeed, the Western world as a whole must be able to cooperate better than ever, and design and develop sound security and defence policies. The challenges confronting both the European Union and NATO are severe and complex: terrorism stemming from turmoil in North Africa and the Middle East, the concomitant refugee and migration crises, cyber-attacks into the very heart of our information-based societies and, last but not least, a Russia willing to break international law and other treaties and agreements, and thus undermine the post-World War II international order. According to the authors of the article, "these are urgent concerns requiring us to work not just side-by-side, but hand-in-hand".[2]

In this new strategic environment, the importance of EU-NATO cooperation, based on shared values and interests, becomes ever more pertinent. After the shocks of the United Kingdom's Brexit referendum and Donald Trump's election as President of the United States, working together and ensuring fair and balanced burden-sharing will be central. Consequently, cooperation with NATO is a key strand in the EU's Global Strategy, while the European Defence Fund announced by the European Commission in November 2016 aims to boost investment in the key defence capabilities needed to deter and respond to external threats.[3]

Furthermore, there are a number of more specific reasons behind the new push to EU-NATO cooperation. First, the EU needs NATO for military security, especially territorial defence. The EU is not able to take care of its member states' territorial defence, nor does it aim to do so in the foreseeable future. There is nothing new about this, but the importance of military defence has revived in the changed security environment. If NATO military deterrence loses its credibility, this will undermine the credibility of both organisations.[4]

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Second, NATO needs the EU's contribution to the development of European defence capabilities. The EU can help Europe to become a more relevant transatlantic partner, which can also make NATO more viable. If the EU fails to contribute – the track record being not too promising – this will weaken NATO.[5]

Third, the two organisations need each other in addressing "hybrid" threats; neither can manage this challenge alone. In particular, NATO needs the EU's contribution in this field, since the EU has broader competences to deal with hybrid threats. However, the EU's potential in this field is yet to be materialised.

Fourth, both organisations are needed in efforts to stabilise Europe's tumultuous neighbourhoods. The EU has several "soft power" instruments in its toolbox that enhance and support the "hard power" tools at NATO's disposal.

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1. North Atlantic Treaty Organisation 2016.
2. Ibid.

3. European Commission 2016.
4. Interviews by the authors, Brussels, February 2017.
5. Some researchers go as far as to make the point that it is in fact the EU that should take burden-sharing seriously and, by so doing, could "save" NATO. See Biscop, 2017.

And, finally, both organisations need closer cooperation in order to involve EU member states not belonging to NATO, and NATO members not in the EU, to work together for European security. This is particularly relevant for the Nordic–Baltic region, but also for ensuring an effective UK contribution to European security post-Brexit.

What, then, are the concrete options available for further EU-NATO cooperation and better coordination? What can and should be done beyond what has been done in previous decades? What will be the drivers of such cooperation today and in the future? And, finally, how does the new agenda affect the division of labour between the two organisations?

What can and should be done beyond what has been done in previous decades? What will be the drivers of such cooperation today and in the future?

The authors of the cited op-ed endorse the concrete steps identified for implementation by the joint efforts of NATO and EU staff. These have pinpointed seven general action areas, divided into 42 specific options for action.[6]

The aim of this report is to identify and analyse some of the most crucial and promising areas of cooperation in the new common agenda. The paper is divided into two parts. The first examines a short history of EU-NATO cooperation on defence and security from 1998 to today. It identifies three phases

6. In July 2016 in Warsaw, presidents Tusk and Juncker and Secretary General Stoltenberg signed a Joint Declaration which foresaw boosting EU-NATO cooperation in seven key action areas. These were: countering hybrid threats, operational coordination including maritime issues, cyber security and defence, defence capabilities, defence industry and research, exercises, and defence and security capacity-building. On 6 December 2016 in Brussels, a set of pragmatic follow-up measures was adopted in parallel by the Councils of the EU and NATO at foreign-minister level. There are 42 actions foreseen. See European External Action Service 2016.

in the relationship: the promising start from 1998 to 2003, when the foundations for cooperation were established; the period between 2004 and 2013, when the relationship suffered from formal and political obstacles; and the ongoing phase of renewed cooperation that resulted from a number of external shocks in 2014. The analysis of past experiences shows that, in many areas, the current agenda is actually not so new, but reflects earlier achievements, failures and obstacles.

The second part focuses on two areas of cooperation which are arguably the most important for meeting Europe's current security challenges: countering hybrid threats and strengthening European defence capabilities. As to the former, this part notes that a shared understanding is gradually emerging about the need for active countermeasures and improved resilience to malicious influence by external actors aiming to undermine Western democracies and the current international order. Both the EU and NATO are only starting to develop such measures. It is argued here that the EU in particular has an important role to play in strengthening Europe's resilience, but has yet to build a coherent response including shared analysis drawing on all relevant EU policies and an improved crisis response mechanism. As both organisations are now active in this relatively new field, coordination is essential in order to avoid competition and overlap.

The second priority, capability development, has been at the focus of EU-NATO cooperation ever since the creation of the EU's Common Security and Defence Policy – with meagre results. Fragmentation of European defence capabilities and the difficulty of harmonising national activities undermine both the EU and NATO. As described below, the EU is developing new initiatives which can potentially also make

an important positive contribution to NATO. Although competition in this field cannot be fully avoided, complementarity is an important and attainable goal.

Finally, the paper will provide conclusions and recommendations on how to carry out the future implementation of EU-NATO cooperation in Europe. Hit by several external shocks, it is now understood by member states that neither the EU nor NATO will be able to guarantee their security on their own. What could these organisations do next? Are there "low-hanging fruit" that they could pick with relative ease for their common benefit? If so, what might they be?

1. A brief overview of EU–NATO cooperation in defence and security

1.1 A promising start (1998–2003)…

How have we travelled to where we are now? What have been the main drivers of EU-NATO cooperation so far? And what have been the areas of concrete cooperation?

To answer these questions, a good starting point might be a document signed in December 1998 in the French coastal resort of Saint-Malo. There, the British and French political leaders of the time, Prime Minister Tony Blair and President Jacques Chirac, met and signed a common declaration to advance the creation of a European security and defence policy, including a European military force "capable of autonomous action".[7] The declaration specifically states that "the Union must have the capacity for

autonomous action, backed up by credible military forces, the means to decide to use them, and a readiness to do so, in order to respond to international crises".[8] The declaration kick-started the establishment of what is now called the Common Security and Defence Policy (CSDP) and laid the ground for developing EU-NATO cooperation for years to come.[9]

> *Until the late 1990s, the European effort to build a common security and defence policy was more a record of good faith than of obvious successes.*

Until the late 1990s, the European effort to build a common security and defence policy was more a record of good faith than of obvious successes. In 1993, the launch of the Common Foreign and Security Policy (CFSP) was a major step forward, but the EU still lacked military capability to address international conflicts. Against this rather humble background, the Saint-Malo declaration could be seen as a bold attempt at reconciling the French emphasis on autonomous action with British support for NATO. The British-French effort was in many ways a response to the armed conflict in the Balkans, particularly in Kosovo, where the international community, and especially the European Union and its member states, were perceived to have failed to intervene to stop the conflict.[10]

It should be underlined that the EU's CSDP was never about creating a European army or supplanting NATO's role in the Alliance's responsibility for territorial defence. Rather, it was a recognition that many of the security challenges facing Europe were in the area

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7. Quille 2006. See also Joint Declaration Issued at the British-French Summit 1998.

