

A COMPASS AND A CONCEPT: A GUIDE TO THE EU AND NATO STRATEGIC OUTLOOKS

Russia's war of aggression on Ukraine launched on 24 February 2022 upended Europe's security order. The invasion was a wake-up call that peace in the continent should not be taken for granted and a catalyst for change at European and transatlantic level. The EU adopted a long-term Strategic Compass for security and defense. NATO, no longer "braindead," issued a new Strategic Concept for the coming decade and is expanding. While there is convergence in strategic outlooks, questions remain on how both organizations will cooperate and coordinate their actions, implement the investment, troops and capabilities' goals set in each document as well as deal with countries such as China.

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Russia's unprovoked war of aggression on Ukraine launched on 24 February 2022¹ is a watershed moment for Europe. The conflict puts an end to the security architecture that defined Europe in the last 30 years, and it further accelerates the transition into a new global order in which principles such as multilateralism and territorial integrity are questioned by competition and great power rivalry, already sharpened by the COVID-19 pandemic.

As the war approaches its half-year, there is no end in sight to it as well as its manifold consequences: Apart from the brutal destruction inflicted on Ukraine and the geopolitical earthquake it unleashed, a humanitarian crisis, an energy crisis, a food crisis, and a 'cost-of-living' crisis have followed, not to speak of the potential economic and financial turmoil that could follow if the conflict drags on.

The European Union responded swiftly and decisively by imposing six sanction packages on Russia² so far and adopting several support measures for Ukraine³ – from financial assistance to granting EU candidate status to the country. For the first time, the bloc is also funding the delivery of weapons and military support to the tune of €2,5 billion under the recently created⁴ European Peace Facility.⁵

Wake-Up Call

Russia's invasion of Ukraine is indeed a wake-up call for Europe. EU countries were quick to tear down old taboos: Germany decided to spend more on defense⁶ and provided military assistance to a country at war;⁷ Denmark reversed its 30-year opt-out of EU's CSDP (Common Security and Defense Policy);⁸ and Sweden and Finland applied for NATO membership.⁹ But the war also lays in sharp focus the demand for the EU to become a more autonomous actor in security and defense, better able to deal with a more challenging international environment.

¹ "Missiles rain down around Ukraine", *Reuters*, 25 February 2022.

² "Timeline - EU restrictive measures against Russia over Ukraine," *European Council*, <https://www.consilium.europa.eu/en/policies/sanctions/restrictive-measures-against-russia-over-ukraine/history-restrictive-measures-against-russia-over-ukraine/>

³ "EU solidarity with Ukraine," *European Commission*, https://ec.europa.eu/info/strategy/priorities-2019-2024/stronger-europe-world/eu-solidarity-ukraine_en#timeline

⁴ "Council Decision (CFSP) 2021/509 of 22 March 2021 establishing a European Peace Facility, and repealing Decision (CFSP) 2015/528", *EUR-Lex*, <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32021D0509>

⁵ "EU solidarity with Ukraine," *op. cit.*

⁶ "German government and opposition agree on €100B defense spending bill", *Politico*, 30 May 2022.

⁷ "Germany to send Ukraine weapons in historic shift on military aid," *Politico*, 26 February 2022.

⁸ "Denmark votes overwhelmingly to join EU's common defense policy", *The Guardian*, 1 June 2022.

⁹ "Pushing Finland and Sweden into NATO was Putin's key geopolitical miscalculation", *Euractiv*, 12 May 2022

This ambition is not new, however. Already in 2016, the EU Global Strategy¹⁰ set out clearly the need for more European defense cooperation, harking on tumultuous years that saw, among other developments, a refugee and migration crises, terrorist attacks in major European capitals, and Brexit.

“NATO’s new Strategic Concept adopted at the Madrid Summit reflects that vision, but it is naturally shaped by current events as is the Compass: Provides a sharp assessment of the current security challenges facing Allies considering Russia’s renewed aggression and threat to Euro-Atlantic security and gives a general orientation with regard to NATO’s political and military domains.”

