



NATO PARLIAMENTARY ASSEMBLY

SUMMARY

OF THE MEETING OF THE

DEFENCE AND SECURITY COMMITTEE (DSC)

Saturday 21 and Sunday 22 November 2020

By video conference

185 DSC 20 E | Original: English | 27 November 2020

ATTENDANCE LIST

Chairperson	Michael R. TURNER, Vice-President of the NATO PA (United States)
Vice-Chairperson	Andreas LOVERDOS (Greece)
General Rapporteur	Cédric PERRIN (France)
DSCFC Rapporteur	Lara MARTINHO (Portugal)
DSCTC Rapporteur	Jean-Charles LARSONNEUR (France)
NATO PA President	Attila MESTERHAZY (Hungary)
NATO PA Treasurer	Wolfgang HELLMICH (Germany)

MEMBER DELEGATIONS

Albania	Nimet MUSAJ
Belgium	Daniel BACQUELAINE Karolien GROSEMANS
Bulgaria	Hristo Georgiev GADZHEV
Canada	Pierre-Hugues BOISVENU Pierre J. DALPHOND Cheryl GALLANT Nelly SHIN Vernon WHITE
Croatia	Ante BACIC Ante PRKACIN
Czech Republic	Jan FARSKY Jan LIPAVSKY
Denmark	Jan JOHANSEN
Estonia	Leo KUNNAS
France	Jean-Jacques BRIDEY Hélène CONWAY-MOURET
Germany	Gerold OTTEN Michael STUEBGEN
Greece	Athanasios DAVAKIS
Hungary	Istvan SIMICSKO
Iceland	Thorgerdur K. GUNNARSDOTTIR
Italy	Alessandro ALFIERI Luigi IOVINO Andrea Giorgio ORSINI
Latvia	Raimonds BERGMANIS Gatis EGLITIS Ivans KLEMENTJEVS
Luxembourg	Gilles BAUM
Netherlands	Alfred ARBOUW Toine BEUKERING Raymond de ROON
Norway	Trond HELLELAND

Poland	Joanna KLUZIK-ROSTKOWSKA Rafal SLUSARZ
Portugal	Lara Fernandes MARTINHO Rui SILVA
Romania	Nicu FALCOI Costel LUPASCU
Slovakia	Juraj KRUPA
Slovenia	Branko GRIMS
Spain	Zaida CANTERA Fernando GUTIERREZ Manuel MESTRE
Turkey	Kamil AYDIN Utku CAKIROZER Ahmet Berat CONKAR Fikri ISIK Sirin UNAL
United Kingdom	Feryal CLARK Abena OPPONG-ASARE Alec SHELBROOKE Bob STEWART
United States	Brendan Francis BOYLE Gerald E. CONNOLLY Neal Patrick DUNN Brett GUTHRIE Rick LARSEN Joe WILSON

ASSOCIATE DELEGATIONS

Austria	Andreas MINNICH
Azerbaijan	Ziyafat ASGAROV
Georgia	Irakli BERAIA
Sweden	Karin ENSTRÖM Hans WALLMARK
Switzerland	Pierre-Alain Roger FRIDEZ Mauro TUENA

EUROPEAN PARLIAMENT

European Parliament	David MCALLISTER Juozas OLEKAS
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PARLIAMENTARY OBSERVERS

Australia	Andrew WALLACE
Kazakhstan	Nurzhan NURSIPATOV Abay TASBULATOV

INTERNATIONAL SECRETARIAT

Ethan CORBIN, Director, Defence and Security Committee
Jailee RYCHEN, Coordinator, Defence and Security Committee
Lukas KISIELIUS, Research Assistant

SATURDAY 21 NOVEMBER 2020

I. Opening remarks by Michael R. TURNER (United States), Chairperson

1. **Michael R. TURNER** (US) welcomed his colleagues to the online meeting of the Defence and Security Committee (DSC). The chairperson provided some practical information on the proceedings and described the meeting's agenda.

2. Mr Turner reviewed the Committee's officer vacancies, candidates for which would be voted on during the Sunday elections. He noted several members' already-stated interest in new Committee positions and reminded participants the deadline for additional candidacies was one hour after the official closure of the day's meeting.

II. Adoption of the draft Agenda [185 DSC 20 E]

3. **The draft Agenda [185 DSC 20 E] was adopted.**

III. Adoption of summaries of previous meetings of the Defence and Security Committee

4. **The summaries of the Committee meetings held in London, United Kingdom, on 12 and 13 October 2019 [217 DSC 19 E], as well as online meetings on 16 July 2020 [126 DSC 20 E] and on 2 September 2020 [144 DSC 20 E] were adopted.**

IV. Consideration of the Comments of the Secretary General of NATO, Chairman of the North Atlantic Council, on *the Policy Recommendations adopted in 2019 by the NATO Parliamentary Assembly* [056 SESP 20 E]

5. The comments of the Secretary General of NATO, Chairman of the North Atlantic Council, on *the Policy Recommendations adopted in 2019 by the NATO Parliamentary Assembly* [056 SESP 20 E] were considered.