8. See Joint Declaration Issued at the British-French Summit 1998.

9. The initial title was European Security and Defence Policy (ESDP), which changed to CSDP with the Lisbon Treaty that entered into force in December 2009. The latter title is used throughout this report to refer to both CSDP and its predecessor.

10. For a typically critical account, see Cohen 1993.

of "crisis management": how to prevent conflict, how to build economically sound states with good governance and democracy, and how to maintain peace post-conflict.

The Saint-Malo declaration was followed, a year later, by a political agreement on what was to be called the Helsinki Headline Goal (HHG). This was approved at the December 1999 European Council meeting in Helsinki, and was essentially a robust military capability target: through the HHG, the EU was finally to have the capacity for "autonomous action backed up by credible military forces".[11]

According to the Helsinki Council meeting, the EU military capability to act was to be strengthened, by 2003, by the creation of a capacity to deploy 60,000 military personnel at 60 days' notice at a distance of 4,000 kilometres from Brussels for at least one full year. In order to rotate that force, a total of 180,000 troops would be needed. Such a number of troops was foreseen to be needed in order to be able to handle the full range of the so-called Petersberg tasks. These – as described in the 1997 Treaty of Amsterdam – include "humanitarian and rescue tasks, peacekeeping tasks and tasks of combat forces in crisis management, including peace-making, joint disarmament operations, military advice and assistance tasks, and post-conflict stabilisation tasks".[12]

It is important to note that the EU also established an institutional framework that made CSDP a vital part of the broader CFSP. In 1999, the post of "High Representative for Common Foreign and Security Policy" was established, and Javier Solana, a former NATO Secretary General, was appointed as its first holder. Meanwhile, the December 2000 European Council in Nice approved decision-making structures for the CFSP and CSDP, including the Political and Security

Committee (PSC), the EU Military Committee (EUMC) and the EU Military Staff (EUMS).[13]

The signing of the Saint-Malo declaration has been called "the most pivotal moment in the history of European security since the promulgation of the Monroe Doctrine".[14] This is of course hyperbole, but it is true that in one crucial respect Saint-Malo represented an important turning point: the CSDP became possible, and it became possible because the two leaders realised that nothing would happen unless the two European states with the foremost defence capabilities – the UK and France – agreed.

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The HHG was an important milestone for the CSDP. It also contained a realisation that existing shortfalls needed to be addressed. The recognised key capability shortfalls affected force deployability, especially such major issues as strategic and tactical lift, sustainability and logistics (including air-to-air refuelling), effective engagement (including precision weapons), survivability of force and infrastructure (including rescue helicopters), and command, control, communications, computers, intelligence, surveillance and reconnaissance.[15]

The Helsinki Headline Goal was later expanded to a new "Headline Goal 2010". At the June 2004 European Council meeting in Brussels, member states decided to commit themselves to a development programme that would, inter alia, establish a civil-military cell within the EUMS, as well as the capacity to rapidly set up an operations centre should the need arise for certain high-tempo

11. See, for example, Lindstrom 1999.
12. European Union External Action 2016.

13. European Council 2000.
14. Hoghton-Carter 2009.
15. Schuwirth 2002.

operations; to establish the European Defence Agency (EDA); to implement EU joint coordination in strategic lift; to improve communications at all levels of EU operations; and to complete by 2007 the establishment of EU Battlegroups, including the identification of appropriate strategic lift, sustainability and disembarkation assets.[16]

A Battlegroup should be available for an operation within 15 days' notice and sustainable for at least 30 days (120 days with rotations).

The EU Battlegroups were benchmarked using the experience of Operation *Artemis* in the Democratic Republic of Congo. In this, the Battlegroup concept as such was not used, but that undertaking was the first autonomous EU-led military operation. It was launched in June 2003 at the request of the United Nations Security Council.[17]

As endorsed by the EU authorities, a Battlegroup is a battalion-size formation, consisting of about 1,500 soldiers, including the necessary combat support and combat service support elements, as well as deployability and sustainability assets. A Battlegroup should be available for an operation within 15 days' notice and sustainable for at least 30 days (120 days with rotations). In other words, a Battlegroup could provide a rapid response in situations where a militarily effective coherent force package is needed for stand-alone operations or for the initial phase of longer operations. A Battlegroup might be deployed under a UN mandate, but not exclusively. It could just as well be used under an EU or NATO mandate. Finally, the Battlegroup concept implies that strategic lift and combat support capabilities would be available.[18]

Quite early in the process of creating the EU capabilities for operations, it was realised that the Union was lacking some key tools for autonomous action. Consequently, the so-called Berlin Plus arrangements were adopted in March 2003, based on the conclusions of the June 1999 NATO Summit in Washington. This framework provides "the basis for NATO-EU cooperation in crisis management by allowing the European Union to have access to NATO's collective assets and capabilities for EU-led operations, including command arrangements and assistance in operational planning". In effect, the framework allows the Alliance to support EU-led operations "in which NATO as a whole is not engaged". A key aspect of Berlin Plus also is that the NATO Deputy Supreme Allied Commander (DSACEUR), who is always a European, would be the operational commander of such an operation.[19]

It is crucial to emphasise that the EU Battlegroups were developed in close cooperation with NATO, whose military standards and procedures (Standardization Agreements, or STANAGs) are the key to interoperability of the Battlegroups, as they are formed from the various military assets the EU member states have at their disposal. Interoperability, just as deployability and sustainability, is essential for the Battlegroups. As they are planned to be deployed within ten days of a European Council decision, the launch speed would be vital.

At roughly the same time the EU member states were committing themselves to the Headline Goal and to the Battlegroup concept, the members of NATO – 11 of whom at that time were also members of the EU – were signing up to the Defence Capabilities Initiative (DCI), the Alliance's programme to raise its military capabilities to meet the new challenges of the 21st century.[20]

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16. European Union 2005.
17. See Ulriksen 2004.
18. This is a tall order, since there are only a few EU member states that can provide adequate lift and combat support capabilities. See Schuwirth, op. cit.
19. This was the command arrangement, for example, in the EU operation in Bosnia, where British General Adrian Bradshaw, then DSACEUR, was the commander. European Union 2004.
20. North Atlantic Treaty Organisation 1999.

