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THE TRANSATLANTIC LINK
AND BURDEN SHARING
IN THE CHANGING
STRATEGIC ENVIRONMENT

Preliminary Draft Report

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EXECUTIVE SUMMARY

This preliminary draft report discusses ways to rejuvenate the transatlantic bond and to seek fairer burden sharing in the context of the NATO 2030 debate. Despite the pandemic and other new challenges, NATO continues to demonstrate its unique ability to find consensus among its 30 Allies and to deliver on its core tasks of collective defence, crisis management and cooperative security. Allies remain committed to the same set of values and share security concerns. Nevertheless, the past several years have also brought to the fore certain differences among the Allies, exemplified by sometimes unhelpful political rhetoric. External actors, especially Russia and China, continued to seek to exploit and deepen these differences. Despite progress in defence spending since 2014, the quest for fairer burden sharing within NATO and adequate support to members on the Alliance's frontlines remains unfinished.

With regard to burden sharing, the report calls on all Allies to recommit to the 2% and 20% targets by 2024 at the upcoming NATO summit. However, and without prejudice to the Wales summit commitments, there is a legitimate need for the Allies to consider potential new ways of ensuring fairer burden sharing. In particular, the Allies should recognise the special role played by the Alliance's flank countries that use their national resources to shield other NATO members from external challenges such as terrorism or irregular migration.

With regard to other avenues for reinforces transatlantic cooperation, the draft report notes that the conditions are currently favourable for North American and European Allies to agree on a common strategy on China based on the notion of "competition". The multilateralist rhetoric of the new US administration also creates a new impetus for developing a meaningful partnership between NATO and the EU. The EU efforts towards a stronger European defence capacity is to be welcomed insofar as these strengthen NATO and fully involve non-EU European Allies. The Allies should also recommit to the "in together, out together" approach to NATO-led mission, particularly in the context of the transition in Afghanistan.

The preliminary draft report supports the adoption of a new NATO Strategic Concept, which should, inter alia, promote a more 'political NATO' through increased political consultation to facilitate the convergence of views among Allies. The drafting of the new Strategic Concept offers an opportunity for all Allies to seal the new transatlantic strategy for the changing security environment and to use the full potential of this unique transatlantic relationship.

I. INTRODUCTION

1. The increased fragility of the rules-based world order, the return of geopolitical competitions and the expansion of the grey zone between war and peace present both a challenge to the transatlantic Alliance and an opportunity to adjust in order to keep NATO fit for its enduring purpose of protecting the freedom and security of its members. The devastating COVID-19 pandemic exemplified the competition between centrifugal and unifying trends in the world and within the North Atlantic Alliance. The report by the independent Group of Experts on NATO 2030 appointed by the NATO Secretary General has offered timely and thought-provoking insights on ways for NATO to address these trends and remain the most effective Alliance in history. The NATO Parliamentary Assembly continues to contribute to this intellectual discussion through its meetings and documents, including the 2020 Declaration [NATO 2030: A More United and Stronger Alliance on the Global Stage](#).

2. This draft report is intended as a further contribution to this debate which is taking place amidst growing calls for an update of NATO's Strategic Concept. The report will focus on ways to rejuvenate the transatlantic bond and to seek fairer burden sharing. Despite the pandemic and other new challenges, NATO continues to demonstrate its unique ability to find consensus among its 30 Allies and to deliver on its core tasks of collective defence, crisis management and cooperative security. Allies remain committed to the same set of values and share security concerns. Nevertheless, the past several years have also brought to the fore certain differences among the Allies, exemplified by sometimes unhelpful political rhetoric. External actors, especially Russia and China, continued to seek to exploit and deepen these differences. Despite progress in defence spending since 2014, the quest for fairer burden sharing within NATO and adequate support to members on the Alliance's frontlines remains unfinished.

3. In preparation for a NATO Summit expected to take place later in 2021, NATO Secretary General Jens Stoltenberg is drafting an ambitious agenda for transatlantic security and defence, based upon his NATO 2030 initiative. Outlining his views on the state of the transatlantic partnership, the Secretary General admitted that "in recent years, serious questions have been asked on both sides of the Atlantic about the strength of our bond. And we have seen competing visions of transatlantic relations." However, he stressed that recent political and security developments, including the inauguration of the new US administration, present "a unique opportunity to open a new chapter in our [transatlantic] relations" (NATO, 17 February 2021). This opportunity should not be missed.

II. TRANSATLANTIC SOLIDARITY IN THE CONTEXT OF THE PANDEMIC

4. Arguably the most visible feature of the contemporary international landscape is the COVID-19 pandemic. At the time of writing the pandemic continued its global march, claiming more than 2.6 million lives worldwide. However, breakthroughs in vaccinations reinforce hopes of ending the pandemic in the foreseeable future. The crisis has demonstrated the value of coordinated action via multilateral institutions and put in sharp relief the limitations of unilateral policies in confronting global challenges.

5. The Allied response to COVID-19 has provided an important testimony of the Alliance's reactive capability and of enduring solidarity between its member states. Many Allies initially responded to the crisis by focusing inwardly on the situation within their borders, and several Allies moved to protect their own resources through bans on the export of medical equipment and uncoordinated border closures or travel restrictions. As the crisis continued, however, unilateralist

tendencies gave way to impressive collaborative efforts. NATO played a valuable role by deploying unique mechanisms at its disposal to rapidly coordinate assistance and combine military and civilian resources. NATO's Euro-Atlantic Disaster Response Coordination Centre (EADRCC) was instrumental in coordinating the delivery of medical aid across the territory of the Alliance and beyond. Allies also established a Pandemic Response Trust Fund, which maintains a stockpile of medical equipment and supplies to provide immediate relief to Allies or partners in need (NATO, October 2020). The purchase and storage of relief items is managed by the NATO Support and Procurement Agency (NSPA). Allies and partners extensively used NATO mechanisms such as the Strategic Airlift Capability (SAC) and the Strategic Airlift International Solution (SALIS) programmes (NATO, 22 December 2020). In March 2020, the North Atlantic Council authorised the Rapid Air Mobility¹ crisis response measure. Turkey was the first Ally to use this measure transferring medical supplies to the UK on 10 April 2020.

6. Aid coordinated by NATO has included deploying troops to support civilian efforts, distributing essential medical supplies, building field hospitals, transporting patients, helping with testing, decontaminating public spaces, repatriating citizens, and supporting border security across the Alliance (NATO, October 2020). Allies have assisted each other and partners massively on a bilateral basis. For instance, as Italy and Spain were among the hardest hit countries in the initial stages of the outbreak, the Czech Republic bilaterally provided both countries with medical supplies, notably 10,000 protective medical suits each. Throughout 2020, Turkey provided assistance – bilaterally and through NATO mechanisms – to 157 countries, of which 25 are NATO member states. A unique support to NATO as an organisation was provided by Poland, which dispatched, in March 2021, its Medical Emergency Detachment (P-MED) to support the vaccination of military and civilian staff at NATO Headquarters in Brussels.

