



Parliament of Australia

**Report of the Parliamentary Delegation
to the 66th Annual Session of the
NATO Parliamentary Assembly
(virtual meeting)**

18 November - 23 November 2020

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Members of the Delegation

Mr Andrew Wallace MP
Leader of the Delegation

Mr Patrick Gorman MP
Deputy Leader of the Delegation

Ms Jenny Adams
Delegation Secretary

Introduction

The aims of the parliamentary delegation to the 66th NATO Parliamentary Assembly (virtual meeting) were to:

- observe the annual session of the NATO Parliamentary Assembly (NATO PA)
- gain an understanding of the role, responsibilities and priorities of the NATO PA
- renew and strengthen the Australian Parliament's ties with the NATO PA
- exchange views with colleagues from other parliaments and gain diverse perspectives on matters related to foreign affairs, defence and security.

The delegation appreciated the opportunity offered by the NATO PA to engage with parliamentary colleagues in NATO member and observer country delegations. Due to the Covid-19 pandemic this annual session, which was due to be held in Athens, Greece was held virtually from Brussels, Belgium. This meant that there was less opportunity to meet with other delegates than at previous annual sessions.

This report provides some background on the purpose of NATO and the structure and purpose of its series of meetings, and details the issues discussed at the sessions attended by members of the Australian delegation.

Background

NATO

The North Atlantic Treaty Organization (NATO) is an alliance between 30 European and North American countries committed to protecting the security of member countries. The organisation implements the North Atlantic Treaty that was signed on 4 April 1949.

While Australia is not a member of NATO, it is considered a 'global partner'. Global partners cooperate with NATO in areas of mutual interest, including emerging security challenges, and some contribute actively to NATO operations either militarily or in some other way.

NATO Parliamentary Assembly

While NATO provides for cooperation between the Executives and militaries of member countries, the NATO Parliamentary Assembly (NATO PA) is a body that facilitates cooperation between the parliamentary branches of those countries.

The NATO PA was formed in 1955 and started as a series of annual meetings between parliamentarians from the then 14 NATO member countries.

Today, the NATO PA is made up of 269 delegates from the 30 NATO member countries. In addition to NATO country delegates, delegates from 11 associate countries, four Mediterranean associate countries, the European Parliament, two Inter-parliamentary assemblies and eight parliamentary observer delegations take part in its activities, bringing the total number of delegates to approximately 360. A list of members is included as [Appendix B](#) to this report.

The NATO PA's governing body is the Standing Committee which comprises the head of each member delegation, the President, the Vice-Presidents, the Treasurer and the Secretary General.

The NATO PA has five committees that examine contemporary issues in their areas of responsibilities. These committees are:

- Civil Dimension of Security
- Defence and Security
- Economics and Security
- Political
- Science and Technology.

Annual series of meetings

The NATO PA meets twice per year, in the (northern hemisphere) Autumn and Spring.

NATO PA committees produce reports with the assistance of various experts, and these reports are considered thoroughly in draft form at the NATO PA's Spring Session each year. These reports are finalised by the committees at the Autumn Session (also called the Annual Session) and submitted to the Plenary for final adoption. The titles of each committee's reports to this Annual Session are listed at [Appendix D](#).

As well as the reports, committees formulate policy recommendations for NATO in the form of resolutions. As with the process for reports, draft resolutions are considered and finalised by committees during the Annual Session and submitted to the Plenary for adoption. The adopted resolutions are at [Appendix E](#).

Apart from the two large meetings each year, a range of delegations and site visits are undertaken by groups of NATO PA delegates. These include visits to military bases and NATO mission areas.