V. Presentation by Nikolaos PANAGIOTOPOULOS, Minister of National Defence of the Hellenic Republic on *NATO's Adaptation Process and Developments in The Eastern Mediterranean*

6. **Marietta GIANNAKOU** (GR), as Head of the Greek Delegation to the NATO Parliamentary Assembly (NATO PA), introduced the Minister of National Defence of the Hellenic Republic, Mr **Nikolaos PANAGIOTOPOULOS**. The Minister began by noting that 21 November is Armed Forces Day in Greece and expressed his gratitude to the Greek men and women in uniform. By way of introduction his presentation for the meeting, he stated that his Ministry's principal mission is to maintain robust and capable armed forces capable of defending the nation and uphold Greece's commitments to NATO. Mr Panagiotopoulos reminded the delegation of the historic nature of Greece's accession to NATO and the role the nation has played in the Alliance since 1952. He also noted the NATO PA's important role in upholding NATO's values and interests.

7. The Minister underscored the volatility of an increasingly complex security environment, drawing special attention to the ongoing tensions in the Eastern Mediterranean. He stated that Greece has full respect for the principles of the North Atlantic

Treaty, especially Article 1, which emphasises Allies' commitment to the peaceful resolution of any dispute in which they may be involved and their restraint in the threat or use of force in any manner inconsistent with the purposes of the United Nations. He explained how these principles guide Greece's actions in the Eastern Mediterranean. He continued by noting that Greece acted responsibly despite what he referred to as "provocations" and "gambling diplomacy" from another NATO ally. In his view, such actions threatened not only regional stability but also Alliance cohesion. Mr Panagiotopoulos expressed support for the continued use of NATO's deconfliction mechanism, as well as a respect for international law as an anchor for any negotiated attempts to find a political solution to current challenges in the Eastern Mediterranean. Mr Panagiotopoulos called on the NATO ally in question to suspend its perceived provocations and seek to resume discussion in good faith and as good neighbours. He referred to a statement from the NATO Secretary-General, asking for a peaceful resolution of the dispute.

8. The Minister then changed topics to Greece's commitments to the Alliance, particularly the defence spending guidelines. He stressed Greece's determination to continue to meet the Alliance's Defence Investment Pledge target of at least 2% of gross domestic product (GDP) in defence spending goal, of which at least 20% is dedicated to new major equipment purchases, despite the severe economic crisis impacting the country as a result of the coronavirus pandemic. He also stressed Greece's continued commitment to NATO's missions and operations, particularly citing the Alliance's efforts in Iraq and Afghanistan, as well as the Alliance's Mediterranean maritime missions. Mr Panagiotopoulos also addressed the topic of ideological extremists' efforts to infiltrate migration flows to Europe via Greece. He highlighted Greece's frontline role in mitigating such threats and noted that the Alliance can have an even greater role in mitigating the impact of such a threat via its missions and presence in the region.

9. The Minister then gave some recommendations that may be helpful as the Alliance continues to adapt to the evolving international security environment. Stressing what he termed "a serious cohesion deficit" among Allies, he noted the importance of all Allies' continued commitment to their obligations under international law and to a general policy of good conduct with neighbours. Mr Panagiotopoulos then noted that NATO should continue with its policy of consensus decision-making, warning that a move to allow for some issues to be decided on a majority basis would create rifts between Allies and undermine the legitimacy of NATO's actions. Mr Panagiotopoulos also voiced strong support for the ongoing efforts of the NATO Secretary General's #NATO2030 initiative, which, among other issues, seeks to strengthen the Alliance's political role. To do so, he said, involves improved cooperation with the EU and other key partners, drawing special attention to NATO's cooperation with Israel and Egypt, whose involvement is needed to stabilise the Alliance's southern flank. Regarding the evolving Russia challenge, he said, the Alliance should look for ways to revitalise the NATO-Russia Council (NRC). The speaker concluded by stating that NATO's greatest strength is the Alliance's ability to adapt and respond to new security threats and challenges, an ability it has demonstrated time and again since its founding.

10. Mr Turner thanked Mr Panagiotopoulos for his presentation and opened the floor to questions and comments from the audience.

11. **Ruxandra POPA (NATO PA)** initiated the discussion with a question asked about the Minister's views on the security situation in the Western Balkans and NATO's "open door" policy for the region. Mr Panagiotopoulos answered by noting that Greece supports greater security in the Western Balkans, and that the ideal security architecture in the Western Balkans rests on the stability offered by NATO membership and accession to the EU. By incorporating the region more completely in the Euro-Atlantic institutions, he noted, would help further anchor democracy and a lasting peace and prosperity. **Alec SHEL BROOKE (UK)** asked whether Greece supports the invocation of the EU's mutual assistance clause

(Article 42(7) of the EU Treaty) and the development of new instruments such as Permanent Structured Cooperation (PESCO) – rather than the NATO alliance – to help control illegal migration and associated potential security threats. Mr Panagiotopoulos answered by saying that he believed the EU should generally be more involved in handling the broader migration challenge in Europe. Currently, he said, the migration burden falls disproportionately on three countries: Greece, Italy and Spain. As such, he noted, there needs to be greater burden-sharing among the EU's members when it comes to processing and welcoming migrants with legitimate cases. He said that NATO could also contribute to resolving the migration challenge by, for example, the establishment of a series of additional monitoring operations along the Alliance's borders, which would not only increase ISR on migration flows in areas like the Eastern Mediterranean, but also help combat the human trafficking networks exploiting the phenomenon.