7. Though most beneficiaries have been located in Europe and neighbouring regions, these assistance efforts have had a transatlantic dimension, particularly through the United States' contributions. The United States has played an important role in the provision of assistance and medical equipment within the Alliance to Italy, North Macedonia, Montenegro, and Albania, and to partner countries including Bosnia and Herzegovina, the Republic of Moldova, Georgia, Ukraine, Colombia, and Afghanistan (NATO, October 2020). The United States was also among those Allies who donated medical equipment to the stockpile under the Pandemic Response Trust Fund (NATO, October 2020). Canada has also been providing airlift and other assistance to Europe, Africa, and the Middle East. Aid also crossed the Atlantic in the other direction: notably, Turkey delivered critical medical supplies (including surgical masks, overalls, disinfectant, goggles, and face shields) to the United States in April 2020 (NATO, 30 April 2020). Despite initial challenges, these assistance efforts under the auspices of NATO have fortified the transatlantic relationship.

8. Allied armed forces are contributing to the COVID-19 vaccination effort in their home countries. NATO's mechanisms were also used to deliver vaccines to deployed NATO troops. International assistance to ensure equitable access to COVID-19 vaccines worldwide is led by the World Health Organisation (WHO) and its COVAX mechanism. The Biden administration announced its plans to rejoin the WHO and contribute up to USD 4 billion for COVAX (Archick et al, 2021). That said, the so-called "vaccine nationalism" remains a problem. The European Union (EU) members decided to purchase vaccines jointly: while this has considerably increased the Union's bargaining power vis-

¹ Aircraft from across the Alliance are issued a single Call Sign. Through Rapid Air Mobility Allies are offered an accelerated process to coordinate flights through the airspace of other nations.

à-vis vaccine producers, the effort is marred by red tape, resulting in a very slow vaccine rollout. The EU Commission issued new regulations towards controlling the export of vaccines that are produced in the EU territories. The EU Commission recently tightened the scope and conditions of these regulations by issuing an Implementing act. The lack of an effective international vaccine cooperation and insufficient supply have prompted several Allies to purchase Russian or Chinese vaccines.

9. Once the pandemic winds down, the Allies will need to engage in a thorough analysis of lessons learned to ensure that the Alliance is better prepared for future crises of this kind. The fallout of the pandemic will also raise questions about the levels of defence spending in the context of struggling economies. However, the COVID-19 pandemic is also likely to exacerbate global geopolitical competitions and, in particular, increase the urgency of addressing the challenge of a rising China. The traditional security challenges for NATO such as Russian revisionism and turbulence on NATO's southern flank will also not disappear in the wake of the pandemic. Ensuring adequate funding of the defence and security sector in line with the 2014 NATO Defence Investment Pledge will therefore be an urgent challenge for the Allies and Allied legislators.

10. The post-COVID strategic environment will also require the Allies to revisit their unilateralist impulses and to further embrace multilateralism in order to retain the influence of democratic nations in – and lead the overhaul of – global institutions. The active international engagement of the United States is indispensable for the preservation of the rules-based world order.

III. THE CONTINUED US COMMITMENT TO NATO

11. The long-standing US commitment to European defence throughout the past 70 years has been central to the success of the Alliance. The large-scale presence of US forces on European soil beginning in the 1950s provided a realistic counterweight to the threat posed by the Soviet Army, gave credibility to Western deterrence, and ultimately made possible the political construction of the North Atlantic Alliance (Zimmermann, 2009). While the end of the Cold War era saw a fall in troop numbers from the peak of over 400,000 in the 1960s, the United States nonetheless maintains a strong military presence in Europe. About 74,000 personnel are permanently assigned to US European Command – serving mainly in Germany, but also in Italy, the UK, Poland, Spain, and Turkey – while another several thousand are on rotation (McInnis and McGarry, 2020). The United States also plays a key role in providing nuclear deterrence for Europe.

12. Over the past several years, questions have been raised in European capitals as well as in the expert community regarding whether the United States was shifting its strategic focus away from Europe. At least since the Obama administration, and possibly even before, the United States has acknowledged the growing importance of the Asia-Pacific for US interests and made substantially increasing diplomatic, economic and strategic investment in the region a paramount priority (Goldberg, 2016). The 'pivot to Asia' was articulated in then-Secretary of State Hillary Clinton's 2011 article *America's Pacific Century* which outlined the policy's key lines of action, namely "strengthening bilateral security alliances; deepening our working relationships with emerging powers, including with China; engaging with regional multilateral institutions; expanding trade and investment; forging abroad-based military presence; and advancing democracy and human rights" (Clinton, 2011). The US focus on Asia continued under the Trump administration, combining elements of engagement and, increasingly, of competition with China as a new major global actor.

13. Warnings about the allegedly growing US apathy towards – or even competition with – Europe have intensified following the election of Donald Trump in 2016. Critics asserted the Trump

administration had taken a transactional – rather than values-based – approach to the transatlantic Alliance. Sharp rhetoric was used on both sides of the Atlantic and included calling NATO “obsolete” and “brain dead”. After the election of Donald Trump, the German chancellor Angela Merkel famously implied that Europe can no longer be fully dependent on the United States (McGee and Parker, 2017). President Trump announced, in 2020, that the United States will be reducing its troops in Germany by 12,000 (about half of them were to be returned back to the United States while others to be redeployed elsewhere in Europe) because leaders in Berlin “were not paying their bills” (Borger, 2020).

14. Rhetoric notwithstanding, in practice the United States continued – and in some respects intensified – its engagement in European defence under the Trump administration. In particular, the Trump administration further expanded the European Deterrence Initiative (EDI), launched under the Obama administration in 2014 as a direct response to Russia's illegal annexation of Crimea. Representing the first increase in US military forces in Europe since the end of the Cold War, the EDI includes a more robust US military rotational presence, exercises and training to ensure readiness, enhanced prepositioning of equipment to facilitate rapid deployment, improvements to key infrastructure, and investments in the partnership capacity of Allies (Laçiçi, 2020). The 2018 National Defense Authorization Act included additional funding for a stronger US military presence in Europe to bolster NATO's eastern flank, and US spending on reinforcing eastern Europe has risen from \$1bn per year to USD 6bn since 2014 (Taylor, 2020). Initially considered as a short-term emergency instrument, the EDI has become a long-term US commitment to Europe and has received ongoing bipartisan support from the US Congress (Laçiçi, 2020). Under President Trump, the United States has also expanded assistance to key NATO partners, including providing key defence assets to Ukraine.

15. The US Congress also plays a pivotal role reassuring European Allies of the US continued commitment to Europe. In recent years, the Congress passed several resolutions emphasising strong bipartisan support for NATO, including one adopted in January 2019 which prohibits the use of funds for the United States to withdraw from the Alliance (US Congress, 2019). The steadfast bipartisan parliamentary support for NATO, the transatlantic link and shared democratic values is consistently demonstrated by the US members of the NATO Parliamentary Assembly, including at the last meeting of the NATO PA Transatlantic Forum in February 2021.