1.2 …BUT RUNNING INTO HURDLES (2004–2013)

In spite of the promising start that created a solid framework for cooperation, by the early 2010s the EU-NATO relationship had produced very limited tangible results and was mired in structural obstacles. The main impediments, especially at the operational level, were created by the standoff between Cyprus and Turkey over the unresolved conflict on Cyprus. Furthermore, there was a tendency on both sides to see the relationship between NATO and the CSDP in terms of competition – even as a zero-sum game – which obviously did not encourage cooperation.[21] Since its accession to the EU in 2004, Cyprus has put brakes on Turkey's accession negotiations and blocked its participation in EU-

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led missions, membership of the EDA and generally a more active role in CSDP. At the same time, Turkey has been able to block the use of NATO capabilities and assets by the EU and has not allowed the participation of the Republic of Cyprus, which it does not recognise, at formal EU-NATO meetings. Hence, meetings between the North Atlantic Council and the PSC have been held rarely (the latest took place in September 2015) and with a narrow agenda.[22]

This deadlock practically turned the Berlin Plus arrangements into a dead letter and

prevented more ambitious strategic cooperation. Berlin Plus arrangements have been used only for two operations: Operation *Concordia* in the Former Yugoslav Republic of Macedonia (FYROM), which ended in September 2003, and EUFOR Operation *Althea* in Bosnia and Herzegovina, an operation deployed since 2004.

While formal cooperation was limited, in practice a division of labour in crisis management took shape, roughly along the lines of soft/civilian and hard/military security. Although the CSDP was created to carry out both civilian and military crisis management tasks, the EU did not become the preferred instrument for more ambitious military operations. Member states limited the use of CSDP to softer, non-combat operations, whereas NATO took care of militarily more demanding environments and combat tasks. This division was evident in the two locations where both organisations had an operation running simultaneously: Kosovo and Afghanistan. Staff-level cooperation between the missions on the ground worked reasonably well, thanks to individual efforts to find flexible and creative ways to work around the formal obstacles.[23]

It was also a setback to the CSDP that EU Battlegroups were never deployed due to the lack of political will to actually use this new tool. One of the hurdles was the reluctance of member states to finance their deployment. As of today, discussions on improved usability and more effective financing of the Battlegroups continue, but the issue has been pushed down the list of priorities by new, more promising areas of defence cooperation, to be described below.

Apart from the structural hurdles, the EU side was simply not very interested in closer

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21. Drozdiak 2010. It should also be said that the Americans were not at that point particularly helpful.
22. In the 18 months to August 2015, four PSC-NAC meetings were organised: one formal meeting on EUFOR Operation *Althea*, two informal meetings on Ukraine, and one informal meeting on the eastern and southern neighbourhoods. See Dakic 2015.

23. Graeger 2016.

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cooperation. The EU nurtured an ambition to be a different kind of international actor, described as a civilian, normative, ethical or soft power.[24] This aspiration favoured taking a step back from NATO, characterised by many as a relic of the Cold War that was struggling to find a new purpose.[25]

The European Security Strategy adopted in 2003 indicated that the EU was developing a distinct approach to security, characterised as "comprehensive" and "cooperative".[26] It downgraded the relevance of military aspects of security, preferring to see military instruments as part of a wider toolkit, and considered military aggression against any member state "improbable". Instead of preparing to defend itself against possible aggression, the EU wanted to focus on addressing the root causes of external conflicts, such as respect for human rights, socio-economic development, and sustainable climate and energy policies. The concept of "comprehensiveness" highlighted the need to bring together different areas of external affairs, from trade and development to crisis management – something that the EU is still not very good at doing.[27]

Many in the EU institutions, notably the European Commission, viewed the development of the CSDP with a degree of suspicion, fearing that it would undermine the civilian character and unique strengths of the Union. The EU's contribution to preventing and resolving conflicts was to be made primarily via dialogue and partnership. Accordingly, the European Neighbourhood Policy did not directly address security, but aimed at promoting stability and security in neighbouring countries by spreading the EU's norms and values.[28]

This approach was underpinned by the belief that these norms and values were attractive and largely unchallenged. At the same time, though, the largest and strategically most important neighbour – Russia – was already slowly moving away from the direction of liberal reforms promoted by the EU.[29] The European Security Strategy barely mentioned relations with Russia. With some benefit of hindsight, it is easy to point to serious gaps in the EU's approach to security.

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In 2002–3, discussion of a new constitutional treaty for the EU involved heated debate on the issue of defence. The new treaty language on the subject, which was initially agreed in December 2003 and eventually came to force six years later as part of the Lisbon Treaty, created additional responsibilities for the EU and its member states. However, the task of territorial defence was clearly left under NATO and/or national responsibility, with the EU possibly playing a complementary role. There was no clarity

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24. See, for example, Smith 2000, Manners 2002, Aggestam 2008, and Forsberg 2011.
25. See, for example, Daalder 1999.
26. Biscop 2004.
27. Hauck and Sherriff 2013.

28. Whitman 2011.
29. See Freedom House 2015.

or agreement on how exactly the EU's new treaty provisions would be implemented if needed. In 2009, the return of France to full participation in the NATO Integrated Military Command Structure (from which it had withdrawn in 1966) helped to clarify the division of labour between the EU and NATO.[30]

It is noteworthy that NATO also took steps to develop a broad approach to security and defence. At its summit in Riga in November 2006, NATO endorsed a document entitled "Comprehensive Political Guidance" (CPG) and, for the first time ever, made it public. The CPG is high-level guidance that provides a framework and political direction for NATO's future transformation, setting out the priorities for all Alliance capability issues, planning targets and intelligence requirements.

What is important in the context of this study is that the Riga Summit, through the new CPG, stressed the need for a broad approach to security, not only with regard to NATO's own instruments, but also through cooperation with other institutions and organisations, such as the EU, in order to collaborate more effectively in planning and conducting operations.[31] However, in subsequent years, the practical relevance of this document for EU-NATO cooperation was limited.

During the presidency of George W. Bush (2001–9), attitudes on the US side also were rather unhelpful for deepening EU-NATO cooperation. The US administration tended to see the CSDP as a competitor, if not an outright threat, to NATO in a zero-sum relationship.[32] This changed under the Obama administration into a more pragmatic approach seeking complementarity and ways to avoid duplication.

All in all, considering the differences between the two organisations' approaches to defence and security, one can only wonder how far the EU-NATO cooperation would have progressed in the 2000s, even if the formal obstacles posed by the Cyprus-Turkey issue had not been there.[33]

1.3 A PUSH FOR NEW COOPERATION

2014 marked a turning point in EU-NATO cooperation, prompted by the dramatic worsening of the European security situation. The European Union and NATO faced simultaneous dangers to their east and south, as well as a series of security challenges not defined by geography. Shared concerns generated a new sense that the two organisations needed each other, which meant no less than a sea change in attitudes.

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The annexation of Crimea and the start of Russian-orchestrated war in eastern Ukraine returned military threats and the issue of territorial defence to the top of European and transatlantic security agendas. NATO's core purpose seemed relevant again, even to those who had played down the broader significance of the Russo–Georgia War of 2008 or, for that matter, the Bronze Soldier rioting in Tallinn in 2007. One measure indicating the defence trends is that in 2015 NATO countries spent considerably less on defence than in 2008.[34]

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30. Erlanger 2009.
31. North Atlantic Treaty Organisation 2006.
32. Michel 2014.