12. **Lord CAMPBELL** (UK) asked about Greece's view on NATO's Strategic Concept, which emphasises the dual pillars of conventional and nuclear means to guarantee Allied deterrence, which, he noted focus principally on the land, air, and sea domains. He said that today, however, NATO faces additional space and cyber challenges, and he wondered whether or not the Minister believed it was time for the Alliance to develop a new strategic concept as a result. Mr Panagiotopoulos answered by stating he believed NATO's Strategic Concept should be revised to account for the changing security threats facing Allies, citing migration, cyber warfare, disinformation, and space challenges as salient examples. He said NATO's ability to adapt to the evolving international security environment has always been a core strength of the Alliance. Today, he concluded, NATO needs a holistic, 360-degree approach to security.

13. **Utku CAKIROZER** (TR) asked about Greece's tensions with Turkey, underlining Turkey's position in the current Eastern Mediterranean crisis. Mr Cakirozer noted Turkey's openness to a dialogue-based, peaceful resolution to the dispute. He expressed full support for NATO Secretary General's overtures to Greece and Turkey along these lines. Mr Panagiotopoulos reiterated his earlier statements highlighting Greece's desire for constructive dialogue with Turkey to reach an understanding and resolve their differences. He continued, however, by saying Turkey needs to abstain from aggressive posturing in order for such a dialogue to happen. He cited the issue of recent actions in the areas surrounding Greece's easternmost islands as an example.

14. **Jean-Charles LARSONNEUR** (FR) underlined the importance of adhering to NATO's common values, which, he noted, are essential peace and prosperity in Euro-Atlantic area. He asked how NATO and the EU are working to improve their interoperability in the Mediterranean, and, particularly Greece's role therein, noting the importance of avoiding overlap and finding synergies. He also enquired about the Greek position on consensus-based decision-making and the recent debate about allowing for majority decision making for some non-essential tasks and initiatives. **Cédric PERRIN** (FR) asked about Greece's perception of NATO's political reflection process as a part of the #NATO2030 initiative. He also enquired whether Greece would support the use of "working groups" in consensus-based decision-making at NATO. Mr Panagiotopoulos responded by saying NATO is a 'community of interest's based on common values and ideas – e.g., the peaceful resolution of disputes, and burden-sharing – and that the Alliance always needs to look for ways to reinforce its internal unity. He said Greece has done much to contribute to NATO's evolving policies: Greece has alerted Allies to new, emerging challenges, contributed to southern flank security, and maintained highly capable and ready armed forces by adhering to defence investment benchmarks.

VI. Vote on the revised draft Special Report, *The Role of NATO's Armed Forces in the COVID-19 Pandemic* [091 DSC 20 E rev. 1] presented by Attila MESTERHAZY (Hungary), NATO PA President, Chairperson of the Sub-Committee on Transatlantic Defence and Security Cooperation

15. **Attila MESTERHAZY** (HU) addressed the Committee and reiterated that his report was considered during the COVID-19 Special Meeting the previous day. He noted his willingness, however, to any new questions prior to the vote to adopt the report.

16. Mr Turner thanked Mr Mesterhazy for assuming the presidency of the NATO Parliamentary Assembly during these challenging times. He asked the NATO PA staff to initiate voting on the adoption of the report.

17. The revised draft Special Report, *The Role of NATO's Armed Forces in the COVID-19 Pandemic* [091 DSC 20 E rev. 1], was adopted.

VII. Consideration of the revised draft Report of the Sub-Committee on Future Security and Defence Capabilities *NATO's Defence and Related Security Capacity Building (DCB) Initiative* [031 DSCFC 20 E rev. 1] presented by Lara MARTINHO (Portugal), Rapporteur

18. **Lara MARTINHO** (PT) began by thanking her colleagues for joining the meeting. She said her updated draft report reflects the issues raised during the July DSC meeting, as well as written amendments received after the meeting. She also highlighted the contribution of NATO's officials to the research process. She reminded her colleagues that NATO Allies have not only assisted one another during the COVID-19 pandemic, but also found ways to support their regional partners with critical medical supplies. She continued by stating she Alliance's long-term engagement with partners, however, flows principally through long-established initiatives to help them build capable and sustainable armed forces. These defence capacity-building efforts are essential to the Allied efforts to project stability, she said.