The following year, in 2017, the EU adopted the Permanent Structured Cooperation¹¹ which allows EU countries to cooperate in shared projects to develop their defense capabilities further. Similarly, the EU set up a European Defense Fund on that same year to support collaborative defense research and development. The fund carries an €8 billion budget for 2021-2027.¹²

It is in this context of growing ambition in security and defense that the EU launches the ‘Strategic Compass’ process during the German presidency of the Council of the EU in 2020 and, on 24 March 2022, one month after Russia’s war on Ukraine started, the EU leaders adopt the plan.¹³

A New ‘Compass’ for EU Security and Defense¹⁴

For the first time, the EU and its member states approve a strategy for EU security

¹⁰ “Shared Vision, Common Action: A Stronger Europe - A Global Strategy for the European Union’s Foreign and Security Policy”, *European External Action Service*, https://www.eeas.europa.eu/sites/default/files/eugs_review_web_0.pdf

¹¹ “Council Decision (CFSP) 2017/2315 of 11 December 2017 establishing permanent structured cooperation (PESCO) and determining the list of participating Member States”, *EUR-Lex*, <https://eur-lex.europa.eu/legal-content/EN/ALL/?uri=CELEX:32017D2315>

¹² “Regulation (EU) 2021/697 of the European Parliament and of the Council of 29 April 2021 establishing the European Defense Fund and repealing Regulation (EU) 2018/1092 (Text with EEA relevance)”, *EUR-Lex*, <https://eur-lex.europa.eu/eli/reg/2021/697/oj>

¹³ “Will the Strategic Compass be a game-changer for EU security and defense?” *EPC Round-Up*, 5 April 2022, <https://epc.eu/en/publications/Will-the-Strategic-Compass-be-a-game-changer-for-EU-security-and-defen-479820>

¹⁴ For a detailed overview see table – 2 below.

and defense anchored on a shared threat assessment.¹⁵ The Compass¹⁶ provides an in-depth characterization of the EU's current strategic environment and attempts to foster greater coherence and coordination of the bloc's security and defense policies. What is more, the document serves as a guide for action, with concrete goals (see table 1 below) and timelines.

Work in progress at the start of the war, the Compass was revised and updated to illustrate the impact of Russia's aggression for Europe's security landscape. By setting clear goals and timelines, the Compass also reveals the EU's awareness of its defense and security shortfalls as well as capability gaps.

What Is in The Compass

The Strategic Compass addresses four key domains: 'Act,' focuses on the EU's capabilities in crisis management; 'Secure', refers to the EU's ability to anticipate threats, deal with manifold dangers, and protect its citizens; 'Invest,' seeks to identify and address technology and capabilities' investment needs; and lastly 'Partner' refers to the EU's strategic partners and how they can contribute to achieving common goals.

Under 'Act,' the Compass proposes to adapt the way in which the EU conducts CSDP missions and operations to the current environment. By creating more robust, flexible, and comprehensive CSDP missions, the EU will be able to adapt to changing regional and international circumstances and increase operational effectiveness.

To complement the EU's crisis management objectives, the newly proposed EU Rapid Deployment Capacity, when ready, will allow the EU to quickly deploy troops into different crisis areas. This also includes the possibility of increased cooperation with partners' security and defense forces, facilitated by the European Peace Facility which will allow the EU to provide training and military assistance to partners.

In the 'Secure' objective, the EU Cyber Defense Policy will allow the EU to protect its citizens and institutions from cyberattacks and a new EU Hybrid Toolbox should fortify the EU's capabilities to counter foreign manipulation and interference. The Compass also proposes measures to increase resilience against climate change and promote a carbon climate-neutral EU presence on the ground.