33. See, for example, Yost 2010.
34. According to NATO statistics, total defence expenditure of all the Allies was US$ 939.4 million (2.8% of GDP) in 2008, and US$ 892.1 million (2.4% of GDP) in 2015.

Article 5 of the North Atlantic Treaty, signed in Washington, DC, 4 April 1949

"The Parties agree that an armed attack against one or more of them in Europe or North America shall be considered an attack against them all and consequently they agree that, if such an armed attack occurs, each of them, in exercise of the right of individual or collective self-defence recognised by Article 51 of the Charter of the United Nations, will assist the Party or Parties so attacked by taking forthwith, individually and in concert with the other Parties, such action as it deems necessary, including the use of armed force, to restore and maintain the security of the North Atlantic area.

Any such armed attack and all measures taken as a result thereof shall immediately be reported to the Security Council. Such measures shall be terminated when the Security Council has taken the measures necessary to restore and maintain international peace and security."

Article 42.7, known as "the mutual assistance clause", of the Treaty on European Union, signed in Lisbon on 13 December 2007, entered into force on 1 December 2009

"If a Member State is the victim of armed aggression on its territory, the other Member States shall have towards it an obligation of aid and assistance by all the means in their power, in accordance with Article 51 of the United Nations Charter. This shall not prejudice the specific character of the security and defence policy of certain Member States. Commitments and cooperation in this area shall be consistent with commitments under the North Atlantic Treaty Organisation, which, for those States which are members of it, remains the foundation of their collective defence and the forum for its implementation."

Article 222.1, known as the "solidarity clause", of the Treaty on the Functioning of the European Union, signed in Lisbon on 13 December 2007, entered into force on 1 December 2009

"The Union and its Member States shall 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. The Union shall mobilise all the instruments at its disposal, including the military resources made available by the Member States, to:

(a) - prevent the terrorist threat in the territory of the Member States;

- protect democratic institutions and the civilian population from any terrorist attack;

- assist a Member State in its territory, at the request of its political authorities, in the event of a terrorist attack;

(b) assist a Member State in its territory, at the request of its political authorities, in the event of a natural or man-made disaster."

How did the EU and NATO, in their separate policies, address the worsening security situation?

After years of weakening defence capability, steps were taken at the two latest NATO summits, in Wales (September 2014) and Warsaw (July 2016), to rectify the situation. First, the Wales Summit made a strong joint call for reversing cuts in defence spending. It also agreed on measures to strengthen NATO's readiness to respond to new security challenges, including additional assurance measures for the Baltic countries. While improving military readiness was at the core of NATO measures, it is also important to note that the Alliance gradually strengthened its comprehensive approach to crises. In particular, it dedicated increasing attention to cyber defence and decided to expand Article 5 to apply to cyber-attacks.[35]

Second, at the Warsaw Summit, NATO approved a further set of measures to strengthen defence and deterrence, including the positioning of four multinational battalion-strength task forces in the Baltic States and Poland in 2017. The summit also adopted a strategy highlighting NATO's role in countering hybrid warfare. Furthermore, it stressed the need to strengthen cyber defence and assistance to partners, including Ukraine.

At the same time, the EU's focus shifted from external crisis management to Europe's own security. Military power has inevitably become a more pertinent issue also for the EU. It is noteworthy that, following Brexit, the EU's defence spending will be about 20% of the NATO total.[36] On the other hand, military and non-military threats, and internal and external security, are increasingly intertwined, which highlights the importance of the EU and its "soft" capabilities.

The EU's 2016 Global Strategy calls for improving the capability of Europeans to "deter, respond to, and protect ourselves against external threats".[37] Implementation of the security and defence-related aspects of the strategy has focused on three broad priorities: dealing with external conflicts, strengthening the resilience of partners, and protecting the Union and its citizens.[38]

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The first priority addressed by the EU has stressed the original core issue of the CSDP – crisis management – where the EU focus remains on civilian and non-executive military missions, in line with the functional division of labour between the EU and NATO. The question of establishing a military headquarters for EU operations reappeared on the agenda in late 2016, when the Brexit vote encouraged expectations that a breakthrough might be possible now that the main opponent to this initiative was leaving the Union. The outcome showed a persistent wish of several member states to limit EU action in this area: in March 2017, the EU decided to establish an Operational Planning and Conduct Capability (not called a headquarters) that will be responsible only for non-executive operations, i.e. training military missions.[39]

The second priority, that of strengthening the resilience of partners, indicates a shift in the EU's approach to security in its neighbourhood. The earlier emphasis on extending the Union's norms and values has been scaled down, and a new priority is to make partner countries more capable of responding to

35. NATO Secretary General Jens Stoltenberg, following the North Atlantic Council Meeting at the level of NATO Defence Ministers, 14 June 2016.
36. Black, et al. 2017, pp. 34–37.

37. European Union 2016.
38. European Council 2016.
39. European Council 2017.

threats and crises. The new approach will be laid out in more detail in a forthcoming document by High Representative/Vice President Federica Mogherini and the Commission.

Thirdly and finally, the concept of "protection" again points to the discrete roles and competences of the EU and NATO. "Protection" is broader than "defence"; it covers, for example, countering terrorism and radicalisation, which is the highest security-related concern among EU citizens, especially following the terror attacks in Paris in November 2015 and later in other European cities.[40] The EU is also expected to do more on the security of external borders, protection and resilience of critical infrastructure, cyber security, and civil protection and disaster response. All of these, and more, can be placed in the category of hybrid threats, which is a shared EU-NATO priority (and addressed in more detail below).

It is interesting to note that the joint declaration of July 2016 was signed only by the top representatives of the two organisations (presidents Tusk and Juncker, and Secretary General Stoltenberg), without formal endorsement by the member states. It was clearly easier to bring together staffs working in different parts of Brussels than to change the mindset in all the capitals. However, the staffs on both sides have succeeded in generating member-state support for a detailed common agenda: the set of 42 proposals for the implementation of the joint declaration was approved in a parallel process by the Councils of the EU and NATO on 6 December 2016.

How have these general, by now well-accepted, common policy themes been translated into a

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common agenda and action? What are the priorities now that the general reading of the situation has been made more or less the same in both organisations?

2. What is to be done?

2.1 Countering hybrid threats

Countering hybrid threats is at the top of the list of joint actions endorsed by the EU and NATO in December 2016. The concept of "hybrid threat" is both ambiguous and widely criticised: no one seems to know exactly what the term means. However, it has had a prominent place in European security debates in recent years and has made its way into the core documents of the EU and NATO. The EU has broadly defined hybrid threats as a "mixture of coercive and subversive activity, conventional and nonconventional methods (i.e. diplomatic, military, economic, technological), which can be used in a coordinated manner by state or non-state actors to achieve specific objectives while remaining below the threshold of formally declared warfare".[41]

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40. Pew Research Centre 2015; Special Eurobarometer 2015.