16. Since taking office, the Biden administration has taken swift and decisive steps to reassure NATO and its members of a renewed American willingness to lead again on the global stage and play a strong role in international institutions. In his remarks “on America's place in the world”, President Biden affirmed that “[d]iplomacy is back at the centre of our foreign policy”, and that “leading with diplomacy means standing shoulder-to-shoulder with our Allies and key partners once again” (The White House, 2021). He also announced the launch of a global posture review of US forces which aims to ensure that the US military footprint is “appropriately aligned with our foreign policy and national security priorities”. The drawdown of US forces in Europe announced under the previous administration has been put on hold pending this review and following bipartisan opposition to the plans for withdrawal (Brzozowski, 2021).

17. US Secretary of Defense Lloyd J. Austin III has made similarly strong statements, not least in placing his first official call as defence secretary to NATO Secretary General Jens Stoltenberg. In an op-ed in *The Washington Post*, Austin reiterated the United States' commitment to its multilateral alliances and partnerships including NATO, stating that “[w]e are ready to revitalise our alliances” and “work closely with our Allies and partners to secure our common interests and promote our

shared values abroad” (Austin, 2021). Moreover, an official read-out from a NATO Defence Ministerial which took place on 17 February 2021 noted that Secretary Austin “reaffirmed the President’s message that the United States intends to revitalise our relationship with the NATO Alliance and that our commitment to Article 5 remains ironclad” (US Department of Defense, 2021). Alongside these comments, the Secretary of Defense continued the tradition of encouraging Allies to increase their defence spending to fulfil the 2014 Wales summit pledge, raising the issue both in his op-ed and at the recent NATO Ministerial.

18. The Biden administration’s plans for the United States to lead with diplomacy and work more closely with Allies and partners as a consistent and reliable international partner provide ideal conditions to shape a forward-looking agenda that rebalances the transatlantic relationship to better reflect today’s realities. The new administration’s NATO agenda is overwhelmingly supported by legislators from both sides of the congressional aisle.

19. On the other side of the Atlantic, many European leaders have wholeheartedly welcomed the statements of the new administration. Already in December 2020, the European Commission laid out its proposals for enhancing cooperation with the United States in areas such as COVID-19 response, trade, technology, and climate change (European Commission, 2020). In February 2021, at the Munich Security Conference, Germany’s Angela Merkel and the United Kingdom’s Boris Johnson reacted with enthusiasm to President Biden’s “America is back” rhetoric. For the United Kingdom, which completed the Brexit process on 1 January 2021, the strategic political, economic and security partnership with the United States is a vital priority, and Prime Minister Johnson will be hoping to expand this partnership to new areas, such as the climate change.² Another large NATO Ally Turkey is also open to a reset of the US-Turkey relations, capitalising on the new US administration’s focus on dialogue and diplomacy as well as on potential alignment of the US and Turkish positions on important regional issues such as the Iranian nuclear programme. Turkey has also recently launched diplomatic initiatives to improve relations with the EU and some important actors on NATO’s southern flank, including Egypt, Israel, and Saudi Arabia. These endeavours are all important as they would contribute to opening a new chapter in transatlantic partnership.

20. That said, many in Europe do not have the certainty that Washington’s re-embrace of multilateralism is irreversible. A recent pan-European survey by European Council on Foreign Relations, conducted after the US presidential elections, found that majorities in key member states welcomed the election of Joe Biden, but still believed that Europeans should invest more in their own defence because the US security guarantees may no longer be sufficient (Krastev and Leonard, 2021). Furthermore, President Emmanuel Macron of France recently called for an increase of European defence investments as a way to rebalance the transatlantic relationship, particularly due to the United States’ shift towards the Pacific (Knight and Berry, 2021). Germany also used its Presidency of the Council of the European Union to conclude negotiations on a trade and investment pact with China in December 2020, without consulting with the incoming US administration. Given the Biden administration’s reluctance to prioritise signing new trade deals in the immediate future, the prospects of swift negotiation of an ambitious US-UK trade agreement are questionable. In sum, despite encouraging statements of a new chapter of transatlantic relations coming from the United States and Europe, Atlanticists on both sides will have to work hard to translate expectations into actual deliverables. An important aspect to keep in mind is the upcoming change of leadership in Germany as Angela Merkel will be stepping down after 16 years as Chancellor following the elections in September 2021. France will also hold presidential elections in the first half of 2022, although President Macron is eligible for re-election.

² The UK will be hosting the COP26 climate summit in Glasgow in November 2021.

IV. UPDATING AND REINVIGORATING THE TRANSATLANTIC AGENDA

21. The increased realisation of the value of joint multilateral approaches, prompted by the COVID-19 pandemic, as well as the pro-Alliance overtures by the Biden administration present a window of opportunity to review and bolster the transatlantic bond with concrete initiatives. Your Rapporteur offers the following observations and recommendations for the future transatlantic agenda:

A. BOLSTERING TRANSATLANTIC SOLIDARITY, POLITICAL UNITY, AND DEMOCRATIC VALUES IN THE NEW STRATEGIC CONCEPT

22. The need to update the NATO Strategic Concept has been highlighted by the NATO Parliamentary Assembly in a number of its past reports and policy recommendations. The exercise of drafting and adopting the new version of the Concept would provide an exceptional opportunity for Allies to have a fresh look at the state of the transatlantic link and to shore up this link with a jointly agreed agenda that is based on shared democratic values, ambitious, realistic, and fit for the changing global environment. The new Strategic Concept should reassert the political cohesion and solidarity of the Alliance in the face of new threats.

23. The new Strategic Concept should reaffirm the transatlantic commitment to the principles of democracy, individual liberty, and the rule of law. Francis Fukuyama's "end of history" thesis has been effectively postponed, and democracy cannot be taken for granted even in member states with long democratic traditions. The transatlantic Alliance will not survive if it neglects its democratic underpinnings and turns into a mere alliance of interests. Strengthening the Alliance's democratic resilience is a challenge of growing importance, particularly as new technologies empower authoritarian regimes such as China and Russia and deepen political polarisation within Euro-Atlantic societies. NATO should consider establishing a centre on democratic resilience, as proposed by the NATO PA President Gerald E. Connolly and subsequently recommended by the NATO 2030 Group of Experts ([Connolly](#), 2019; [Group of Experts](#), 2020). The human rights dimension should be more prominent in NATO's interactions with partners. The Allies should also re-energise their use of NATO as a forum for frank and regular political exchanges.

24. Back in 1949, the Allies agreed to "consult together whenever, in the opinion of any of them, the territorial integrity, political independence or security of any of the Parties is threatened" (Article 4 of the Washington Treaty). However, this clause was arguably underutilised for decades, as indicated by the calls to strengthen the political dimension of NATO in the 1956 "Three Wise Men" and 1967 Harmel reports.