The Annual Session

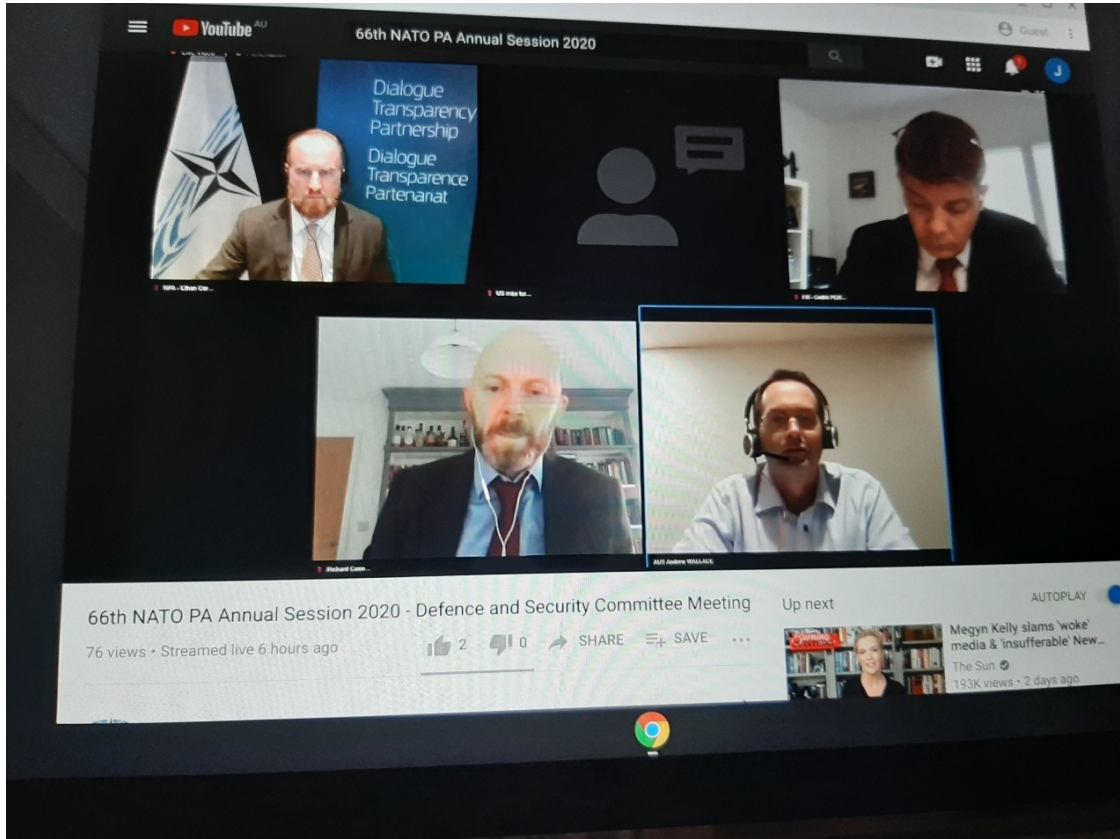
Australia first attended the NATO PA in 2009. More recently, Australia has been represented at the Annual Session of the NATO PA, every second year. Following the 2019 Annual Session, a decision was made to send a delegation each year.

The Australian delegation has observer status, and while delegates are welcome to ask questions or offer views on matters being discussed, the Australian delegation typically does not have a formal role in proceedings, such as suggesting amendments to resolutions or voting on decisions.

It should be noted that, at the Annual Session, except for the Plenary sessions on the final day, the meetings of the five committees often took place in parallel. This meant that Australia could only be represented at one or two of the committee meetings at any given time. This report therefore provides a summary of the delegation's activities, rather than seeking to cover the full range of activities undertaken by the Annual Session of the NATO PA.



Delegation Leader, Andrew Wallace MP
attending from home



Mr Wallace contributing to the Defence and Security Committee Meeting

The Australian delegation attended 11 meetings during the 66th Annual Session of the NATO Parliamentary Assembly. This included a meeting with the President of the NATO Parliamentary Assembly, Mr Attila Mesterhazy and representatives of the Japanese delegation. (The Annual Session's programme is at [Appendix A](#)).

The sessions attended by the Australian delegation covered presentations from the following:

- Opening ceremony
- Joint presentations on the Covid-19 Pandemic
- Joint speaker for the Civil Dimension of Security and Political Committees
- Political Committee
- Economics and Security Committee
- Joint speaker for the Economics and Security Committee and Science and Technology Committee
- Defence and Security Committee
- Plenary session.