19. Ms Martinho said that NATO's Defence and Security Capacity Building (DCB) initiative, announced at the 2014 summit in Wales, has become a key part of the Alliance's partner outreach. The reason for the strategic importance of the initiative, she noted, is the rapidly evolving international security environment in the last decade that has clearly demonstrated the potential spill over effects of conflict in NATO's near neighbourhood. NATO's DCB initiative helps select strategic partners bolster their defence institutions and armed forces more robust, capable, and resilient. Stronger neighbours, she said, are in line with NATO's broader security goals of peace, stability and – ultimately – prosperity. NATO awarded the first DCB packages to Georgia and Jordan in 2014, the Republic of Moldova and Iraq in 2015, and Tunisia in 2018. Each package is focused on the unique characteristics of each strategic partner, providing comprehensive strategic advice, force training, as well as other specialised assistance.

20. She then summarised the report's main recommendations. First, there should be strong political support at the parliamentary level for NATO's DCB initiative. Second, the NATO Parliamentary Assembly should find avenues for closer cooperation with NATO on the DCB packages. Third, advocating for greater transparency from individual Allied governments on their bilateral security assistance with NATO's DCB recipients. Fourth, support for the DCB initiative must be maintained as a strategic priority. Fifth, the report expressed support for the current DCB packages for Georgia, Jordan, Tunisia, Iraq, and

Moldova. Finally, the report strongly encourages a future DCB package for Ukraine. Ms Martinho finished by thanking everyone for their attention and inviting questions.

21. **Kamil AYDIN** (TR) referred to the amendments submitted by the Turkish delegation to Ms Martinho and thanked her for accepting the proposed changes. Ms Martinho thanked Mr Aydin for his helpful suggestions and noted they would be reflected in the final report. **Bob STEWART** (UK) asked about the prospects for NATO's cooperation with countries in the Middle East. Ms Martinho stated that NATO's DCB initiatives are very important for NATO's future relationship with the Middle Eastern countries. For instance, NATO has an important relationship with Jordan. She noted the development of the Jordanian Special Forces as an excellent example of the country's ability to contribute niche top-tier capabilities.

22. **Andrew WALLACE** (AU) alluded to the drawdown of the American forces from Afghanistan. He asked for perspectives on the American withdrawal. Mr Turner took the floor noting he believed the question was addressed to him. He stated that the potential drawdown has attracted political opposition in the United States, noting the uncertainty over how the drawdown could affect the security situation in Afghanistan. He noted concern the drawdown could potentially put American and other Allied troops at risk. He noted that the discussion on the drawdown is in fact ongoing, and that the incoming Biden administration has yet to make their position on the topic known. He expressed hope that no irreversible actions are taken until the Biden administration begins. Ms Martinho thanked Mr Turner for his contribution on the evolving US position on the issue and expressed hope that, just as the NATO allies went into Afghanistan together, they would also find the appropriate policy juncture at which to leave Afghanistan together.

23. **Youcef MESSAR** (DZ) asked about what kind of partnership NATO should have with Algeria. He also enquired about Tunisia's DCB package. Ms Martinho said that NATO should have more cooperation with Algeria. She was hopeful that there would be more engagement between NATO and Algeria but noted this largely depends on the will of the Algerian government. The Alliance should also strengthen its cooperation with Tunisia, in her view, as Tunisia represents a regional success story in the aftermath of the civil uprisings of 2011.

24. Mr Turner thanked Ms Martinho for her excellent report. He asked the NATO PA staff to start the procedure for the Committee to vote on the report's adoption.

25. **The revised draft Report of the Sub-Committee on Future Security and Defence Capabilities, NATO's Defence and Related Security Capacity Building (DCB) Initiative [031 DSCFC 20 E rev. 1], was adopted.**

VIII. Consideration of the revised draft Report of the Sub-Committee on Transatlantic Defence and Security Cooperation *Key Challenges to Maintaining Peace and Security in the Western Balkans* [032 DSCTC 20 E rev. 1] presented by Jean-Charles LARSONNEUR (France), ad interim Rapporteur

26. Jean-Charles Larsonneur stated that his draft report was updated in accordance with the feedback received in September, as well as the written amendments received from the delegations. He observed that, since September, there have been some important developments in the Western Balkans. The most salient being the agreement between Belgrade and Pristina in Washington, which holds the potential to unlock new economic opportunities between the two. The Rapporteur argued that the Western Balkan nations remain focused on a Euro-Atlantic future, as shown by the events of 2020. What is more, he continued, is that the involvement of NATO and the EU has undeniably laid the solid

foundation upon which future peace and prosperity in the Western Balkans continues to be built.

27. Mr Larsonneur proposed that the pull of NATO and EU membership remains strong among the remaining regions still outside the Euro-Atlantic institutions. He said NATO's welcoming of the Republic of North Macedonia as a member in March 2020 strengthen the promise of the 'Open Door' policy. He also noted North Macedonia and Albania's closer step to EU membership the same month with the opening, or planned opening, in the case of Albania, of accession talks.

28. The speaker said, however, that lingering security challenges (both legacy as well as more recent) remain significant hurdles to lasting peace and prosperity in the Western Balkans. The most significant legacy security challenge, he said, is the ongoing bilateral dispute between Belgrade and Pristina. In addition to the Belgrade-Pristina challenge, Bosnia and Herzegovina is facing a near-complete political, economic, and societal gridlock. Furthermore, ethnic and confessional differences remain instruments of political manipulation in many regions across the Western Balkans, as well as the threat of these differences being manipulated by violent extremist organisations.