25. The deterioration of the security situation in the mid-2010s prompted NATO to take important steps to increase military spending and to boost defence and deterrence measures on its eastern and south-eastern flanks. However, the shoring up of the military pillar of the Alliance has yet to be adequately dovetailed by the bolstering of its political dimension. To address this inconsistency and to explore ways to make the transatlantic Alliance "more political" was the main objective of the reflection process launched by Allied Heads of State and Government at their meeting in London in December 2019. This objective can also be expected to feature prominently in the future Strategic Concept of NATO. The need to rejuvenate the Alliance's political cohesion and unity has become more urgent in the context of intensified political divergencies – even disputes – among the Allies in recent years.

26. The Group of Experts' report has offered a number of valuable proposals in this regard. In particular, the Group suggests that Allies should hold more frequent Ministerials and potentially

expand their format to include, for instance, Ministers of Interior on issues related to terrorism in all its forms and manifestations. The Group suggested holding more informal meetings of ministers, discussing issues beyond NATO's traditional agenda and promoting more frequent interaction of national senior officials such as Political Directors (Group of Experts, 2020). The Group also recommended that "NATO should more explicitly integrate the fight against terrorism into NATO's core tasks –namely collective defence, crisis management, and cooperative security—as a cross-cutting line of effort".

27. In parallel, the NATO Parliamentary Assembly in its [2020 Declaration on NATO 2030](#), urged the governments and parliaments of the North Atlantic Alliance to increase the scope and frequency of political consultation and develop a range of tools to facilitate the convergence of views among Allies. The Assembly called for more regular exchanges on national strategic priorities and suggested setting up ad hoc working groups within NATO to address divisive issues. NATO Parliamentarians also called for making informal meetings of the North Atlantic Council (NAC) a regular new practice and suggested strengthening the role of the NATO Secretary General as facilitator of consensus building among the Allies. Finally, the Declaration urged the Allies to take full advantage of the Assembly's role as a forum for frank political exchanges by increasing dialogue between the NAC and the NATO PA at all levels.

28. To a degree, certain divergences among NATO Allies are natural and even inevitable. In particular, larger Allies have agendas beyond the Euro-Atlantic area. However, more frequent consultations in various formats could help to prevent tensions or limit their impact. Crucially, these consultations must take place at the earliest stage possible – before Allies are locked in by a national decision with potential consequences for other Allies. NATO consultation mechanisms should be more than just a venue to inform other Allies about national decisions – the Allies should have the possibility to impact each other's choices through dialogue (Lorenz, 2020).

29. The Secretary General can directly contribute to a stronger political cohesion of the Alliance. The deconfliction mechanism offered by NATO in the second half of 2020 was instrumental in reducing risks of unintended escalation in the Eastern Mediterranean and helped to create conditions for exploratory talks between NATO Allies Greece and Turkey, which resumed in January 2021 after a five-year hiatus.

30. Following up on calls for more political coordination among the Allies, the NATO Secretary General has proposed, at the Defence Ministerial in February 2021, for Allies to have more consultations on more issues, including economic matters related to security, and to organise innovative meetings, including with national security advisors or ministers for interior. He noted that the necessary procedures are already in place, but Allies must demonstrate more political will to use them.

B. ENSURING FAIRER BURDEN SHARING

31. As noted earlier, it is highly probable that the emerging security landscape will remain pretty volatile. Ensuring adequate levels of defence funding will be essential in navigating the Allies' challenges in the post-COVID world and providing the security context for economic recovery. The United States has long urged its European Allies to step up their defence investments and increase their capacity to shoulder the burden of the Euro-Atlantic security guarantee. In 2006, NATO Defence Ministers identified a minimum of 2% GDP threshold to be spent on defence as a symbol of political commitment to the Alliance's common defence and deterrence efforts. However, defence budgets continued to decline, particularly as a result of the 2008-2009 financial crisis. Following the Russian aggression against Ukraine, at the 2014 Wales Summit, NATO leaders pledged to reverse the trend

of declining defence spending and committed to “aim to move towards the 2% guideline within a decade with a view to meeting their NATO Capability Targets and filling NATO's capability shortfalls.” They also agreed to meet, within a decade, the target of spending at least 20% of their defence budgets on major new equipment. It is important to emphasise that this Defence Investment Pledge made in Wales is a pledge that all Allies signed up to. Therefore, meeting the 2% and 20% targets is not about satisfying the US request – it is about implementing the commitments the Allies made themselves, and NATO should track their progress. NATO Parliamentarians can play an important role in clarifying this aspect for their constituents.

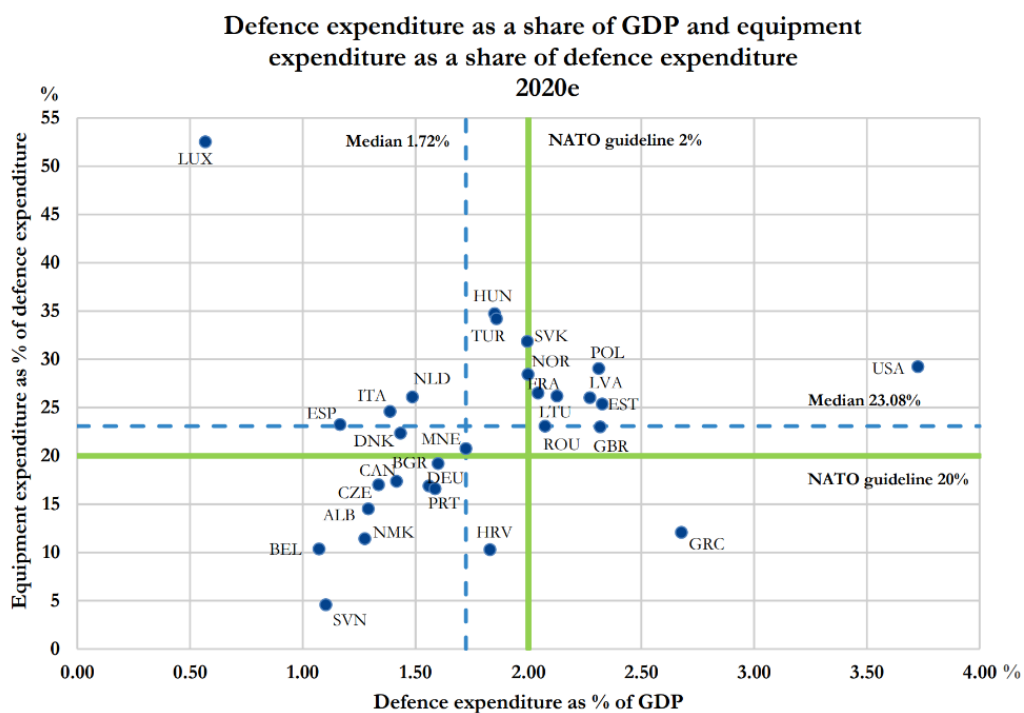
32. The impetus given at the Wales summit has attempted to rectify the imbalance in defence spending among Allies, where the United States has borne disproportionate costs. The United States spent 3.87% of its GDP on defence in 2020, of which almost 30% was spent on equipment. Today, the volume of the US defence expenditure represents more than two thirds of the Alliance's total defence spending (NATO, 2021).³ US leadership has been vocal about the need for other Allies to shoulder more of the burden, and George W. Bush and Barack Obama both pressed NATO members to increase military spending during their presidencies. The Trump administration put the issue of defence spending front and centre of its NATO agenda. In addition to numerous statements by President Trump, then-US Secretary of Defense James Mattis, while calling NATO a bedrock of transatlantic relations, also cautioned that the United States could “moderate its commitment to the alliance” in the absence of increased support for common defence from other European Allies (Sengupta, 2017).