Each session had at least one speaker presenting a report followed by question and answer sessions.

Opening Ceremony

The 66th Annual Session was opened by Mr Attila Mesterhazy, NATO Parliamentary Assembly President

Mr Mesterhazy discussed the impact of Covid-19 on the lives of citizens and world economies both in the short term and going forward. He also talked about how the speed of the development and rollout of vaccines was helping but stressed that the impact of Covid-19 would be felt for many years.

His outline of the agenda for the 66th Annual Session included the main security challenges that NATO continues to face:

- Russia's aggressive actions and ambitious military modernisation
- the ongoing threat of terrorism
- instability in the NATO neighbourhood from the Black Sea to the Gulf
- the unfinished Euro-Atlantic integration of the Western Balkans
- the disruptive impact of emerging technologies.

The agenda also included the challenges posed by China's rise and global ambitions.

Other areas of discussion would be NATO operations, including the situation in Afghanistan; and the adoption of the NATO PA contribution to the NATO2030 reflection process.

Mr Mesterhazy outlined the five shared values of NATO PA:

- ensuring that Europe pulls its full weight in support of its shared security
- being true to its values and to lead by example
- speaking out when the values NATO PA stands for are trampled upon, even more so when this happens in its close neighbourhood
- protecting the rules-based international order against those who seek to undermine it
- keeping the door open to those who share NATO PA values and want to join its unique community of nations.

Mr Kyriakos Mitsotakis, the Prime Minister of Greece, welcomed the NATO PA.

He spoke about the changing role of NATO including the impact of terrorism, cyber-attacks, disinformation and Covid-19. He spoke about major issues being conflict, poverty, power vacuums and lawlessness. He maintained that NATO2030 should consider intelligence sharing, investing in emerging technologies, evolving security challenges, working with countries outside of the NATO area such as India, sharing defence capability, ensuring continuity of democratic government, solidarity, unity, stability and peace. He also discussed NATO more fully engaging with the European Union.

Ms Marietta Giannakou, Head of the Greek Delegation to NATO PA welcomed delegates.

Ms Giannakou discussed the impact of Covid-19 on the world in general and on the Annual Session specifically. She spoke of the sanitary, social, economic and political impacts of Covid-19.

She reiterated the role that the NATO PA has in strengthening and championing transatlantic relations as well as the values underpinning the Alliance, while bearing in mind the importance of its role to protect and support the people and societies of the Euro-Atlantic area.

Ms Giannakou then moderated a question and answer session.

The primary discussion was about ongoing tensions between Turkey and Greece particularly in relation to the Aegean and east Mediterranean Seas, Northern Cyprus and the Exclusive Economic Zone. There were also discussions on climate change, terrorism, migration and relations with Russia.

Covid-19 Special Meeting

Each of the five NATO PA committees prepared reports on the impacts of Covid-19.

The Committee on the Civil Dimension of Security report discussed the extent to which Russia, China and Iran had removed freedoms from their citizens.

There was discussion on the amount of disinformation and propaganda that was being spread and how this heightened pre-existing tensions.

The report outlined the impact on women particularly in relation to domestic violence, and children in relation to schooling.

The report also highlighted that NATO allies lacked resilience i.e. they were not prepared for a pandemic. This demonstrated a need for NATO allies to improve coordination, to strengthen existing partnerships and to develop new relationships to enable better responses if there was a future crisis.

The Defence and Security Committee report outlined the positive joint crisis response capabilities including the use of military forces for personnel, transportation and repatriation assistance. The donation of medical supplies, the development of an emergency fund for supply purchases and the use of NATO's combined scientific knowledge helped mitigate the second wave.

The report criticised Russia for painting international nations as weak and China for trying to move the blame to other countries.

The report called on NATO allies to showcase the strength of democratic governments, to work together to bolster self-sufficiency, to counter disinformation, to maintain a focus on a shared military burden and to strengthen the partnership with the EU.