29. Mr Larsonneur stated that the region is also faced with worrying trends that have resulted in weakened state institutions, democracy, and the rule of law. He also noted Western Balkans' vulnerability to the influence of external geopolitical players, such as Russia and China. These outside powers seek to undermine the ideals and the political agendas of the Euro-Atlantic community, he said. The speaker referred to the DSC special report, which found that the impact of COVID-19 has been significant for the Western Balkans. He said, however, that the Alliance and the EU have been swift to help the region with emergency medical and financial assistance. Similarly, NATO and the EU worked together to counter Russian and Chinese disinformation in the region related to the pandemic.

30. Mr Larsonneur concluded by summarising the report's recommendations. First, the Alliance should look for ways to overcome the current political impasse in Bosnia and Herzegovina. Second, NATO's parliamentarians should contribute to finding a solution to the Belgrade-Pristina disagreement. Third, NATO and the EU should work as partners to address the rule of law issues and democratic backsliding in the Western Balkans. Fourth, the Alliance's engagement vis-à-vis the Western Balkans should be based on NATO's common liberal democratic values. Finally, the NATO members should not lose sight of the high standards to which all Allies are held, and to which all aspiring allies must work towards. The speaker thanked everyone for listening and asked for questions.

31. **Juozas OLEKAS** (LT) emphasised the importance of NATO and EU membership for the Western Balkan countries. He asked how NATO's parliamentarians could contribute – in practical ways – to the Euro-Atlantic integration of the Western Balkans. Mr Larsonneur observed that the NATO Parliamentary Assembly is an important platform for dialogue in the region and has a solid track record of engagement with the region's delegations to the Assembly. Such programmes and cooperation contribute to the sharing of best practices of parliamentary oversight and good governance, he said. Bob Stewart then inquired about Bosnia and Herzegovina's path towards NATO membership while expressing some scepticism about the lack of progress. Mr Larsonneur replied that Bosnia and Herzegovina is indeed facing multiple challenges, such as corruption, but, in his view, slow progress towards reform is being made. He also highlighted the report's recommendation for renewed international engagement to assist the country to overcome its political gridlock.

32. **Dragan SORMAZ** (SRB) reflected on the Serbian delegation's proposed suggestions, which Mr Larsonneur acknowledged. He stated that the report is factual and explains well

the situation in the Western Balkans. He insisted on using the agreed NATO language in the report. Mr Larsonneur thanked the Serbian delegation for their proposed amendments and comments. He agreed that it was important to stick to the agreed NATO language in the report.

33. Mr Turner thanked Mr Larsonneur for his presentation. He then asked the NATO PA staff to begin the procedures for the Committee to vote on the adoption of the report.

34. **The revised draft Report of the Sub-Committee on Transatlantic Defence and Security Cooperation *Key Challenges to Maintaining Peace and Security in the Western Balkans* [032 DSCTC 20 E rev. 1] was adopted.**

35. Mr Turner adjourned the meeting.

SUNDAY 22 NOVEMBER

IX. Opening remarks by Michael R. TURNER, Chairperson

36. Chairperson Turner thanked everyone for attending and reviewed the meeting's agenda.

X. Panel discussion on *Russian Military Modernisation*

Consideration of the revised draft General Report *Russian Military Modernisation; Challenges Ahead for NATO Allies* [030 DSC 20 E rev. 1] presented by Cédric PERRIN (France), General Rapporteur

37. Senator Perrin began by saying the revised report reflects the Committee's September discussion, as well as, where possible, the written amendments submitted by the delegations. He highlighted an additional section on Russia's electronic warfare systems, which he noted have been critical to Russian operations in Syria and Ukraine. The speaker also expanded the section on Russia's future warfare planning. Russia's use of hybrid tactics has escalated in recent years. Moscow's most visible actions have been disinformation and propaganda, the use of proxies and private military companies. Senator Perrin discussed Russia's ongoing use of private military contractors, who have been vital to Moscow's operations in Ukraine and Syria, and disruptive variables in Libya, the Central African Republic, and other conflict areas. He said Russia will likely rely on private military contractors in the future, as a reliable means to intervene indirectly in conflict hotspots abroad.

38. The senator continued his presentation by underscoring the report's principal focus on the progress of Russia's large-scale defence procurement priorities via the State Armament Programmes (SAP). These ambitious programmes have sought to overhaul Russia's armed forces' equipment and procurement processes. Senator Perrin stated that the dramatic build-up seen throughout the decade of SAP 2020 slowed to what could be viewed as a sustainment phase after the transition to SAP 2027 a few years ago. As the report notes, several factors slowed or limited Russia's ambitious modernisation programme. The most significant factors were impacts of sanctions, the significant drop in energy revenues due to the persistent downward pressure on the international oil market, and the loss of Ukraine as a defence industrial exchange partner. Senator Perrin also noted that Russia's military modernisation encompasses a far broader effort than just investments in new equipment

platforms. Russia has engaged in significant structural, organisational, and conceptual reforms, such as changing the organisation of its military districts.