With respect to 'Invest', member states agree on a substantial increase in defense

¹⁵ "A Strategic Compass for Security and Defense - For a European Union that protects its citizens, values and interests and contributes to international peace and security", Council of the European Union", *European Council*, <https://www.consilium.europa.eu/en/press/press-releases/2022/03/21/a-strategic-compass-for-a-stronger-eu-security-and-defense-in-the-next-decade/>

¹⁶ The expressions 'Strategic Compass' or 'Compass' will be used interchangeably.

spending. To alleviate this commitment, the Compass refers to some of the Commission’s initiatives which include incentives for EU countries to expand their collaborative investments. This could include a value-added tax (VAT) waiver and a reinforced European Defense Fund (EDF) bonus system.

The last key component of the Compass is to strengthen ‘Partnerships’. Indeed, the EU places great emphasis on the importance of partners for the EU as a global strategic player. Amongst this commitment, improving engagement with organizations such as NATO, the UN, the OSCE, the African Union and ASEAN (Association of Southeast Asian Nations) is crucial. A stronger EU will also complement NATO which remains the foundation of collective defense for its members.

Table 1 – Strategic Compass Select Deliverables

Select Deliverables
<ul style="list-style-type: none">• EU Rapid Deployment Capacity consisting of 5,000 troops that can be dispatched to different types of crises with regular live exercises to promote interoperability and readiness• EU Hybrid Toolbox to counter foreign manipulation and interference• EU Cyber Defense Policy to tackle cyber-attacks• EU Space Strategy for Security and Defense to strengthen our resilience and detection capabilities• Investment in next generation capabilities as well as technological innovation for defense

A New ‘Concept’ For an Expanding NATO

In June 2020, Jens Stoltenberg, NATO’s Secretary-General, laid out the priorities for the future of the Alliance with an eye to 2030.¹⁷ These include ensuring that the Euro-Atlantic alliance remains militarily strong, becomes politically more robust, and takes a more global approach focusing on issues from climate change to China’s rise and its impact on the rules-based international order.

NATO’s new Strategic Concept¹⁸ adopted at the Madrid Summit reflects that vision, but it is naturally shaped by current events as is the Compass: Provides a sharp assessment of the current security challenges facing Allies considering Russia’s

¹⁷ “NATO 2030”, *NATO*, https://www.nato.int/nato_static_fl2014/assets/pdf/2021/6/pdf/2106-factsheet-nato2030-en.pdf

¹⁸ “NATO 2022 Strategic Concept”, *NATO*, https://www.nato.int/nato_static_fl2014/assets/pdf/2022/6/pdf/290622-strategic-concept.pdf

renewed aggression and threat to Euro-Atlantic security and gives a general orientation with regard to NATO's political and military domains.

Unlike the 2010 strategic concept adopted at the Lisbon NATO summit,¹⁹ this year's document comes at a time of great geopolitical instability. As clearly stated almost at the start of the document, "The Euro-Atlantic area is not at peace" and an attack on Allies should not be ruled-out.²⁰ As a direct response to this new security environment, NATO's concept reaffirms and reinforces its commitment to Article 5 of the North Atlantic Treaty,²¹ the most important guarantee of collective defense among its members.

In its strategic outlook, the new Concept²² defines Russia as the "most significant and direct threat"²³ to Allies' security and vows to strengthen deterrence and defense to protect Euro-Atlantic security. In line with NATO 2030 reflections, China is mentioned for the first time in a NATO Strategic Concept and characterized as a 'challenge.' The closer relationship between Russia and China, sealed by Presidents Putin and Xi Jinping a few weeks before Russia started its invasion of Ukraine,²⁴ and perceived as a potential threat to NATO, also finds a place in the new document.

Regarding NATO's deterrence and defense objectives, during the NATO Madrid Summit, leaders agreed on a major increase of high readiness forces from 40,000 to 300,000,²⁵ as well as raising defense spending. In addition, a new NATO innovation Fund has been proposed to promote technological advancements, particularly, dual-use emerging technologies.²⁶

The Concept mentions the importance of partners to preserve a rules-based international order, stresses the importance of climate change cooperation and the need to address climate security. Finally, NATO's commitment to non-proliferation, arms control and disarmament remains strong.

¹⁹ "NATO summit in Lisbon: the key issues", *The Guardian*, 18 November 2010.