41. European Commission 2016.

The key concept in responding to hybrid threats – resilience – is also elusive. It generally refers to a "capacity to withstand stress and recover", with critical infrastructure and civil preparedness playing a key role.[42] While the resilience of each society primarily depends on national measures, contemporary societies are closely tied to transnational networks and flows (of people, goods, energy, information, money etc.). These networks are a source of both major opportunities and vulnerabilities. Security of networks requires cooperation between states, and between organisations such as the EU and NATO.[43]

Without going deeper into conceptual discussions, below are some points to specify the main goals, means and actors that constitute hybrid threats. It is worth highlighting that the concept refers to goal-oriented action and not, for example, to natural disasters or technological disruptions. In other words, there is a goal and an actor pursuing a goal.

First, there is broad agreement among officials and analysts that the main hostile actor is currently Russia, although there is unhelpful obscurity in official rhetoric in this regard. The concept emerged in Western debates when Russia activated its hybrid warfare against Ukraine in 2014.[44] The concept as such was not new, and the type of action was all too familiar to experts of Russian/Soviet foreign policy.[45] However, many of them dislike the concept of hybrid war, since it is not seen as particularly useful for developing the Western approach, and the term is not used by Russia itself.[46] Other relevant actors include other states that challenge the West, such as China and Iran, and non-state actors, notably terrorist groups.

Second, the goals are broadly speaking to undermine Western democratic systems, Western unity and the current international order. This means an existential threat. The goals can also be more limited, such as achieving control over Ukraine's foreign-policy orientation. However, even the more limited goals should be seen in the broader context of systemic goals at the level of international order.[47]

Third, the concept refers generally to any malicious influence short of war, but among various forms of such influence, the dramatic increase of misinformation and cyber-attacks has been particularly dangerous. Other important instruments include unhealthy economic dependence created, inter alia, through corruption and energy ties.

Fourth and finally, it is important to recognise the relevance of military instruments in hybrid threat scenarios. Hybrid threats do not replace military threats and do not make the latter less relevant. The core importance of military strength in Russia's foreign policy underscores the point. In Ukraine, the so-called laboratory of hybrid warfare, Russia was not able to pursue its goals without also using military force.

Although the topic is high on the common agenda, there are significant limitations to EU-NATO cooperation in countering hybrid

Hybrid threats do not replace military threats and do not make the latter less relevant.

threats. These limitations are not insurmountable, but need to be addressed. At the same time, it is worth noting that hybrid threats are an area where cooperation is probably less affected by the obstacles described above, most notably the Cyprus-Turkey issue. This probably helps explain

42. Ibid.
43. Hamilton 2016.
44. Rácz 2015.
45. Pynnöniemi and Rácz 2016.
46. On the "Gerasimov Doctrine" see, for example, Giles 2016.

47. On Russia's vision of a multipolar world order, see, for example, Makarychev 2016.

the prioritisation of the issue in EU-NATO relations.[48]

One important limitation is that a shared understanding about hybrid threats is only slowly emerging. Handling the role of Russia in particular remains a divisive issue. Initially the focus of the debate was on Ukraine and the Baltic States, seen as the most vulnerable countries.[49] Finland was also active on the topic from early on, indicating a strong concern. Like many others, in recent years that country has experienced an increase in disinformation campaigns and cyber-attacks targeted against public authorities. In early 2016, Finland was startled by a sudden flow of asylum seekers across the Finnish–Russian border, which stopped thanks to a bilateral deal. The incident signalled Russia's ability to use a wide range of destabilising tools. Unlike the Baltic countries, however, Finland has a strong tradition of cautious rhetoric, playing down the Russian threat. While official rhetoric has been toned down, Finland has taken active measures to strengthen its security and resilience, including the establishment of the "European Centre of Excellence for Countering Hybrid Threats".[50]

The EU rhetoric resembles the Finnish: "hybrid threat" has become a useful roundabout expression that allows one to speak about the threats without naming their primary source. This kind of ambiguity creates a challenge to public awareness. Yet an understanding of hybrid threats as a danger to Western democratic systems at large, and not just vulnerable frontline states, has been strengthened by the intensification of destabilising activities across Europe. Cyber operations and "fake news" have been disturbing the election campaigns in France and Germany in 2017, not to mention the US

presidential elections in 2016.[51] Furthermore, Russia's destabilising activities in the western Balkans have raised concern in Italy and other nearby countries.[52]

Another limitation to joint action is the sensitive and context-specific nature of hybrid threats and resilience. The first line of defence in countering hybrid threats is the nation-state. States often prefer not to address their resilience problem and vulnerabilities via institutions such as the EU and NATO. Furthermore, hybrid threats take different forms in different places, as they are targeted at specific weaknesses of each state and society. States do not necessarily share classified information about their experience of hybrid influence. When it comes to Russia, they are more likely to share information with NATO than with the EU.[53]

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In light of the above, it is perhaps not surprising that hybrid threats are not really a top priority for either the EU or NATO, while being on the top of the common agenda. The EU's role in countering hybrid threats is seen as more important than NATO's, due to the broader competences of the former. However, the EU's recent activity on security and defence cooperation has focused on other issues, such as strengthening European defence capabilities and the EU's ability to conduct crisis management operations abroad. Hybrid threats are mentioned in the core documents in an ambiguous manner.[54]

48. Interviews by the authors, Brussels, February 2017.
49. See, for example, Sawyer Samp, Rathke and Bell 2016.
50. Finnish Government 2017.

51. "Germany's domestic intelligence chief accuses Russia of cyberwarfare"2016. See also Hirst 2017. See further, Aaltola and Mattiisen 2016.
52. European Parliamentary Research Service 2017.
53. Interviews by the authors, Brussels, February 2017.
54. European Union 2016; Council of the European Union 2016 and European Commission 2016.

NATO approved a strategy on hybrid warfare in December 2015.[55] A few months later, the European Commission adopted a "Joint Framework" specifically focusing on the EU's response to hybrid threats.[56] The document stresses the importance of a comprehensive approach bringing together a range of actors, policy areas and instruments in a coordinated manner. It refers to the EU strategies for cyber security, energy security and maritime security, among others, as necessary tools for countering hybrid threats.

As noted above, the call for comprehensiveness points to a broader challenge for EU foreign policy: after years of talk about the need to link different institutions and policies together better, this remains difficult in practice. The role of the European Commission is particularly important: it does many things that are relevant to countering hybrid threats, for example on energy security and infrastructure, but linking this work to the CFSP and CSDP is work in progress. Until recently, there were also minimal links between the European Commission and NATO, as the European External Action Service (EEAS) was the counterpart to NATO on the EU side. However, the Commission's recent active interest in cooperation with NATO makes an important addition to the earlier activities of the EEAS.

The role of the European Commission is particularly important: it does many things that are relevant to countering hybrid threats, for example on energy security and infrastructure, but linking this work to the CFSP and CSDP is work in progress.