39. Senator Perrin argued that 2020 has been a challenging year for Russia's defence modernisation efforts. The COVID-19 pandemic and the collapse in oil markets have had significant impacts on the Russian economy. In addition, the economic pressures of the COVID-19 pandemic have exacerbated some civil society tensions in Russia.

40. The speaker concluded that Allies must continue to pay attention to the current and future Russian challenge, which will be, in large part, defined by the continued success of Russia's efforts to modernise and adapt its armed forces to be a key instrument of Russian power, backing up Moscow's increasingly aggressive foreign policy. To mitigate the Russian challenge, he stressed the need for NATO Allies to maintain, and even surpass, current investments into their defence institutions. Through continued investment into the Alliance's modern armed forces, Allies will present a common credible defensive front capable of maintaining the Alliance's leading edge in defence and deterrence. He thanked everyone for their attention.

Presentation by Dr Richard CONNOLLY, Director of the Center for Russian, East European, and Eurasian Studies at the University of Birmingham, Associate Fellow at RUSI, and Director, Eastern Advisory Group on *Russian Military Modernisation: Challenges and Prospects*

41. Mr Turner welcomed the guest speaker with a short introductory biography.

42. **Dr Richard CONNOLLY** thanked the NATO Parliamentary Assembly for the invitation to speak. He congratulated Mr Perrin on his excellent report. He stated that his presentation would focus principally on the economic aspects of Russian military modernisation. Dr Connolly stated that analysts should be careful about which metric they use to estimate Russian defence expenditures. Some, he noted, attempt to assign a dollar value to Russia's defence budgets as a percentage of GDP at current market exchange rates. This way of measuring Russian expenditures puts Russia on par with countries such as the United Kingdom and France, but far behind the United States and China. Dr Connolly emphasised that this is a misleading metric. While sometimes useful, measuring GDP by the current market-exchange rate can often be misleading. As such, he suggested using purchasing-power-parity (PPP) exchange rate, which adjusts for differences in costs across countries. When the Russian government makes resource allocation decisions, he stressed, it purchases military equipment and services in Russian rubbles; and one Russian ruble goes much further within Russia than the market-exchange rate would suggest. The PPP exchange rate offers a more accurate reflection, yielding a much higher Russian defence budget than the market-exchange rate.

43. Dr Connolly concluded that PPP exchange rates show that Russia spends more on the military than widely supposed, which allows Moscow to compete with the United States and NATO. As a result, he continued, it explains why Russia can acquire significant amounts of military equipment, keep large military personnel, and engage in ambitious military operations in Ukraine, Syria and elsewhere. It would not be an exaggeration, he noted, when using PPP exchange rates, to put Russian defence spending on par with approximately \$180-200 billion per annum.

44. Dr Connolly stated much of Russia's recent modernisation occurred thanks to a sharp rise in expenditures between 2010 and 2016. This period of relatively significant spending increases, he noted, was followed by moderation in defence budget allocations, which persists today. Present day Russian defence expenditures stand around the historic average of below 4%. Dr Connolly then emphasised the importance of procurement in Russian

defence spending, which has fluctuated between 25% and nearly half of total expenditures over the SAP iterations. This stands in stark contrast to NATO's members own procurement efforts, he noted, which hover around 20% of total expenditures.

45. The speaker told Committee members that Russia's military strengths lay in combat planes, mainly fourth and fourth-plus-plus generation aircraft. Moscow has not been as successful in producing fifth-generation aircraft, he said. Another area where Russia has done well is producing long-range ballistic missiles: Russia now has the most modern long-range ballistic missile force in the world. However, Dr Connolly stated that Russia has not done as well in larger naval platforms, such as nuclear-armed submarines. Similarly, Moscow has faced obstacles in producing certain tank types, such as the new T-14 Armata.

46. The speaker speculated on Russia's possibilities of producing large numbers of new weapons systems. In terms of overall research and development (R&D) expenditures measured in PPP, Russia is dwarfed by the United States, he said. Unlike in Russia, US R&D includes substantial amounts of private sector participation. However, when comparing government R&D expenditures, Russia invests just under half what the US government spends. This indicated that Russia may perform well in the years to come in developing hypersonic weapons and other new systems. This would allow Russia to punch above its economic weight, he concluded. Dr Connolly noted, however, that while Moscow is good at inventing and developing new systems, the Russian defence-industrial base is less adept at serially producing new goods. He views the industrial limitations as the Achilles heel of Russia's military system.

47. The speaker noted that Russia has other economic outlets, which allow Moscow to project strategic influence abroad. For instance, Russia often is a key supplier of strategic goods, namely oil, gas, nuclear power, weapons, and grain. Russia has carved out a strong role in the markets of South and Southeast Asia, as well as the Middle East and North Africa, South America, and Sub-Saharan Africa. Russia can use economic instruments to acquire influence in these countries, because of their dependency on Russian supplies.

48. In his recommendations, Dr Connolly stated that NATO Allies should avoid complacency towards Russia: Russia's military today is much leaner, meaner and more modern than in the 1990s and 2000s, he warned, and it does not need to spend as much to stay as powerful. Despite Russia's economic weaknesses, Moscow's never spent less than 3.5% of GDP on its defence over the last 30 years, he said.