²⁰ "NATO 2022 Strategic Concept", *NATO*, https://www.nato.int/nato_static_fl2014/assets/pdf/2022/6/pdf/290622-strategic-concept.pdf

²¹ "The North Atlantic Treaty", *NATO*, https://www.nato.int/cps/en/natolive/official_texts_17120.htm

²² The expressions 'Strategic Concept' or 'Concept' will be used interchangeably

²³ "NATO 2022 Strategic Concept", *NATO*, https://www.nato.int/nato_static_fl2014/assets/pdf/2022/6/pdf/290622-strategic-concept.pdf

²⁴ "Xi and Putin show united front amid spiraling tensions with West," *Aljazeera*, 4 February 2022.

²⁵ "NATO increases high alert force from 40,000 to 300,000 troops", *UK Defense Journal*, <https://ukdefensejournal.org.uk/nato-increases-high-alert-force-from-40000-to-300000-troops/>

²⁶ "NATO 2022 Strategic Concept", *NATO*, https://www.nato.int/nato_static_fl2014/assets/pdf/2022/6/pdf/290622-strategic-concept.pdf

An Expanding NATO

As important as adopting a new Concept, the decision to enlarge NATO was also sealed at the Madrid Summit. Indeed, the potential accession of Finland and Sweden will increase NATO territory adding a new 1,345km border with Russia.²⁷ Finland and Sweden’s accession to NATO brings two EU members into the alliance reinforcing its European pillar and is likely to also change the security architecture of the Arctic Council as seven of its eight members will now be NATO members.²⁸

Comparing And Contrasting the EU’S Strategic Compass and NATO’S Strategic Concept²⁹

The Compass and the Concept are not twin strategies, but there is considerable convergence on the outlooks presented by the EU and NATO, despite the specificities of each organization. Table 2 below is a guide to compare and contrast how both organizations understand their security environment, look at particular actors and regions, perceive threats and challenges, outline their stability, defense and deterrence plans, and seek to cooperate with each other.

Table 2 – Guide to EU and NATO Strategic Outlooks

	<i>STRATEGIC COMPASS</i>	<i>STRATEGIC CONCEPT</i>
<i>ACTORS & REGIONS</i>		
<i>Russia</i>	<ul style="list-style-type: none"> • <i>Russia</i> is depicted as undermining European and global security and stability. • Russia’s aggressive and revisionist actions <i>severely and directly threaten</i> the European security order and the security of European citizens. (p.17) 	<ul style="list-style-type: none"> • <i>Russia</i> is the <i>most significant and direct threat</i> to Allies. • NATO does not seek confrontation but cannot see Russia as a partner. • NATO remains willing to keep open channels of communication to manage and mitigate risks and prevent escalation. • Considering heightened Russia’s threat, NATO reinforces need to strengthen deterrence and defense capabilities. (p.4)

²⁷ “With NATO move, is normally neutral Finland boosting security?”, *Aljazeera*, 12 July 2022

²⁸ “New Concepts but Old Problems: NATO’s New Strategic Concept”, *Royal United Services Institute*, <https://rusi.org/explore-our-research/publications/commentary/new-concepts-old-problems-natos-new-strategic-concept>

²⁹ With few exceptions that are clearly indicated, the text and information included in the table is taken from the EU’s Strategic Compass and NATO’s Strategic Concept.

<p>China</p>	<ul style="list-style-type: none"> • China is described as a <i>partner for cooperation</i> (e.g., climate change), <i>an economic competitor and a systemic rival</i>. • China's <i>military might</i> is also referred, more concretely, its ambition to completely modernize its military by 2035 (including the development of lethal autonomous weapons) (p.18) • While emphasizing European strategic interest in the Indo-Pacific, the EU points out that China is <i>increasingly more assertive</i> in the region. (p.20) 	<ul style="list-style-type: none"> • For the first, China is mentioned in a NATO strategic concept. Specifically, the People's Republic of China's ambitions and coercive policies challenge the Euro-Atlantic interests, security, and values. • China's malicious hybrid and cyber operations and its confrontational rhetoric and disinformation also seen as harmful to the alliance. • Despite this, NATO remains open to constructive engagement with China, including building reciprocal transparency. (p.5)
<p>Western Balkans & Black Sea</p>	<ul style="list-style-type: none"> • Western Balkans' stability and security is not a given due to increasing foreign interference, including information manipulation campaigns, as well as through potential spill over from broader security situation in the region (p.18, 19) 	<ul style="list-style-type: none"> • Western Balkans and the Black Sea Region are of strategic importance. Furthermore, NATO will enhance efforts to bolster the capabilities of the Western Balkans and Black Sea region to address threats and challenges including third party interference and coercion. (p.11)