33. The reversal of the defence budget declines in non-US Allies resulted in an overall boost in Allied defence spending, which was also helped by the good performance of Allied economies in the second part of 2010s. 2021 will be the seventh consecutive year of increased military budgets in the Alliance. In 2014, only the United Kingdom and the United States had met or surpassed both the 2% and 20% thresholds. In 2020, the 2% threshold had been reached by 11 Allies (Estonia, France, Greece, Latvia, Lithuania, Norway, Poland, Romania, Slovakia, the United Kingdom, and the United States) (NATO, 4 February 2020), while three more Allies are very close to reaching this target (Croatia, Hungary, and Turkey). Since 2014, European Allies and Canada have contributed a cumulative extra of USD 190 billion. Despite the pandemic, total defence spending in the Alliance increased by 3.9% in 2020. In 2020, 19 Allies spent at least 20% of investment in equipment, up from only four in 2014 (NATO, 22 June 2015).⁴

34. As the end of the 10-year period, indicated at the Wales summit, approaches, it seems increasingly likely that several Allies will not meet the 2% and 20% targets by 2024. For instance, while Germany is incrementally increasing its defence budget and spent 1.57% of GDP on defence in 2020, Berlin has indicated that it would only reach the 2% target by 2031. The Biden administration continues the US policy of insisting on the 2% benchmark by 2024 for all Allies, and the bipartisan support for this principle was expressed, inter alia, at the NATO PA Transatlantic Forum in February 2021.

³ NATO's own civilian and military budget is modest – only about EUR 1.87 billion for 2021. As of 2021, the US contribution to this budget is around 16% (down from 22% in the past), which is the level to which Germany currently contributes.

⁴ For more details on NATO defence spending challenges, see this year's draft General Report by the NATO PA's Economics and Security Committee.



Note: Figures for 2020 are estimates.

Source: NATO

35. The debate on the 2% yardstick is not new. It is certainly a political benchmark. Critics argue that the target is artificial and says little about actual contributions to common security as it measures inputs rather than outputs, such as contributions to NATO missions or Allies' individual efforts that contribute to Transatlantic security. Smaller nations also note that for nations with developed defence industry sectors it is easier to mobilise 2% of GDP due to a higher return on investment from their defence spending. Alternative proposals have been made: for instance, Germany offered to shoulder 10% of all Allied responsibilities by 2031, although it has yet to be clarified how to gauge these responsibilities.

36. However, your Rapporteur is convinced that all Allies should recommit to the 2% and 20% targets by 2024 at the upcoming NATO summit. First, the implementation of commitments made in a previous NATO summit impacts the credibility of the Alliance. Clear, multilaterally agreed benchmarks also empower defence ministers in their national debates on budgets vis-à-vis other decision makers such as finance ministers (Deni, 2021). Furthermore, measuring outputs could be a very complex and arbitrary endeavour. When complemented with the 20% target on equipment and steered by NATO Defence Planning Process (NDPP)⁵, the 2% target provides a workable pathway towards increasing the Alliance's overall defence capacity.

37. That said, and without prejudice to the Wales summit commitments, there is a legitimate need for the Allies to consider potential new ways of ensuring fairer burden sharing, especially in the context of the potential revision of the Strategic Concept. In particular, the Allies should recognise

⁵ NDPP is a mechanism designed to harmonise Allies' defence planning activities in order to provide forces and capabilities required for implementing NATO tasks and to ensure their interoperability.

the special role played by the Alliance's flank countries. These Allies often use their national resources to shield other NATO members from external challenges such as terrorism or irregular migration. Turkey, for instance, being situated in an extremely problematic neighbourhood, carries a heavy burden of fighting against terrorist groups on its borders. Turkey also hosts more than 4 million refugees – more than any country in the world. Turkey also provides the Alliance with crucial deterrence capacity in the Black Sea against the resurgent Russia. The Alliance does provide Turkey with some security assistance including deploying defensive missile systems and NATO Airborne Warning and Control System (AWACS) aircraft as well as investing more than USD 5 billion over the past several years in military facilities and infrastructure in Turkey (NATO, 9 March 2020). A crucial dimension of fairer burden sharing within the Alliance must include a more substantial assistance – bilateral or through NATO channels – to the military capacity of flank countries to defend themselves and to continue shielding Allies situated in more favourable geographic locations.

38. It is also imperative to underpin burden sharing through interoperability, which can only be ensured if flank countries are benefiting from full access to technology-sharing and are not subject to export restrictions. In this regard, the NATO Secretary General Stoltenberg's call for the creation of a new NATO defence innovation initiative to increase interoperability and promote transatlantic cooperation on defence innovation is to be welcomed (Belkin, 2021).

39. Future discussions on fairer burden sharing should consider the following proposals:

- NATO Secretary General Jens Stoltenberg is preparing a proposal to increase common funding for NATO deterrence and deployments. Namely, NATO activities such as the enhanced Forward Presence, the tailored Forward Presence or deployment of NATO standing maritime forces could be partially covered from NATO's common budget. According to the Secretary General, this would demonstrate stronger commitment to collective defence and incentivise Allies to provide more capabilities (NATO, 17 February 2021).
- The analysis of the previous NDPP cycle (2014-2018) found that Allies and the NATO secretariat have significantly improved NATO's defence planning process, managing to find an agreement on every single one of the identified capability requirements (Deni, 2021). This suggests that the NDPP can be increasingly used to ensure a more nuanced and tailored approach to contributions by Allies to meet the actual needs of the Alliance.
- As the security environment evolves to include new threats, Allies should consider revising what constitutes defence spending. For instance, formulas must be found to take into account spending on primarily civilian projects that nevertheless have a direct impact on collective security (Brattberg, 2021). Some experts, for instance, suggest introducing a NATO-wide "digital .2%" policy, committing to spend .2% of GDP on cybersecurity (Atlantic Council, 2020). If the definition of what constitutes defence spending were to be expanded, however, it should not compromise the implementation of the Wales Defence Investment Pledge and affect investments in conventional military hardware: such expansion must be accompanied with a corresponding upward revision of the 2% benchmark or the introduction of a new benchmark altogether for dual-use spending.
- Some experts suggest that more valuable contributions such as acquisitions of high-end, unique capabilities should count for more in burden sharing calculations (Atlantic Council, 2020).