To build better situational awareness and coordination, a small "Hybrid Fusion Cell" was created within the EU Intelligence Analysis Centre (INTCEN) of the EEAS in 2015. It currently employs just five officials. The main task of the cell is to provide analysis of hybrid threats that serve as a common basis for decision-making in the European Council. This has been important, for example, in EU decision-making on sanctions against Russia. Since INTCEN does not collect information itself but relies on open sources and intelligence shared by member states and other actors (including the European Commission and EU delegations), one of its challenges is to receive relevant information from these actors in a timely manner. NATO is usually better informed, especially about Russia, but sharing classified information between the EU and NATO is complicated by the Turkey-Cyprus issue. Other obstacles include the different approaches of the two organisations to intelligence and the EU's weakness in this area. Informal EU-NATO intelligence-sharing has become more important in recent years, as the security situation has worsened and staff-to-staff contacts have increased.[57]

Another relevant new unit in the EEAS is the East Strategic Communications Task Force, dealing specifically with disinformation. The task force was created when, in March 2015, the European Council tasked HR/VP Mogherini to prepare an action plan on strategic communication in order to address Russia's disinformation campaigns.[58] In June 2015, the task force presented an action plan, which focused on activities in the eastern neighbourhood such as improving the EU's communication and general media environment and tackling misinformation in neighbouring countries.

In addition, the task force contributes to addressing misinformation targeted against the EU and its member states. It has had limited resources for its activities but, partly to compensate for this, has built up a network of experts from EU member states and Eastern Partnership countries who report to it about fake news

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55. North Atlantic Treaty Organisation 2015.
56. European Commission 2016.

57. Interviews by the authors, Brussels, February 2017.
58. European Council 2015.

appearing in the media in their countries. The task force stresses that its work is not "counter-propaganda" but to reveal and tackle misinformation as well as to communicate better the EU's policies.[59]

On the NATO side, there is no specific unit comparable to the EU's Hybrid Fusion Cell. However, NATO has made an effort in recent years to assess and improve its preparedness to deal with a major crisis involving hybrid threats. As noted above, NATO has earlier been active especially in the field of cyber defence. Its interest in cyber originates in the so-called Bronze Soldier crisis in Estonia in 2007, which involved cyber-attacks originating from Russia. Estonia has consequently played a major role in developing NATO cyber defence policy and is now host to the NATO Cooperative Cyber Defence Centre of Excellence, established in 2008. NATO also has a Strategic Communications Centre of Excellence located in Riga, established in 2014.

As both the EU and NATO are developing their activities in these relatively new fields, coordination is essential. The EU's Hybrid Fusion Cell coordinates its activities with those units in NATO Headquarters doing relevant work, while the EEAS's East Strategic

> *The concept of hybrid threats has been further institutionalised by the establishment of the European Centre of Excellence for Countering Hybrid Threats in Helsinki in 2017.*

Communications Task Force has close contact with the NATO Strategic Communications Centre of Excellence. The concept of hybrid threats has been further institutionalised by the establishment of the European Centre of Excellence for Countering Hybrid Threats in Helsinki in 2017. This has been endorsed as a high priority for EU-NATO cooperation and involves members of both organisations,

including the US and major European member states.[60]

The EU and NATO are not members of the Centre, but both organisations have expressed strong support for its activities. It is also noteworthy that the Centre is not an EU or NATO institution, but an international body established and funded by the participating states. Hence it is not burdened by the formal, structural frictions in the EU-NATO relationship, but can advance close ties in an issue-oriented, pragmatic manner. It will have a central role in coordinating and building a network of relevant EU, NATO and national actors. The tasks of the Helsinki Centre will be somewhat broader than those of NATO Centres of Excellence: in addition to training, exercises and analysis, the Helsinki Centre will also provide policy consultation.[61]

It is well understood by now that the nature of hybrid threats poses new challenges to crisis-response mechanisms. The applicability of NATO's Article 5 in the event of an attack that would not be classified as war has been a much-debated concern. The EU commitments of "solidarity" (TFEU Article 222.1) and "mutual assistance" (TEU Article 42.7) have a broader scope than Article 5, but their practical value is not clear. As indicated in the EU Global Strategy, implementation of these commitments has not gone very far. The activation of the mutual assistance clause by France in 2015 indicated the specific nature of the application mechanism: the clause foresees action by member states alone, and the exact form of assistance is to be agreed separately between the country in need and each fellow member state. The EU institutions have no role in the process. It would actually be helpful for planning EU-NATO cooperation in

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59. Interviews by the authors, Brussels, February 2017.

60. When officially founded on 11 April 2017, the Centre had endorsement from, besides the EU and NATO, the US, Germany, France, the UK, Spain, Poland, Sweden, Finland, Estonia, Latvia and Lithuania.

61. Interviews by the authors, Brussels, February 2017.

crisis response if the EU developed further the implementation mechanism related to Article 42.7. The EU institutions could play a role in mobilising and coordinating assistance to the member state in need.[62]

To conclude, a shared understanding among the EU and NATO member states and between the two organisations is gradually emerging about the need for active countermeasures and improved resilience to malicious influence by external actors. Both organisations have taken important steps to develop such measures. Although national

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policies remain of primary importance for resilience, the EU and NATO have an important role to play. The EU in particular has great potential, but has yet to build a coherent approach starting from shared analysis drawing on all relevant EU policies and an improved crisis-response mechanism. Since this is a relatively new field for both organisations, coordination is needed to avoid competition and overlap.

2.2 Strengthening European defence capabilities

Coordination of EU and NATO activities in the area of defence capabilities is one of the most critical areas of the new joint agenda. As highlighted above, the significant weakening of European defence capabilities during 2008–2015 became a major worry for both the EU and NATO in the wake of the Ukraine conflict. In the context of NATO, recent debates have been focused on the

defence spending target of 2% of GDP, which the vast majority of NATO members fail to meet.

In the EU's defence discussions, one of the main worries has been the lack of capabilities or, even where the capabilities exist, lack of political will and/or financing to conduct CSDP operations. In recent years, however, the EU agenda has shifted to place more emphasis on European defence, including capability planning and development in general, and not only with a view to the needs of CSDP missions. Hence, the NATO and EU agendas have moved closer together, motivated by a shared concern about the ability of Europeans to take better care of their own defence needs.[63]

Why is the EU partly moving to traditional NATO terrain? What does this development mean for the division of labour between the EU and NATO? Is there a danger of duplication? A short answer is that EU activity in this field can make a valuable contribution to NATO and strengthen both organisations. Complementarity is a shared and attainable goal, although an element of competition cannot be fully avoided.

Going into more detail and looking at the short history of NATO-CSDP relations, the question of European capabilities has indeed often been viewed through the prism of zero-sum competition. Thus, the strengthening of capabilities in the EU framework has been seen as a threat or even as an alternative to NATO. Some have feared that it might conflict with or duplicate the work done in NATO. However, on the US side, concern about the EU's defence dimension as a development that would diminish or undermine the US role in European security largely faded away under the Obama presidency.[64]

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62. See Bakker, et al. 2016.

63. Interviews by the authors, Brussels, February 2017.
64. Interviews by the authors, Brussels, February 2017.

In European debates, the creation of an "EU army" has been a recurrent theme, aired lately, for example, by Commission president Juncker.[65] The issue divides Europeans and has antagonised member states with a more strongly transatlantic orientation.[66] As a grim example, warnings about an "EU army" which had little, if any, factual basis played a role in Brexit debates.