<p>Africa & the Middle East</p>	<ul style="list-style-type: none"> • Emphasis on the strategic importance of Africa, including the potential of its economic and demographic growth. • Stability and security in regions such as the Sahel, the Gulf of Guinea, the Horn of Africa, Mozambique Channel, remain key for the EU. • The EU intends to strengthen strategic cooperation with the African Union (AU), based on political dialogue and operational engagement from Somalia to the Sahel Region. (p.55) • In the wider Middle East and Gulf Region, active conflicts and persistent instability place the EU's security and economic interests at risk. (p. 19) • With respect to the Middle East, the EU's priority remains to address nuclear non-proliferation challenges. (p.20) 	<ul style="list-style-type: none"> • Conflict, fragility and instability in Africa and the Middle East directly affect Euro-Atlantic security and the security of NATO partners. More specifically, the impact of climate change, fragile institutions, health emergencies and food insecurity can aggravate the political, economic and security challenges facing these regions. This situation can also fuel the rise of non-state actors, including terrorist organizations. (p. 4) • NATO to reinforce cooperation and coordination with the AU (p.9)
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<p>Indo-Pacific</p>	<ul style="list-style-type: none"> • The <i>Indo-Pacific region</i> is defined as a new center for global competition and power politics. <i>Geopolitical tensions</i> endanger the rules-based order in the region and put pressure on global supply chains. The EU has significant <i>geopolitical</i> and <i>economic interest</i> in stability and security in the region. (p.20) • The EU will work together with the <i>Association of South-east Asian Nations (ASEAN)</i> to enhance shared awareness and information exchange on violent extremism, Chemical, Biological, Radiological and Nuclear threats, cybersecurity, maritime security, transnational crime, humanitarian and disaster relief and crisis management. (p.55) 	<ul style="list-style-type: none"> • The <i>Indo-Pacific</i> is <i>crucial for NATO</i>, given that developments in the region can affect <i>Euro-Atlantic security</i>. The alliance intends to <i>strengthen dialogue</i> and <i>cooperation</i> to tackle cross-regional challenges and shared security interests. (p.11)
<p>CHALLENGES & THREATS</p>		
<p>“Dragonbear” relationship³⁰</p>	<ul style="list-style-type: none"> • No mention of <i>Russia and China’s</i> close relationship. 	<ul style="list-style-type: none"> • The <i>deepening strategic partnership</i> between <i>China and Russia</i> and their mutually reinforced attempts to undermine the rules based international order counters alliance interests. (p.5)

³⁰ Velina Tchakarova, “The Dragonbear: An Axis of Convenience or a New Mode of Shaping the Global System?”, *Austria Institut Für Europa-Und Sicherheitspolitik*, <https://www.aies.at/publikationen/2020/the-dragon-bear.php>