- The idea of a “NATO Bank” has also been brought up as a means to support Allies’ defence and security investments. Such a bank, established through national contributions of NATO member states, would provide low-interest loans to projects, preferably joint ones, contributing to Alliance’s defence modernisation and development of strategic infrastructure. The bank could also be used in emergency situations, including supporting responses to unexpected crises or conflicts (Atlantic Council, 2020).

C. FORGING A TRANSATLANTIC STRATEGY ON CHINA

40. The rise of China is a major game changer in international affairs. NATO’s first reference to China at the London meeting in December 2019 as presenting both challenges and opportunities for NATO reflected a certain transatlantic divergence of the views on China: while in the US – and to a large degree in Canada – there is a clear bipartisan perception of China as mainly a rival, in Europe the views on China are much more nuanced. After all, as the NATO Secretary General has said repeatedly, the rise of China helped lift millions of people out of poverty. Chinese trade and investments are coveted across the world, including in Europe and especially its southern and southeastern parts.

41. However, Beijing’s growing muscle flexing on the global scene, harassment of neighbours and appalling human rights record, including the crackdown on democracy in Hong Kong and the treatment of the Uyghur minority, are increasingly turning the public opinion in European Allied nations against China. Furthermore, while China offered some highly publicised assistance to Europe in the early stages of the COVID-19 crisis, this assistance was also accompanied by a massive propaganda campaign and an aggressive so-called ‘wolf warrior’ diplomacy. The Chinese assertiveness has backfired and led to the European leaders harshening their rhetoric vis-à-vis China. The climate for Chinese investments in Europe has also become less favourable: for instance, the United Kingdom decided to phase out Huawei’s presence in its telecommunication networks by 2027.

42. These changing European perceptions create conditions for the North American and European Allies to develop a joint and more coherent China strategy. Such hopes are also supported by statements from Joe Biden and his team. While the Biden administration will continue to view China as a major strategic challenge to the United States, it defines the nature of this challenge in terms of competition rather than confrontation. In an article published before his election, Mr Biden said that “The United States does need to get tough with China”, adding that “the most effective way to meet that challenge is to build a united front of US Allies and partners to confront China’s abusive behaviours and human rights violations” (Brunnstrom and Pamuk, 2020).

43. Potential elements of this joint transatlantic strategy were eloquently articulated in the 2020 General Report of the NATO PA Political Committee by Congressman Gerald E. Connolly and the subsequent Assembly Resolution. These elements include encouraging constructive engagement between NATO and China on matters such as military transparency, freedom of navigation and emergency response, but also aligning defence planning, training and capability development priorities, establishing a NATO Centre of Excellence on the Indo-Pacific region, enhancing mechanisms to assess security risks linked to third-party investments, and strengthening coordination of China policy with partners such as the European Union and Indo-Pacific partners.

44. The Group of Experts’ report also highlighted the need for the Alliance to “enhance its ability to coordinate strategy and safeguard Allies’ security vis-à-vis China” (Group of Experts, 2020). The Group urged Allies to improve information-sharing on China, to build capacity of NATO

structures to monitor and defend against any Chinese activities that could impact Allied security, and to increase assistance to Allies more vulnerable to Chinese penetration, *inter alia*.

45. The actual ability of the new US administration and other Allies leaders to agree on such a joint strategy has yet to be demonstrated. At the Munich Security Conference, President Biden expressed his administration's willingness to team up with NATO Allies to "push back against the Chinese government's economic abuses and coercion" (Herszenhorn, 2021). This statement was made despite the sense of disappointment in the United States that the EU under the German presidency pressed ahead with the Comprehensive Agreement on Investment (CAI) with China in December 2020, disregarding the plea of then-incoming US National Security Adviser Jake Sullivan for 'early consultations' between the United States and its European partners on "common concerns about China's economic practices" (Kundnani, 2021).

46. The EU argued that the CAI has been in negotiation for years and that the United States itself chose a unilateral course of action by signing the Phase One trade deal with China in January 2020. Moreover, the Agreement is supposed to demonstrate the bloc's unity vis-à-vis China and counter Beijing's 'divide-and-rule' tactics (Balfour and Bomassi, 2021). Nevertheless, the optics of announcing the CAI only weeks before the inauguration of the new US President was antagonising and sent an unhelpful political signal. The Agreement was also criticised within the EU for being overly pragmatic and failing to properly reflect the bloc's democratic values. It is questionable if the CAI will ever be ratified and come into force.

47. That said, trade is an area where the United States and Europe can do more to align their interests to compete with China's state-led capitalism and troublesome practices such as forced technology transfer, massive subsidies, lack of market reciprocity and intellectual property infringements (Bomassi and Haenle, 2021). Teaming up to push through the overhaul of the World Trade Organization (WTO) is a promising way forward. For instance, North American and European nations could seek to end the paralysis of the WTO's appellate body, bolster the dispute settlement mechanism, and strengthen the mandate of the WTO director general (German Transatlanticists Group, 2021).

48. Europe and North America should also improve the exchange on best practices and harmonise the screening of third-party investments in strategic sectors. The United States' well-functioning Committee on Foreign Investment in the United States (CFIUS) can serve as a useful model to other Allies. The US-Japanese-Australian Blue Dot Network (BDN) initiative presents an example of a framework for transparent and sustainable multinational infrastructure development projects. BDN-type initiatives could provide new choices, other than China's Belt and Road Initiative, to nations in need of investments (Transatlantic Strategy Group, 2020). NATO could potentially also play a more significant role advising Allies on third-party investments, provided relevant NATO structures are endowed with adequate resources and manpower.

49. In sum, the conditions are currently favourable for North American and European Allies to agree on a common strategy on China based on the notion of "competition". China has legitimate national interests that do not always contradict those of the Allies. Where they do, the 'competition' approach would allow Allies to protect their interests and promote their values while avoiding the start of a new "Cold War". It would be advisable to enshrine and coherently define the concept of 'competition' in NATO's new Strategic Concept as well as in NATO doctrine, planning and training (Ellehuus, 2021).

D. DEVELOPING A MEANINGFUL PARTNERSHIP WITH THE EU

50. NATO and the EU have recognised each other as natural partners. Getting this relationship right is key to the efforts to preserve and foster the transatlantic link. The US motivation to continue engaging in European security depends on the European Allies' ability to shoulder more responsibilities, and the EU can be instrumental in boosting this ability. On the other hand, the EU's defence initiatives should not lead to false expectations that the EU can eventually take over full responsibility for its own defence. The extensive use of terms such as 'strategic autonomy' or 'European sovereignty' is unhelpful due to the risk of misinterpretation. An Alliance with North America will remain vital to European security. It is noteworthy that, since the United Kingdom's departure from the EU, less than half of NATO citizens are also citizens of the EU. The accumulated defence spending of the EU (including non-NATO members) accounts for less than 20% of the total Allied spending. The United States also provides a vital nuclear deterrence umbrella for Europe.