Another divisive concept is "strategic autonomy". The EU has pursued "capacity for autonomous action" ever since the Saint-Malo declaration, and the goal of strategic autonomy was reinforced in the EU Global Strategy of 2016. However, there is no agreement on what exactly this means; the concept has caused heated discussion among member states in the context of implementation of the Global Strategy.

First, it might mean capability to take care of the EU's territorial defence, but there is broad agreement that this is *not* what it means. Second, for some member states, an important aspect is increased reliance on capabilities produced within the EU. Third, the least demanding and most widely shared understanding is that the EU should be able to undertake military operations on its own, when necessary. However, this has been the goal of the CSDP (notably the HHG and the Battlegroups) since the late 1990s, but in reality the EU still lacks many key military capabilities needed for autonomous action, such as strategic lift, air-to-air refuelling, and shared intelligence and situational awareness assets, to name just a few.[67]

The key questions are: whose capabilities, and what for? To answer the first question,

it is good to remember that military capabilities in both organisations are, with few exceptions, always national. There is no such thing as a "NATO army", and certainly nothing like an "EU army" in sight. The latter would require that EU member states give up their sovereign right to decide on how they build up and use their militaries, which they are not willing to do. Instead, NATO allies have decided to commit certain capabilities to NATO, and EU member states contribute certain capabilities to the CSDP. A leading idea in the development of European capabilities is that there is a single set of forces, on which both NATO and the EU rely.[68]

As to the second question, the two general purposes for developing and maintaining military capabilities are territorial defence and expeditionary operations. The latter can be carried out under the EU, NATO or UN banner, or another. After the Cold War era, there was a strong tendency to orient European armed forces increasingly towards capabilities needed for expeditionary oper-

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ations abroad. This happened at the cost of territorial defence, which many considered to be losing relevance. In recent years, this trend has been reversed. Competition cannot be fully avoided: member states choose where to use their resources and define their priorities on the basis of national security strategies, identities and threat perceptions.

The NATO Defence Planning Process (NDPP) is a core activity of the Alliance, aimed at ensuring the credibility of its primary tasks of

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65. See, for example, "Junker calls for an EU army" 2016, quoting Juncker: "… we need a new approach to building a European security union with the end goal of establishing a European army".
66. Interviews by the authors, Brussels, February 2017.
67. Ibid.

68. Ibid.

deterrence and defence and an ability to conduct operations. It provides the framework for harmonising national defence planning processes and for assisting allies to generate the capabilities needed for NATO activities. The NDPP is comparable to the EU's Capability Development Plan (CDP), which identifies future capability needs, priorities for joint action and recommendations for national planning. The CDP has been produced by the EDA since 2008 and is meant to support the national defence planning efforts of member states. Coordination between these two planning efforts is one of the priorities of EU-NATO cooperation.[69]

Capabilities are also developed multinationally in various smaller frameworks: in addition to the EU and NATO, there are important sub-regional and bilateral partnerships, such as NORDEFCO for the Nordic and Baltic countries.[70] Reinforced EU-NATO cooperation in this field, involving the EDA and its counterparts in NATO, can improve coordination between these different frameworks. Interoperability between various capabilities

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crisis and subsequent austerity measures accelerated the weakening of European capabilities.[72] In 2013, member states agreed to undertake new efforts to strengthen European capabilities and support the European defence industry.[73] More recently, work on the implementation of the EU Global Strategy has carried this agenda further.[74]

The continuous fragmentation of European armed forces and limited achievements of coordination efforts such as the CDP have motivated the EU to look for more effective and systematic ways to coordinate national defence planning activities. To this end, member states have tasked HR/VP Mogherini to develop a mechanism of "Coordinated Annual Review on Defence" (CARD). At the same time, they have underlined that CARD should be member-state-driven and voluntary, which implies that it may suffer from the same difficulties as earlier efforts at improved coordination. Member states have also stressed the importance of coherence between CARD and NATO's NDPP. The first CARD is to be implemented in 2018.[75]

The NATO Defence Planning Process (NDPP) is a core activity of the Alliance, aimed at ensuring the credibility of its primary tasks of deterrence and defence and an ability to conduct operations.

will remain a key principle in EU-NATO military cooperation, as will the need to coordinate member states' actions.[71]

The EU started to pay increasing attention to overall capability development of member states in the early 2010s, when the economic

In addition to the work done by the EEAS and EDA, the European Commission has become active in the field of defence. In accordance with the Commission's competences, it aims to contribute to the development of

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69. Ibid.
70. See Jäärvenpää 2017.
71. Interviews by the authors, Brussels, February 2017.

72. Biscop and Fiott 2013.
73. European Council 2013.
74. Council of the European Union 2016.
75. European Council 2017.

European defence indus-try and defence research. The European Defence Action Plan (EDAP), adopted by the Commis-sion in November 2016, proposes the estab-lishment of a European Defence Fund, to be used for defence research and joint capability de-velopment projects. The proposed budget for research is notable – 500 million euros per year; this is yet to be approved by the member states. In addition, the Commission aims to facilitate joint projects by mobilising member-state funding of up to five billion euros per year. The Commission tries to ex-tend the logic of the common market and open competition to the defence industry, which goes against the tendency of member states to favour national suppliers and see the defence industry as a special case where fully open competition is not desired.[76]

Adding to the EU defence alphabet soup, the need to address capability shortages has gen-erated active interest in using "Permanent Structured Cooperation" (PESCO), as fore-seen in the Lisbon Treaty, among a smaller group of member states ready for deeper cooperation. The discussion on PESCO has created concern about fragmentation in the crucial field of security, where EU unity is perhaps even more important than in oth-er areas. On the other hand, the readiness of member states to actually use PESCO in a manner that would generate improved joint capabilities has been doubted.[77] PESCO could be an instrument for not just coopera-tion, but also integration of member states' military forces. This would practically mean moving towards an EU army, which even the more pro-integrationist member states are generally not willing to do. A less ambi-tious path that has been widely discussed is to use PESCO for specific projects such as a European medical command or a logistics hub. In the eyes of many, however, the latter

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model would be of little value in improving European defence capability.[78]

To sum up, fragmentation of European de-fence capabilities and the difficulty of har-monising national capability planning and development activities will remain a major challenge for both the EU and NATO. The new initiatives being developed by the EU can help to strengthen European capabilities and make them more coherent, which would also strengthen NATO. Other multinational and bilateral projects can serve the same goal. Systematic coordination between these activities should be a shared priority for the EU and NATO. An element of competition remains: member states choose the frame-works they wish to utilise for joint capability development, as well as the frameworks and purposes for using their capabilities.

CONCLUSIONS AND RECOMMENDATIONS

UNCHARTED TERRITORY – HOW TO KEEP ONE'S BEARINGS?