<p>Climate Change & Security</p>	<ul style="list-style-type: none"> • Climate change, environmental degradation and natural disasters will affect the EU's security landscape. Indeed, they are proven to be drivers for instability and conflict around the globe. (p.22) • The EU will adapt its CSDP engagements, increase energy efficiency and resource efficiency as well as, keep the environmental footprint of CSDP missions in line with the Union's goal of climate neutrality by 2050 under the European Green Deal. (p.38) • By the end of 2023 the EU and member states will take steps to fully implement its Climate Change and Defense Roadmap. (p.41) 	<ul style="list-style-type: none"> • Climate change is as a challenge of our time with a profound impact on Allied Security. • NATO intends to become the leading international organization when it comes to understanding and adapting to the impact of climate change on security. • NATO commits to contribute to reducing greenhouse gas emissions, improving energy efficiency and investing in the transition to clean energy sources. (p.6)
<p>Proliferation & Weapons of Mass Destruction</p>	<ul style="list-style-type: none"> • The proliferation of weapons of mass destruction continues to be a persistent threat for the EU. • The erosion of the arms control architecture has created a normative void that is directly impacting the stability and security of the EU. In this way, support will continue to be provided to the International Atomic Energy Agency and the Organization for the Prohibition of Chemical Weapons. (p.22) 	<ul style="list-style-type: none"> • The erosion of arms control architecture negatively impacts strategic stability. The potential use of Chemical, Biological, Radiological and Nuclear materials, or weapons against NATO by a hostile state and non-state actors remains a threat to security. • Mention of Iran and North Korea's nuclear and missile programs. (p.5) • NATO remains committed to the Nuclear Non-proliferation Treaty, including Article VI for a world without nuclear weapons. (p.8)

<p><i>Technology</i></p>	<ul style="list-style-type: none"> • Importance of <i>disruptive technologies</i> for military affairs. • The EU is already collectively <i>investing in defense innovation</i> and creating new standards. The <i>Defense Innovation Hub</i> has been proposed within the European Defense Agency to increase and coordinate cooperation on defense innovation among Member states. (p.47) 	<ul style="list-style-type: none"> • Highlights the risks of <i>emerging and disruptive technologies</i>. Technological primacy leads and influences battlefield success. • Development of the <i>Innovative Technologies Fund</i>. (p. 5)
<p><i>Space & Cyberspace</i></p>	<ul style="list-style-type: none"> • The EU seeks to strengthen its <i>EU cyber defense policy</i>. (p.12) • A new <i>European Cyber Resilience Act</i> will increase the EU's common approach to cyber infrastructure and standards. (p.35) • The development of an <i>EU Space Strategy for Security and defense</i> is also proposed to assist in building a common understanding of space related risks and threats and build appropriate responses and capabilities. (p.36) 	<ul style="list-style-type: none"> • The <i>secure and unfettered access</i> to space and cyberspace is key to effective deterrence and defense. • A single or cumulative set of malicious cyber activities (...) to, from, or within space, could reach the level of armed attack and could lead to the North Atlantic Council invoking <i>Article 5</i>. (p.7)

<p>Hybrid Threats</p>	<ul style="list-style-type: none"> • The EU intends to create an EU Hybrid Toolbox that brings together different instruments to detect and respond to a broad range of hybrid threats. (p.12) • State and non-state actors are increasingly using hybrid strategies, disinformation campaigns, direct interference in the EU’s elections and political processes, economic interference, and the instrumentalization of energy and migration. (p.22) • Strengthen the EU’s ability to detect, identify and analyze hybrid threats and their sources, the Single Intelligence Analysis Capacity (SIAC) and the Hybrid Fusion Cell have been created. • EU hybrid Rapid Response teams will be created to support member states in countering hybrid threats drawing on the necessary sectoral national and EU civilian and military expertise. (p.34) 	<ul style="list-style-type: none"> • NATO will invest in its ability to prepare for, deter and defend against hybrid tactics by states and non-state actors. Hybrid operations could reach the level of armed attack and lead to the North Atlantic Council invoking Article 5 of the North Atlantic Treaty. (p.7)
<p>Terrorism</p>	<ul style="list-style-type: none"> • Terrorism and violent extremism continue to pose a serious threat to peace and security, inside the EU and beyond (p.20) • The EU will increase its engagement with strategic partners including the network of countering terrorism experts in EU delegations. (p.41) 	<ul style="list-style-type: none"> • Terrorism is the most direct asymmetric threat to the security of allies’ citizens. (p.4) • NATO emphasizes the urgency to counter terrorism and will base its approach on prevention, protection, and denial measures as well as, enhance cooperation with the international community. (p.8)