The Economics and Security Committee report outlined the economic risks particularly of a second wave which could lead to significant long-term economic challenges and political unrest.

The report discussed the need to make tough economic decisions early but also that there would be a need to unwind economic support in due course.

The report advised that there is a need for deeper international cooperation, and greater economic resilience. The Allies should also stop relying on one major supplier particularly if they are a strategic rival.

The report also emphasised the need to maintain defence spending of 2% of gross domestic product (GDP) with 20% of that being spent on equipment procurement and defence research.

The Political Committee report stated that the potential for a global pandemic had been known for years but when Covid-19 hit most of the world was ill-prepared.

Originally it was thought that authoritarian governments were better equipped to deal with the Covid-19 crisis. This was determined not to be the case with NATO being stronger now. NATO was able to demonstrate its flexibility by providing relief assistance despite not being a medical institution. While the military was utilised to distribute medical supplies, the defence capability remained unaffected. The Allies cooperated very well on a bilateral basis. The relationship between NATO and the EU was strengthened.

The report reiterated comments from the Defence and Security Committee that the 2% of GDP spend should be maintained.

The report also outlined the need for Allies to diversify their supply chains and not become dependent on China.

The Science and Technology Committee focused on the contribution of NATO's scientific capability to fight Covid-19. The Committee spoke about the use of information sharing tools to allow innovative ways of tackling the pandemic and to help ordinary people to prepare for the second wave. The report stressed the importance of ethical, legal and policy safeguards and regulations that need to be made to prevent misuse of the technologies.

The report highlighted that NATO has the largest scientific research forum where scientists can share knowledge and technical expertise.

The Committee reiterated previous comments about the need for the Allies to strengthen resilience and cooperation.

There was general discussion on the importance of the development and rollout of vaccines.

Joint speaker for the Civil Dimension of Security and Political Committees

Mr Nikos Dendias, Minister of Foreign Affairs of the Hellenic Republic.

The Greek Perspective on the Alliance's Adaption to the Changing Strategic Environment

This session discussed the need for the Allies to adapt to a changing political environment. NATO is based on certain core values enshrined in the UN Charter, human rights instruments and international law; and is not just a military alliance. These core values include democracy, the rule of law, human rights and gender equality. This is particularly important when considering issues such as defence spending, arms control, disarmament and non-proliferation; the importance of keeping partnerships open with other countries; and migration.

There was discussion on the need to maintain the 2% of GDP expenditure on defence spending and 20% of this on investment in research and development; and equipment procurement. Arms control is of concern particularly in relation to China and Russia. Mr Dendias considered that China should be brought into arms control efforts.

The issues of developing partnerships with the EU and non-traditional allies were discussed. The pandemic demonstrated that NATO could effectively work with the EU. NATO should consider investing in other multilateral institutions. There was discussion about the need to develop practical cooperation on the conflicts in Libya, Lebanon and Syria and the impacts on migration. There were differences of opinion about recognition of countries such as Kosovo, Cyprus and Taiwan. There was also discussion about partnering with other countries such as India and the United Arab Emirates.

There was significant discussion about illegal migration. This is a huge challenge for Europe but particularly Greece which feels as though it is not supported by NATO. People are wanting to come to Europe, not necessarily Greece, but there are no efficient asylum-seeking processes. The processes were set up in Cold War times when the numbers of people seeking refugee status were in the tens not in the hundreds of thousands. Many are not refugees and they need to be sent back with dignity and with appropriate human rights. There was disagreement between Turkey and Greece about their roles in the crisis. Greece accused Turkey of weaponising migration and providing disinformation such as borders being open when they are not.

There was discussion about the changing political landscape in the Middle East with the divide between Israel and the Arab world being replaced by an opposition between those who believe in peace, prosperity and human rights and those who do not.

Political Committee

The Political committee had two meetings during the Annual Session. Key matters addressed at the sessions attended by the Australian delegates are summarised below.