49. The speaker also said that NATO needs a balanced assessment of Russia's strengths and weakness. Further, NATO should not ignore Russia's non-military instruments of power projection. This concerns not only hybrid warfare but also Russia's economic influence. Dr Connolly concluded that NATO could use its levers of economic power to challenge Russian ambitions.

50. Mr Turner thanked Dr Connolly for his presentation, which he viewed as both informative and a stark warning of Russia's evolving challenge to the Alliance.

51. **Irakli BERAIA** (GE) summarised the Georgian delegation's proposed amendments to the report and asked the Rapporteur to consider their addition to the report. Senator Perrin stated that he took into account the Georgian delegation's proposals, where possible, and noted they appeared in the final draft. **Nicu FALCOI** (RO) highlighted the importance of understanding the future strategic profile of Russia, the impact of Moscow's activities on NATO's defence and deterrence posture. He stated that the NATO Parliamentary Assembly should continue researching the Russian military post-pandemic. Bob Stewart asked Senator Perrin how the Russians view the strength of NATO. He highlighted what he felt was NATO's relatively slow decision-making as something he believed may be viewed as a

strategic weakness of the Alliance. He asked if Russia's military modernisation and doctrine could challenge the Alliance going forward.

52. Mr Perrin noted that he understood that Russia, as a unitary actor, could, at least in theory, make decisions faster than the Alliance, but he asked Dr Connolly for further commentary on this comparison. Alec Shelbrooke asked what Dr Connolly meant when he said that Russia is stronger at land than at sea. He inquired about the North Atlantic naval threat from Russia, as well as the strategic view of Russia's naval forces.

53. Dr Connolly first spoke on Russia's view on NATO. Moscow is well-aware that as NATO's membership goes up, there are increasing variables challenging the Alliance's cohesion, he said. The relatively slow speed of NATO's decision-making is viewed as advantageous to Russia, he continued. Russia is, however, well-behind the economic strength of NATO's countries. In military terms, Russia is particularly concerned about NATO's naval and aerial threats, particularly the American carrier groups, precision missiles, anti-ballistic missile (ABM) defence, he said. Dr Connolly then addressed Russian naval capabilities. Russia's shipbuilding programme, he said, is the third largest in the world, after China and the United States. Russian shipbuilding, however, is hobbled by the inability to mass produce certain naval components, which hampers the ability to construct a large modern fleet. The North Atlantic fleet, he said, witnessed slower modernisation than Russia's other fleets, even though there is political-strategic importance attached to the Russian presence in the north.

54. Andrew Wallace asked Dr Connolly about Russia's economic infiltration of foreign countries. He compared Moscow's approach to that of China. He asked to what extent Russia has adapted the Chinese "debt trap diplomacy" approach. He also noted that the NATO Parliamentary Assembly should examine how Russia's and China's modernisation programmes are related to one another. Dr Connolly noted that Russia uses debt diplomacy, but to a much lesser extent than China. Moscow does not have the same financial resources as Beijing. In most instances, Russia does not issue substantial loans.

55. Lara Martinho asked Dr Connolly how the pandemic will impact Russian defence investments. Dr Connolly stated that Russia's economy will contract by 4 or 4.5% in 2020, according to the International Monetary Fund (IMF). That is compared to a rough average of 8 or 10% in Europe and North America. Russia's economy ended up performing relatively well, despite the fall in oil prices. This means that Russia's defence spending – which has been an inelastic component of Russia's state expenditures – will rise in 2020 as a percentage of GDP. Moscow will not be lowering its investments, unlike many of NATO's allies, he noted.

56. **Gatis EGLITIS** (LV) asked Senator Perrin about Russia's costly military adventures in Ukraine, Syria, Libya and Sudan – all sustained under difficult economic conditions. He wondered if these foreign incursions sap Russian resources, would Russia's neighbours be in a relatively safer position due to Russia's overreach. Mr Perrin stated that Russia has been able to redirect substantial sums to its military budget, sometimes at the cost of other government programmes. Besides, Russia has found innovative ways to use private military contractors to intervene far abroad. Moscow's ability to punch above its weight should alarm its neighbours, he said. Utku Cakirozer stated that Syria and Ukraine have been testing laboratories for Russian military modernisation. He then drew attention to the Nagorno-Karabakh conflict. He asked both speakers about NATO's stance towards the conflict, whether its response has left space for greater Russian influence in Nagorno-Karabakh. Senator Perrin said he would prefer not to answer this question. Dr Connolly said that Russian foreign policy thinkers view the Nagorno-Karabakh settlement as broadly in line with Russian interests. Specifically, Moscow likes the involvement of Russia's peacekeepers in Nagorno-Karabakh.

57. Mr Turner thanked Dr Connolly and Senator Perrin for their presentations. He asked the NATO PA staff to initiate the vote for the adoption Senator Perrin's report.