<p>Maritime Security</p>	<ul style="list-style-type: none"> • Maritime security in the Baltic Sea, Black Sea, Mediterranean, North Sea, Atlantic Ocean and the Arctic is of the utmost importance for the EU's security, economic development, free trade, transport, and energy security. (p.22) • The EU intends to expand its Coordinated Maritime Presences to other areas of maritime interest that impact on the security of the EU and seek relevant partners. • The EU will also seek to reinforce its naval operations deployed in the Mediterranean and off the Somali Coast. (p.27) 	<ul style="list-style-type: none"> • Maritime security is recognized as a key factor to ensure peace and prosperity. NATO intends to strengthen its posture and situational awareness to deter and defend against all threats in the maritime domain. (p.7)
<p>DETERRENCE & DEFENSE RESPONSES</p>		
<p>Commitments To Deterrence & Defense & Crisis Management</p>	<ul style="list-style-type: none"> • Strengthen civilian CSDP (Common Security and Defense Policy), to allow faster deployments. • Develop an EU Rapid Deployment Capacity composed of 5,000 troops that can be mobilized for several types of crises. It will be operated under the EU Military Planning and Conduct Capability command and control structure and will report to the Political and Security Committee (PSC) as well as, inform the EU Military Committee (EUMC) (P.11, 25) • In addition to building infrastructure and strengthening military capabilities, the EU will seek to adapt its decision-making processes. (p.26) 	<ul style="list-style-type: none"> • NATO's deterrence and defense posture is based on an appropriate mix of nuclear, conventional and missile defense capabilities, complemented by space and cyber capabilities. (p.6) • NATO's nuclear capability is to preserve peace, prevent coercion and deter aggression. The circumstances in which NATO could potentially use nuclear weapons is extremely remote. (p.7) • In the context of NATO's Madrid Summit, Jens Stoltenberg, NATO's Secretary General, announced that Allies agreed to increase their rapid reaction troops from 40,000 to 300,000.³¹

<p>Commitments To Mutual Defense</p>	<ul style="list-style-type: none"> • References to mutual assistance and preparedness in the context of <i>Article 42(7) TEU</i> (mutual assistance) and <i>Article 222 TFEU</i> (solidarity) (pp.28; 31) 	<ul style="list-style-type: none"> • Reinforcement of NATO's <i>commitment to collective defense</i> enshrined in <i>Article 5 of the North Atlantic Treaty</i>. (p.3)
<p>Partners</p>	<ul style="list-style-type: none"> • <i>Cooperation with NATO and the UN</i> (United Nations). • Regional partners such as the <i>OSCE, African Union</i> and <i>ASEAN</i> are also of importance for the EU, • Cooperation with like-minded <i>bilateral partners</i> such as <i>Canada, U.S., Norway, UK, and Japan</i> as well as, the development of tailored partnerships with the <i>Western Balkans, the EU's eastern and southern neighborhoods, Africa, Asia, and Latin America.</i> • Development of an <i>EU Security and Defense Partnership Forum</i> to work more closely with partners to address common challenges. (p.13) 	<ul style="list-style-type: none"> • The <i>EU</i> is identified as a <i>unique and essential partner</i> for NATO. Furthermore, NATO and the EU play complementary, coherent, and mutually reinforcing roles in supporting international peace and security. (p.10)
<p>Membership</p>	<p><i>NA</i></p>	<p>NATO reaffirms its <i>open-door policy</i> consistent with <i>Article 10</i> North Atlantic Treaty. (p.9)</p>