51. The milestone Joint Declarations of 2016 and 2018 were meant to provide deeper substance and regularity to this partnership. Both organisations agreed on a common set of 74 actions to reinforce cooperation; practical day-to-day collaboration between NATO and EU officers has increased as has political dialogue involving regular participation. That said, Allies differ in their assessment of the achievements of NATO-EU collaboration: while Allied EU members praise the increased level of interaction since 2016, concerns were also raised about the inclusion of non-EU Allies in the bloc's new defence initiatives. NATO should welcome EU efforts towards a stronger and more capable European defence capacity insofar as these strengthen NATO, contribute to a fair transatlantic burden sharing, and fully involve non-EU European Allies as stipulated in the agreed framework of NATO-EU cooperation of 2002-2003 which is still valid.

52. More specifically, the United States and most other non-EU Allies believe that the provisions of the EU's new instruments – the European Defence Fund (EDF) and the Permanent Structured Cooperation (PESCO), designed to incentivise European defence investments and collaboration – are too restrictive vis-à-vis the participation of non-EU members, thus fuelling suspicion that the EU is creating an industrial 'Fortress Europe' (Brzozowski, 2020). In November 2020, Germany brokered a modification of these provisions in an effort to accommodate the concerns of the non-EU Allies. A 'friendly' third country will, in theory, be able to join PESCO projects if endorsed by the European Council in each individual case. This mechanism of approving third-country participation is therefore subjective and does not prevent a potential exclusion of a non-EU Ally (Sprenger, 2020). NATO should continue insisting on further revision of these provisions to ensure a more transparent and predictable framework for the involvement of non-EU Allies. The EU's response to the United States' recent request to join PESCO's Military Mobility project will be a "critical step to identify how the United States and the EU can work together in other PESCO projects and to inform possible US-EU cooperation under other EU defence initiatives," according to the Pentagon (Sprenger, 2021). Nevertheless, US direct cooperation on capabilities with the EU should not undermine NATO's prominent role in this area.

53. One particular area of potential rapprochement between the United States and the EU is the issue of the Iranian nuclear programme. President Biden announced the US intention to rejoin the 2015 Joint Comprehensive Plan of Action (JCPOA). The EU can be credited for its efforts to keep JCPOA in place since the US withdrawal in 2018. While the details of the Biden administration's Iran policy were yet to be unveiled at the time of writing, observers have widely suggested a step-by-step approach that would entail the progressive lifting of sanctions as Iran gradually recomplies with the nuclear deal (Pierini and Vimont, 2021). A return to status quo ante is welcome from the regional security perspective, but it should not be the only objective: all parties should continue talks on further

aspects of regional security, including the scope of Tehran's missile programme. In addition to P5+1 signatories of the JCPOA, these discussions should involve other important stakeholders, including Turkey, the only NATO Ally that borders Iran. The Biden administration has already demonstrated a balanced and moderate approach to the Gulf: when an Iranian-backed militia attacked an American outpost in Iraq, the United States reacted firmly but prudently by retaliating with limited airstrikes, thereby restricting the prospects of escalation (Sanger, 2021). The Biden administration also sent a signal to Iran's arch-rival Saudi Arabia by declassifying the US intelligence report on the role of the Crown Prince Muhammed bin Salman in the assassination of Jamal Khashoggi. This move was not accompanied by severe sanctions against the Crown Prince, however. This cautious and measured approach by the Biden administration towards the region signals an opportunity for diplomacy and constructive engagement with the EU. The first conversation on regional issues between Secretary of State Antony Blinken and his British, French, and German counterparts took place on 5 February 2021 (Adebahr, 2021). It is imperative for the United States and its European allies to urgently accelerate diplomatic efforts with Iran as the upcoming presidential elections in this country could result in reduced window of opportunity for a renewed deal. Meantime, Iran's breakout time, i.e., the timeframe during which Iran could hypothetically accumulate enough fissile material for a nuclear weapon, is estimated to have reduced to four months (Adebahr, 2021).

54. In addition to defence issues and Iran, there is a significant potential for advancing transatlantic cooperation on trade, technology, and climate. These areas as well as cooperation in response to the coronavirus were among the key priorities identified by the European Commission in its proposal for a new transatlantic agenda, unveiled in December 2020 (European Commission, 2020). While a thorough discussion on these aspects is beyond the scope of this report and only indirectly linked to NATO's agenda, it is worth noting that the priorities identified by the Biden administration in these areas are widely shared in European capitals as well. While negotiating new trade deals is not at the top of the new administration's agenda and President Biden's endorsement of 'Buy American' raised some questions in Brussels, the US and EU leaders have already agreed to suspend all tariffs imposed in the context of the Airbus-Boeing disputes (Hanke Vela, 2021; European Commission, 2021). The United States remains the largest investor in the EU, and vice versa. While the resumption of the negotiations on the Transatlantic Trade and Investment Partnership (TTIP) is unrealistic, incremental progress in sectoral economic cooperation between the United States and the EU should be feasible (German Transatlanticists Group, 2021).

55. The US-EU partnership is vital in the area of technology as it dovetails the United States' technological prowess with the EU's regulatory clout (Bradford and Csernaton, 2021). North America and Europe should upgrade their collaboration, possibly through the EU-US Trade and Technology Council proposed by the European Commission, to help coordinate efforts to hold Big Tech accountable, to promote cooperation on groundbreaking technology such as artificial intelligence and 5G and to help to promote global norms that would protect privacy and provide wide access to the benefits of the fourth industrial revolution, while preventing the misuse of technology by authoritarian powers such as China or Russia. Again, the inclusion of other non-EU Allies in these endeavours is essential.

56. The Biden administration's and the EU's climate objective are similar. One of the first announcements of the new administration was the return of the United States to the Paris Agreement. President Biden has proposed a \$2 trillion 4-year programme designed to boost renewable energy and reduce carbon emissions. He also announced the ambition to achieve carbon neutrality in the US economy by 2050, which is also the goal that EU has set for itself (Brattberg, 2020). Acting together, the EU and the United States have a formidable leverage to accelerate the global climate agenda and achieve a meaningful breakthrough in mitigating climate

change. This is also an important area of potential convergence with China, which has announced its commitment to achieve carbon neutrality by 2060. Progress on the global climate agenda is of critical importance to NATO: the NATO Secretary General has repeatedly identified climate change as a strategic challenge for NATO. It is also an issue of paramount importance to the younger generation in the Allied countries, as evident from the report of NATO 2030 Young Leaders Group *NATO 2030: Embrace the Change, Guard the Values* (NATO 2030 Young Leaders Group, 2021).

E. RECALIBRATING THE TRANSATLANTIC OUT-OF-AREA COLLABORATION

57. Revisions of the US global military posture routinely reflect changing global security realities. Like its predecessors, the Biden administration will seek to eventually end the US participation in the so-called “forever wars” in the Middle East and Afghanistan. However, the timing and the conditions of the US withdrawal as well as its coordination with Allies during the process is one of the key themes of the contemporary transatlantic agenda.