The NATO-EU Partnership in a Changing Global Context

Presented by Ms Sonia Krimi (France)

Ms Krimi outlined the common factors between NATO and the EU. These include similar views on democracy, rule of law, human rights, and gender equality; there are 21 mutual members, and both organisations face the same strategic challenges and threats.

These challenges include the stability of southern Europe, the consequences of the rise of China's power and hybrid threats. (Hybrid threats combine military and non-military as well as covert and overt means, including disinformation, cyber-attacks, economic pressure, deployment of irregular armed groups and use of regular forces).

The strength of the partnership was evidenced by the cooperation in handling the Covid-19 crisis especially in relation to hybrid threats and disinformation. While the partnership has deepened considerably in recent times there are still strategic and operational complications including institutional flaws, sharing of sensitive information (particularly in informal meetings) and mutual distrust. The partnership also causes problems for countries which are not NATO members.

Ms Krimi spoke about the European efforts in the fields of defence and security, outlining that they augment NATO's capabilities. She also spoke about the importance of a recent agreement reached by EU member states allowing for third party participation in Permanent Structured Cooperation (PESCO) projects. This allows like-minded states to access EU defence capability development projects.

The report concluded with three proposals:

- the formalisation of the relationship between the EU and NATO which would facilitate the exchange of information
- the creation of a platform for NATO and the EU to better understand the consequences of NATO's rising power and the challenges and opportunities this presents
- the fostering of closer cooperation on technical challenges such as artificial intelligence potentially using a model such as the European Centre of Excellence for Countering Hybrid Threats in Finland.

There was discussion about upgrading the status of the European Parliament delegation to the NATO PA. This is a discussion for the NATO PA leadership. There was also discussion about the EU's ability to become an independent security player given that EU countries have different positions on the matter.

Security and Political Dynamics in the Gulf

Presented by Mr Ahmet Yildiz (Turkey)

The report outlined the intricacies of the political and security dynamics in the area. There are several fault lines:

- the rivalry between Saudi Arabia and Iran
- the conflict within the Gulf Cooperation Council over Qatar's independent policies
- the differing views on Israel among the Gulf States.

Mr Yildiz also spoke about the effect of the US-Iranian confrontation as well as the conflicts in Syria and Yemen. There were concerns about the potential for these countries being breeding grounds for terrorists and also about the devastating impact of Covid-19.

Mr Yildiz noted that stability and peace in the Gulf region was linked to stability and security for the Allies.

There was discussion about the differences in approach from the EU and the US towards the Iranian nuclear program, the role of China in the Gulf, the war in Yemen and the post war reconstruction of Syria. There was also discussion about the impact of the Abraham Accords between Israel, the United Arab Emirates and Bahrain on security in the region. Some concern was expressed about the position of the Palestinians.

There were concerns about China sending arms to the Middle East and Russia's support of Syria. It was noted that cooperation with Russia in Syria was vital particularly in relation to terrorism, military deconfliction and other post-conflict arrangements.

The Rise of China: Implications for Global and Euro-Atlantic Security

Presented by Gerald E Connolly (United States)

This report discussed how the rise of China has altered the geopolitical landscape not only in China's neighbourhood but also closer to the Alliance. The report suggested the creation of a joint China strategy for the Euro-Atlantic nations, arguing that the Allies should prepare for an increasingly assertive, if not aggressive, China in terms of economic and military power, as well as technological leadership and cultural reach. The report discussed China's rise in three contexts: military, economic and technological. Concerns included China's crackdown on Hong Kong's democratic movement, China vetoing Taiwanese membership in the World Health Organisation and China's assertiveness in the South and East China Seas and the Arctic.

Several recommendations were made as to how to adapt the Alliance to the new geopolitical realities marked by the rise of China:

- Allies should act on the London Declaration and recalibrate NATO's strategic documents as well as its defence planning, training, and capability development priorities
- Allies should forge stronger ties with NATO's partners such as the EU, but also Australia, Japan, New Zealand and South Korea. While acknowledging that there is scope for dialogue with China
- NATO must develop the capabilities needed to monitor, engage and – when necessary – counter the threats posed by China.