<p><i>Defense Spending</i></p>	<ul style="list-style-type: none"> • The EU will use the <i>European Defense Fund</i> and <i>Permanent Structured Cooperation</i> to invest in technological innovation in defense as well as, to create a new <i>Defense Innovation Hub</i>. (p.12) • Need to invest more to fill in critical capability gaps. (p.43) 	<ul style="list-style-type: none"> • Initiatives to <i>increase defense spending</i> and reinforce capabilities, while <i>avoiding unnecessary duplication</i> with the <i>EU</i>, will be necessary to maintain Euro-Atlantic security. (p.10)
<p><i>EU & NATO COOPERATION</i></p>		
<p><i>European Union – NATO Relationship</i></p>	<ul style="list-style-type: none"> • A stronger EU in the field of security and defense will contribute positively to global and transatlantic security and will be <i>complementary to NATO which remains the foundation of collective defense for its members</i>. (p.14) • Despite the EU’s commitment to working with NATO, there is a need to enhance its <i>strategic autonomy</i> as the EU should to take more responsibility for its own security. (p.23) 	<ul style="list-style-type: none"> • The EU is described as a <i>unique</i> and <i>essential partner</i> for NATO. NATO and the EU play complementary, coherent, and mutually reinforcing roles in supporting international peace and security. • NATO recognizes the value of a <i>stronger and more capable European defense</i> that contributes positively to transatlantic and global security and is complementary to, and interoperable with NATO. (p.10)

The Way Forward

Not surprisingly, the EU’s Compass and NATO’s Concept are broadly convergent in their outlooks, not least because both organizations share geography, members, interests, and values. But some key questions remain on how EU-NATO cooperation and coordination will evolve in the future; how certain headline goals from spending to troop commitments will be jointly implemented; as well as how relationships with key third countries such as China will develop given the diverse approaches to Beijing on both sides of the Atlantic.

The substantial level of overlay among both documents suggests that the EU and NATO should coordinate and find a division of labor that avoids duplications and identify roles that each institution may perform better: e.g., the EU focusing more on civilian (and military) crisis management and NATO on deterrence and

territorial defense. Indeed, EU–NATO cooperation will be key to ensuring that both organizations reinforce and complement each other, especially when the alliance’s European pillar will be bolstered by Finland and Sweden’s accession.

“The substantial level of overlay among both documents suggests that the EU and NATO should coordinate and find a division of labor that avoids duplications and identify roles that each institution may perform better...”

Close coordination and permanent dialogue between the EU and NATO should also support efforts in defense spending and making sure that levels of troop commitment and readiness are not mutually detrimental. More investment in defense should seek to meet the targets set by both organizations, while avoiding waste and duplication, especially in a period when the consequences of Russia’s war on Ukraine are hampering economic growth and fueling higher inflation and a ‘cost-of-living’ crisis. Military spending in times of social and economic hardship will become increasingly more difficult. Therefore, EU and NATO members should promote higher levels of defense cooperation, joint procurement, and collaboration considering also that the development and acquisition of military equipment is traditionally a very lengthy process.

Equally relevant in this context are troop commitments and levels of readiness sought by both organizations. While not much is yet known about NATO’s new goal of 300,000-strong rapid reaction troops and their level of readiness to be deployed, questions remain: what will be the impact of such a commitment to the EU’s crisis management tasks? What consequences will that have for the EU’s Rapid Deployment Capacity of 5,000? It is important to realize that there are not two sets of armed forces: One for NATO and another for the EU. For countries that are members of both organizations this aspect should not be underestimated.

Finally, while Europeans have hardened their views on China in the last few years, the country is still perceived in many EU countries as an economic opportunity. China, despite the increasingly difficult political relationship between Brussels and Beijing, is now the biggest trading partner of the EU in terms of goods.³² Contrary,

³² “Significant increase in EU imports from China,” *Eurostat*, 1 April 2022, <https://ec.europa.eu/eurostat/web/products-eurostat-news/-/edn-20220401-1>

the U.S. considers China to be its most significant long-term strategic challenger and relations between both countries continue to deteriorate. While both the Compass and the Concept describe China as a challenge, if not a threat, there is substantial nuance in how both organizations engage with it and that could potentially lead to divisions within the EU and across the Atlantic.

It is high time for a new EU-NATO joint declaration that sets-up permanent joint dialogue mechanisms and addresses any issues that could potentially become contentions and undermine what is strategically vital: the security, prosperity, and peace of the Euro-Atlantic space.