58. Since 2015, NATO leads the UN-mandated Resolute Support Mission (RSM) in Afghanistan, which replaced the International Security Assistance Force (ISAF). RSM provides training, advice and assistance for the Afghan security forces and institutions. The Mission currently consists of around 10,000 troops from 36 NATO Allies and partners, including some 2,500 troops from the United States, down from about 100,000 in 2011 and some 13,000 in 2019. The United States also covers about 80% of Afghanistan’s security spending (United States Institute of Peace, 2021). Talks involving representatives of the Afghan government, the Taliban and the United States launched in 2018 and led to the signing of the *Agreement for Bringing Peace to Afghanistan* in February 2020 in Doha, Qatar. The Agreement stipulated that the US and Coalition forces will be withdrawn from Afghanistan by May 2021, while the Taliban committed to refrain from using violence, and to cut links with Al Qaeda. While some Allies expressed regret that they were not properly consulted, NATO welcomed the Doha agreement and committed to implement troop reductions accordingly. The NATO Secretary General stressed, however, that the winding down of the RSM will be “conditions-based” (Belkin, 2021).

59. As the withdrawal deadline approaches, serious doubts have been raised as to whether the Taliban are upholding their end of the deal. Independent UN monitors found that the Taliban did not completely sever ties with Al Qaeda (Reuters, 2020). The Taliban have largely stopped violent attacks on international forces, but reportedly increased attacks against Afghan security forces’ checkpoints. The Taliban were also accused of conducting a campaign of targeted killings of journalists, civil society activists, and public servants, although the Taliban denied responsibility (United States Institute of Peace, 2021). Meanwhile, the progress in intra-Afghan peace process remains fragile and slow.

60. Other arguments against the full imminent withdrawal of international forces from Afghanistan involve concerns about potential democratic backsliding in the country as well as consequences for global security. In its latest report, an authoritative Afghanistan Study Group warned that “a withdrawal in May under current conditions will likely lead to a collapse of the Afghan state and a possible renewed civil war.” The Group further noted that “a precipitous withdrawal could lead to a reconstitution of the terrorist threat to the US homeland within eighteen months to three years.” At the same time, should the Allies postpone the withdrawal, the Taliban threatened to leave the intra-Afghan peace process and to resume the military campaign against foreigners (United States Institute of Peace, 2021).

61. In this context, the Allies need to calibrate and coordinate their Afghanistan policy with the utmost prudence. The “in together, out together” principle should be at the centre of this policy.

Experts question the feasibility of maintaining RSM without US troops (Belkin, 2021) – therefore, it is encouraging that all Allies are discussing the future of the mission together. It was one of the key topics at the February 2021 Defence Ministerial: while Allies made no final decision on the future of RSM, they agreed to continue to assess together the conditions on the ground and closely consult and coordinate in the coming weeks, with the option of convening a short-notice online ministerial meeting if need be. The Allies continue to support the Afghan-owned and Afghan-led peace process and express faith that there is still time to reach a political agreement to see progress before the 1 May deadline. Meantime, Allies and NATO remain committed to maintaining the 10,000-strong RSM as a key contribution to the fight against terrorism. Allies must continue to reiterate that their presence in Afghanistan remains conditions-based and that no Ally wants to stay in Afghanistan longer than necessary. At the same time, before leaving Allies want to ensure Afghanistan never again serves as a haven for terrorists to attack the Alliance. Furthermore, the United States and its Allies must have plans to be able to provide security support to the future Afghan government, if necessity arises (Transatlantic Strategy Group, 2020).

62. The principle of joint engagement of transatlantic partners should be applied across NATO missions and operations. There is a natural temptation towards a certain ‘division of labour’ among the North American and European Allies. Indeed, it makes sense for the European Allies to take more responsibility for projecting security in their ‘own backyard’. The United States itself has been willing to take the ‘back seat’ in the Mediterranean, most notably during the UN-mandated operation *Unified Protector* in Libya in 2011, while rebalancing its military assets towards the Indo-Pacific. However, in the long term, the clean ‘division of labour’ could prove counterproductive and lead to the fragmentation of the Alliance.

63. The United States and Canada provide critical support to European defence, not least by each spearheading NATO battle groups in Poland and Latvia, respectively, as part of NATO’s enhanced Forward Presence. The United States deploys additional troops in the Baltic states on a rotational basis. The United States also provides a vital contribution to the tailored Forward Presence in the Black Sea area. This North American engagement in European operations and missions must be preserved both for political and capability reasons.

64. Likewise, the European Allies should continue and increase the demonstration of their solidarity through joint action with the United States in regions where the United States has been a leading actor, including the Gulf, Afghanistan, and the Pacific. The United Kingdom and France in particular have stepped up their maritime activities in the Indo-Pacific in recent years. In 2018, the United Kingdom deployed the HMS Albion to conduct freedom of navigation exercises near the Paracel Islands, and in 2019 the Royal Navy conducted its first joint exercise with the United States in the South China Sea. In 2018, French and British warships sailed through the South China Sea (Atlantic Council, 2020). More recently, the United Kingdom announced it would deploy the aircraft carrier HMS Queen Elizabeth to the Indo-Pacific as part of the CSG21 carrier strike group later in 2021 (Vinjamuri and Kundnani, 2021). In the Gulf, eight EU members (some members of NATO as well) launched a joint operation called European Maritime Awareness in the Strait of Hormuz (EMASOH), headquartered in the French naval base in Abu Dhabi, UAE, aiming to ensure the freedom of navigation. NATO Ally Turkey is also an essential player in the Gulf, not least due to its strategic partnership with Qatar.

V. PRELIMINARY CONCLUDING REMARKS

65. Occasional internal disagreements notwithstanding, the transatlantic Alliance continues to demonstrate the ability to reinvent itself and adapt to the needs of its members. The current period of challenges will be no different. As Rosa Balfour, director of Carnegie Europe, pointed out: “Americans and Europeans may have become more curious about the rest of the world, but the connections across the Atlantic are solid in terms of economic and financial integration, education, scientific and cultural cooperation, and people-to-people contacts” (Balfour, 2021). Despite the new global realities and the United States’ growing role as a Pacific power, the United States, Canada, and European NATO Allies continue to share many common interests and values, especially those enshrined within the 1949 North Atlantic Treaty. These underlying shared attributes have helped to anchor transatlantic relations despite the presence of challenging structural forces and the increasingly complex environment in which transatlantic defence cooperation takes place. The NATO 2030 Reflection process and especially the upcoming new Strategic Concept offer an opportunity for all Allies to seal the new transatlantic strategy for the changing security environment and to use the full potential of this unique transatlantic relationship.

66. The complexity of the transatlantic partnership agenda could not be covered comprehensively within the limits of this draft report. A number of other important areas and new opportunities for reinforcing this agenda are addressed in other Assembly reports, including the Political Committee’s General Report on the Russian challenge and the Defence and Security Committee report on arms control. Adjusting and enhancing this agenda is a perpetual exercise with potential strategic consequences for the Euro-Atlantic community, and the NATO Parliamentary Assembly is playing an important part in this endeavour.

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