In the discussion, members agreed that Allies should take the China challenge seriously, including the assessment of Chinese investments, such as in 5G networks, and its growing military and technological power. There was discussion on the importance of a North American-European strategy towards China, especially with regards to new technologies. The Euro-Atlantic community's agenda on China must include topics such as human rights and climate change. It was agreed that it is impossible to tackle global warming without China's cooperation.

Meeting with NATO President and representatives from the Japanese delegation

The Australian delegation met with the President of the NATO PA, Mr Atilla Mesterhazy, the Deputy Secretary General of the NATO Parliamentary Assembly, Mr Henrik Bliddal and delegates from Japan:

- Mr Hideki Niizuma, Member of the House of Councillors
- Mr Takayuki Yamamoto, Delegation Secretary
- Mr Hiroshi Iwashita, Delegation Secretary

The meeting commenced with an informal discussion about the differences between the 66th Annual Session and previous Annual Sessions because of the Covid-19 pandemic, such as not seeing members crossing the floor but, more importantly, that there was no opportunity to network with other delegates.

The NATO President was interested in hearing about Australian and Japanese issues particularly as the countries share common values and common threats with NATO members.

There was much discussion about the increase in power of China in the Asia-Pacific region. NATO needs to be clear about China's ambition but should not forget the value of trade relationships.

The Australian delegation spoke about the difficulties with government to government relations with China, such as the Chinese not allowing talks with Ministerial counterparts. China is restricting imports from Australia and has issued a list of grievances. This is primarily a result of Australia's suggestion to investigate the origins of Covid-19. China is a very important trading partner for Australia but there has been a consequential fracturing of Australia's ability to maintain trade relationships with China.

There is concern about the amount of money China is investing into infrastructure, via its Belt and Road Initiative in Pacific Island nations which are traditionally our friends. With this money comes a degree of control by China. Australia is stepping up in the Pacific to try and counter this. Japan agreed that China is using its power to gain control of developing countries. China sees its investments in infrastructure as its own property rather than belonging to the country they are in. Both delegations had concerns about cyber attacks given the degree of investment China has in 5G communication networks.

The Japanese delegation stated that the behaviour of China is poor, and that Australia and Japan should cooperate and share information. There is need for caution because China invests in countries on a gradual basis and it is often difficult to see the extent of investment until Chinese interests are well entrenched.

There were discussions about partnering more with India. NATO has reached out to India but to date there has been no 'meeting of minds' particularly around military co-operation. Japan has good ties with India particularly as a partner in the

Indo-Pacific region. It was suggested that NATO should try again with India in these discussions.

The Australian delegation spoke of similar beliefs they hold with NATO such as the rule of law, democracy and human rights. While trade is important these values should not be watered down.

There was also discussion about Covid-19 and how it was managed by Australia, Japan and Europe. Australia had hard lockdowns and acted quickly. Japan had less stringent rules. They asked the population to do the right thing rather than mandated compliance. It is hard to compare Australia to Europe because the fluid borders make it very hard to lockdown. There was agreement that if Europe secures vaccines then they should be available to all countries. Australia will do this as well.

Economics and Security Committee

The Economics and Security Committee had two meetings during the Annual Session. Key matters addressed at the sessions attended by the Australian delegates are summarised below.

The Black Sea Region: Economic and Geo-Political Tensions

Presented by Ms Ausrine Armonaite (Lithuania)

Ms Armonaite spoke about the Black Sea region being at the crossroads of Europe, Asia and the Middle East and a vital route for the movement of oil and gas to Europe. The region has economic and political potential, but it remains hampered by international and civil conflicts. There has, however, been some economic success stories such as Turkey, Romania and Bulgaria.

Russia has an interest in provoking conflict within the region rather than the NATO model of stability and a welcoming attitude towards the confident, democratic and prosperous states on its borders. As Russia supplies 40% of Europe's oil and is actively increasing European dependence on Russia's oil and gas to extend its political and diplomatic leverage, Europe needs to diversify its critical industry suppliers.

It is essential to enhance regional cooperation which will lead to long-term development and prosperity. NATO remains critical to regional security.