58. **The revised draft General Report *Russian Military Modernisation; Challenges Ahead for NATO Allies* [030 DSC 20 E rev. 1] was adopted.**

XI. Consideration of amendments and vote on the draft Resolution on *Maintaining Allied Defence Investment Momentum after COVID-19*, [172 DSC 20 E] presented by Cédric PERRIN (France), General Rapporteur

59. Senator Perrin thanked everyone for the opportunity to present the DSC's draft resolution. The COVID-19 pandemic had an expansive impact on all aspects of our lives, he noted, saying it will take years to climb out of the COVID-19 economic hole. He praised Alliance members' strong support of one another throughout the pandemic, noting the Committee's draft resolution pays tribute to the Allied deliveries of medical supplies, logistical and repatriation support.

60. Senator Perrin said the resolution also recognised Allied armed forces' ability to maintain the Alliance's strong defence and deterrence posture throughout the COVID-19 pandemic despite the challenges brought on by the pandemic. He noted with concern that the pandemic is likely to impact the Allied defence budgets, and said that, in this difficult context, it is important to maintain the post-2014 momentum towards greater national defence investments, which also addresses the burden sharing challenges of maintaining the Alliance's collective defence and deterrence posture. He said the resolution calls on the Allies to recommit themselves to the defence spending pledges made during the Wales Summit and focus on the need to sustain these investments to meet an increasingly complex and challenging international security environment. The resolution also stipulates that the Allies should increase Euro-Atlantic industrial cooperation and calls on all Allies to protect their essential infrastructure against foreign predators, especially if these actors are peer competitors. Senator Perrin concluded by asking his colleagues for their support of the draft resolution.

61. Chairman Turner then turned to the consideration of the proposed amendments to the draft resolution. Amendment 1, submitted by the Ukrainian delegation, was withdrawn. Amendment 2, submitted by the Belgian Delegation, presented by **Daniel BACQUELAINE** (BE), suggested an emphasis on the 2% of GDP defence spending target, as stated in the Wales Summit. Amendment 2 was adopted. Amendment 3, also submitted by the Belgian Delegation, asked to expand the scope of the resolution's language about how to invest new resources in defence institutions. Mr Perrin stated his opposition to Amendment 3 out of concerns it would dilute the broader message of the resolution calling for broader investments by all Allies in their armed forces' modern capabilities. Amendment 3 was rejected by the Committee. Amendment 4, again submitted by the Belgian Delegation, asked increasing the investments in the medical components of the armed forces as. Mr Perrin stated he was in favour of the amendment, but with an amendment to the language to keep the focus on increased investments in Allied armed forces' medical staff and capabilities, and not broaden the sense of the paragraph to include recommendations that are too focused on any Ally's individual needs. Amendment 4 was adopted as amended by the Rapporteur.

62. **Thanasis DAVAKOS** (GR) requested the floor and highlighted Greece's growing defence investments, despite the economic pressures related to the ongoing pandemic. His country's increased defence spending could be explained by the tensions in the Eastern Mediterranean region, but also a steadfast commitment to the principles of the Alliance. Mr Davakos stated his full support to the resolution.

63. The draft Resolution on *Maintaining Allied Defence Investment Momentum after COVID-19*, [172 DSC 20 E], as amended, was adopted.

XII. Election of Committee and Sub-Committee Officers

64. Chairperson Turner moved to the election of Committee and Sub-Committee Officers. Given there were no contested position for the open candidacies, he proposed to proceed by silent acclamation for those members seeking officer roles in the Committee.

65. For the full Committee, Nicu Falcoi and Utku Cakirozer were elected to fill the two vacancies for Vice-Chairperson. In the Sub-Committee on Future Security and Defence Capabilities, **Pierre-Hugues BOISVENU** (CA) was elected as Vice-Chairperson. In the Sub-Committee on Transatlantic Defence and Security Cooperation, Jean-Charles Larssonneur was elected as Rapporteur. Finally, **Fikri ISIK** (TR) was elected to an alternate position on the Ukraine-NATO Interparliamentary Council (UNIC). All other Committee and Sub-Committee officers were re-elected.

XIII. Future activities of the Sub-Committee on Transatlantic Defence and Security Cooperation, and the Sub-Committee on Future Security and Defence Capabilities

66. The chairperson gave the floor to the two Sub-Committee Chairpersons to provide an update on the Sub-Committee activities. Mr Shelbrooke noted that the DSCFC plans to focus on China's military capabilities for its 2021 report and noted the Sub-Committee proposes visits to South Korea and Georgia, depending on the evolution of the COVID-19 pandemic. Atilla Mesterhazy stated that DSCTC plans to focus on security challenges in the High North for its 2021 report, and that the Sub-Committee proposes visits to Norway and Canada, again depending on the COVID-19 circumstances.

XIV. Any other business

67. No other business was raised.

XV. Date and place of the next meeting

68. The Committee will meet again for the Joint Committee Meetings scheduled for 22-24 February 2021.

XVI. Closing remarks

69. The chairperson concluded the Committee's meeting and thanked the Committee Director Ethan Corbin, Coordinator Jailee Rychen, as well as to Valérie and James, the voting team members behind the scenes. He adjourned the meeting.