The new phase of EU-NATO cooperation in recent years is perhaps best characterised as a marriage of necessity. In the 2010s, the European Union and NATO have faced grow-ing, simultaneous dangers to their east and south, as well as a series of security chal-lenges not defined by geography, such as the migration crisis and the threat from terror-ism. Both organisations have struggled to cope with a myriad of new and old threats

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76. Interviews by the authors, Brussels, February 2017.
77. Biscop March 2017.

78. Interviews by the authors, Brussels, February 2017.

and mobilise the necessary resources after years of cuts to European defence and security budgets.

Steps were taken at the two most recent NATO Summits, in Wales and Warsaw, to rectify the situation, especially with regard to military defence. Similarly, the EU has reactivated its efforts to build stronger crisis-management capabilities and to adopt various measures to protect the Union and its citizens. However, both organisations have been painfully aware that they are not able to ensure the security of their member states and citizens on their own.

The new phase of EU-NATO cooperation in recent years is perhaps best characterised as a marriage of necessity.

On top of external threats, both the EU and NATO have been plagued by internal challenges. With the eurozone difficulties, the migration crisis and the rise of populist and Eurosceptic parties, to name just a few problems, the member states of the European Union have become fully aware that Europe's internal problems can become a series of fundamental challenges not just for the Europeans themselves but also for the West as a whole.

With these challenges, accentuated by the British decision to leave the Union, it has been an understandable judgement by many an outside observer that the EU "has entered uncharted territory".[79] At the same time, the credibility of NATO has been tested by speculation about its political and military readiness and capability to defend all the Allies, and in the past few months by

conflicting statements by President Trump with regard to the US commitment to the Alliance.

Yet, at the same time, there has been a display of positive political will to consider how best to tackle the key security issues and to find common solutions. The structural hurdles imposed by the Cyprus-Turkey issue are still there, limiting operational cooperation. The new agenda tries to sidestep the old obstacles as much as possible and move onto new terrain. The two areas highlighted in this paper – countering hybrid threats and developing European defence capabilities – offer avenues for new and much-needed cooperation. Most importantly, the attitudes to cooperation have changed on both sides: where there is a will, there is a way.

What could the EU and NATO do next, building on the Declaration signed in July 2016 by presidents Juncker and Tusk and Secretary General Stoltenberg, as well as on the various practical solutions endorsed by both organisations in December? Are there any "low-hanging fruit" that could be enjoyed in the near future?

First, the EU and NATO should develop mechanisms and procedures for shared strategic and situational awareness. Some core capabilities already exist, in the form of the EU Intelligence Analysis Centre and the recently established Hybrid Fusion Cell. Intelligence-gathering and sharing among the NATO

The new agenda tries to sidestep the old obstacles as much as possible and move onto new terrain. The two areas highlighted in this paper – countering hybrid threats and developing European defence capabilities – offer avenues for new and much-needed cooperation.

79. See, for example, Archick 2017.

members is slow, but it works. Informal intelligence-sharing among the member states of the EU and NATO is fine, but it is no substitute for well-organised and regular sharing of information. Early warning of emerging situations and improvement of general situational awareness would promote stability and security, as well as reduce the possibility of accidents. At the same time, measures should be taken to establish secure lines of communication among the member states of the two organisations.

Second, the EU and NATO should explore possibilities to strengthen the civil preparedness of their member states. This includes studying the condition of the member states' basic infrastructure (ports, airports, roads, bridges, communications links, etc.), as well as an examination of their societal resilience, be it against kinetic or non-kinetic means of attack. Member countries' security of supply should also be reviewed. These reviews should be carried out as a matter of urgency, with a view to improving the conditions in those member states where action is deemed necessary and time-urgent.

Early warning of emerging situations and improvement of general situational awareness would promote stability and security, as well as reduce the possibility of accidents.

Resilience is a national responsibility, but given the challenges the Euro-Atlantic community is currently facing, the need for substantive cooperation among members of the EU and NATO on the question of resilience is more urgent than ever.

Third, the EU and NATO should develop a

Resilience is a national responsibility, but given the challenges the Euro-Atlantic community is currently facing, the need for substantive cooperation among members of the EU and NATO on the question of resilience is more urgent than ever.

coordinated response to hybrid threat scenarios. The ambiguous line between war and peace, and military and non-military action, is a threat in itself: it makes defence, and especially common defence, more difficult to mobilise. The concept of hybrid threats highlights the possibility of a major destabilisation activity that would not be classified as warfare, and would therefore not lead to the activation of the EU and NATO contractual commitments. At the Wales Summit in 2014, NATO decided to expand Article 5 to apply to extensive, malicious cyber-attacks, but concern about a grey area between war and peace remains. The EU's commitments to solidarity and mutual assistance have a broader scope and could be activated by a member state in the event of a hybrid scenario, but their practical relevance is not clear. The EU should develop its mechanism for implementing Article 42.7, and NATO and the EU should coordinate their playbooks and gain a better shared understanding about the contribution of each organisation in responding to hybrid threats.

Yet another area, closely related to the previous point, where the EU and NATO could work in a complementary manner is that of training and exercises. Joint

At the Wales Summit in 2014, NATO decided to expand Article 5 to apply to extensive, malicious cyber-attacks, but concern about a grey area between war and peace remains.

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exercises are being blocked by the Cyprus-Turkey issue, but important work on "parallel and coordinated exercises" to be held in 2017 and 2018 is already being done on the basis of the new joint agenda. It is of utmost importance that the member states can work together to combat real-life challenges, again including hybrid scenarios. Common training and exercises should be held with a special focus on interoperability, connectivity and engagement. Table-top exercises should be included, as applicable, to add some real-life robustness to these exercises.

Last but not least, European defence capabilities must be strengthened in a manner that benefits both the EU and NATO. On top of the national capabilities of member states, there is an abundance of EU, NATO and sub-regional frameworks for joint capability development that need to be better coordinated. The EU's new initiative, Coordinated Annual Review of Defence (CARD), could become a central framework of transparent coordination and the search for synergies. It should be developed hand-in-hand with the existing, well-oiled NATO Defence Planning Process (NDPP). The new EU efforts, driven by the European Commission, to develop European defence industry and research can also be channelled towards the shared goals to address capability shortfalls and strengthen the single set of forces serving both organisations. Coordinated capability development leaves open the question of how

the capabilities are to be used: the preferred frameworks and purposes would continue to be chosen by the member states.

To summarise, the member states of the EU and NATO are slowly waking up to the new reality that there will be no "business as usual". In order to get more, they will have to do more. Collective efforts are needed, for example, to develop mechanisms for better situational awareness, to strengthen member states' societal resilience, and to develop a coordinated response to hybrid threat scenarios. Member states have to understand that this is not beyond their capabilities, should they decide to act together. It should also be clear that at the top levels of both the EU and NATO organisations there is now political momentum to cooperate. A window of opportunity is now wide open for taking common collective steps together. It is up to the member states themselves to be bold and innovative to take the necessary steps.

> *Collective efforts are needed, for example, to develop mechanisms for better situational awareness, to strengthen member states' societal resilience, and to develop a coordinated response to hybrid threat scenarios.*

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