Ms Armonaite suggested the following policies. NATO should:

- continue to insist upon respect for international law, including independence, sovereignty and territorial integrity
- maintain the current sanctions on Russia while increasing support for Georgia and the Ukraine
- move towards sustainable energy, nuclear power and build LNG port facilities
- support cooperative efforts in the Black Sea to foster dialogue and achieve agreements on matters of shared concern.

The Gulf Crisis and Global Energy Markets

Presented by Mr Faik Oztrack (Turkey)

The Gulf States are the lynchpins of the global energy system, but they were facing new challenges prior to Covid-19, including the increase in shale oil and gas production in the United States, the falling costs of renewable energy and global concerns about climate change. Prior to Covid-19, the United States was set to become a net energy exporter which would have had far-reaching geo-political

implications. Falling oil prices, however, have slowed the growing United States shale industry and have strengthened OPEC.

The Gulf region appears to be in crisis. Wars in Iraq, Yemen and Syria; Iran's nuclear weapons program; the rivalry between Qatar on one side and Saudi Arabia, the United Arab Emirates and Bahrain on the other, and interventions in various wars by Iran, Saudi Arabia and the United Arab Emirates demonstrate this.

There have been some positives. The recent break through between Israel and some Gulf Arab states comes from a shared interest in deterring Iran as well as broader regional stability and developing commercial ties.

The recent attack by Houthi rebels, backed by Iran, on Saudi Arabia's oil fields and processing facilities, however, showed how easily inexpensive missile and drone technology could disrupt the global energy market. The attack also showed how reliant on the United States the Gulf states are for regional stability.

The report noted the changing EU and United States relations with the Gulf countries and the shared interest in Gulf stability. Russia's actions in the Gulf, however, are determined by its energy interests and its ambitions to counter the United States and NATO globally. Russia has worked with the Gulf's regional energy exporters to undermine European efforts to diversify suppliers and to attract Gulf investment in Russia which has been badly hit by sanctions. China is also expanding its interest in the Gulf. It has not become involved in domestic or regional security matters but is using its Belt and Road Initiative to advance its commercial and strategic interests, particularly its growing need for imported energy. China has increased its naval presence in the region in part to stop the United States interfering in China's energy supply.

The Gulf region has been hit hard by the Covid-19 pandemic and the subsequent fall in energy prices. The Gulf's labour markets have also been badly affected, especially its migrant workers. This has the potential to cause challenges from a human rights perspective, as well as economically. The region's responses to Covid-19 have significant geo-political implications. Medical assistance has been offered to Iran in an attempt to improve relations and to avoid conflict.

The paper proposed that Europe and the United States should:

- work together to lower tensions in the Gulf
- foster reconciliation with the Gulf Cooperation Council (GCC)
- ensure that rivalry between Iran and the GCC member countries does not lead to higher levels of conflict.

Long term stability in the Gulf will require domestic economic reform, a higher degree of tolerance and a more equitable distribution of wealth.

There was discussion about the emergence of nuclear power in the Gulf. NATO should be involved in the construction of nuclear power plants to limit the involvement of Russia and China.

Joint speaker for the Economics and Security; and Science and Technology Committees

Dr Stamatios Krimigis,

Head Emeritus of the Space Department Applied Physics Laboratory at Johns Hopkins University, Advisor to the Minister for Digital Governance (Greece) and Space Science Chair, Academy of Athens

Importance of Space in Security and Economy

The Global Space Economy is worth approximately \$360 billion (bn) per annum. Of this \$81bn was spent by governments and the balance by commercial interests. (All figures are in USD).

Government expenditure is broken down into:

- \$50bn by the United States (Defence \$30bn and NASA \$20bn)
- \$11.5bn by Europe
- \$8.5-9bn by China
- balance mainly by India, Japan and Russia.

The EU invests in three main projects:

- Galileo project which is the European global navigation satellite system. This allows people to find out where they are, anywhere on the globe.
- Copernicus program which is the European contribution to the international global warning data.
- European Space Agency which contributes to a number of programs, namely Science and Exploration; Safety and Security (e.g. space objects and space weather); Applications (e.g. data on temperature of earth at a point in time); and Enabling and Support.

Space is going through a transformation. There are new game changing technologies and applications such as:

- Artificial Intelligence, big data and analytics. This includes signal intelligence and reconnaissance from multiple sources. This will allow for things such as near real time Google Earth.
- position, navigation and timing. This covers things such as precise geolocation spoofing technology particularly used by the military.

- satellite communications from Low Earth Orbit and 5G. There are thousands of unmanned vehicles using satellite communication, 5G and ISR {Intelligence, Surveillance and Reconnaissance} technologies. This is a project called EuroSWARM.
- small satellites providing persistent monitoring of points on the Earth allowing for real time data. Applications could include monitoring of refugee flows.
- responsive launchers allowing payloads to go into orbit within days of a decision. The cost of launching can be reduced by 75-80 per cent.
- NewSpace. Private investment from people such as Elon Musk and Jeff Bezos and also start-ups leading to new game changing applications for launchers and satellites.

Other changes include optical communications which are going to change speeds from megabits per second to gigabits per second allowing for ten times more data and 10 times more speed.

Continued investment is needed. The United States has the Defence Advanced Research Projects Agency and NATO needs to have something similar. These agencies bring game changing technologies, linked to capability needs, into operation with short turnaround times.

There was discussion about the growing number of players with access to space technologies. This could lead to positive solutions for societal issues such as the environment, cyber security, military operations, autonomous decision making power and civil and political protection.

A further discussion was had on the issue of space debris and the risk of it re-entering the atmosphere or damaging the international space station or other satellites. The UK had considered a program to deorbit space debris but there has been no strategy on how to do this in a collective way. It is hoped that the United States will take the lead on this and, in the next few years, there should be a strategy on how to deal with this important issue.

There was further discussion on the rules around who uses space particularly with the number of private satellites. Permission is sought from the United States Department of Commerce but there is no international agreement on who goes where and how. The principal practice is that the launchers that take the satellites into orbit should re-enter the atmosphere and burn up. There is no requirement for these vehicles to return to Earth. There is a dire need for international regulation in this regard.

Defence and Security Committee

The Defence and Security Committee had two meetings during the Annual Session. Key matters addressed at the sessions attended by the Australian delegates are summarised below.

Mr Nikolaos Panagiotopoulos, Minister of National Defence of the Hellenic Republic

NATO's Adaptation Process and Developments in The Eastern Mediterranean

Mr Panagiotopoulos spoke of his government's commitment to maintaining a robust military capable of defending the nation and upholding Greece's commitment to NATO. He talked of the increasingly complex security environment, particularly in the eastern Mediterranean where Greece was being provoked by another NATO ally. He stated that these actions threatened regional stability and NATO cohesion. He supported NATO's deconfliction mechanism as well as international law as ways of finding a political solution to the challenges. He noted the importance of the continued commitment, of all Allies, to their obligations under international law and a policy of good conduct with neighbours. He suggested that NATO should continue with its policy of consensus decision making, not majority voting, as a way of alleviating rifts between Allies and strengthening the legitimacy of NATO's actions.

The Minister confirmed Greece's commitment to NATO's defence spending guidelines and missions and operations such as in Iraq, Afghanistan and the Mediterranean.

Mr Panagiotopoulos addressed the issue of ideological extremists infiltrating migration flows to Europe via Greece. He highlighted Greece's frontline role in mitigating the threats and suggested that NATO could take a greater role via its missions and presence in the area.

The Minister concluded by saying that NATO's greatest strength is its ability to adapt and respond to new security threats and challenges.

There was discussion about whether the EU mutual assistance clause or new instruments such as the Permanent Structured Cooperation, rather than NATO, should be used to handle the broader migration problem in Europe. The Minister's view was that the EU should be more involved in handling the migration problem which currently falls disproportionately to Greece, Italy and Spain. NATO could contribute by monitoring border operations on migration flows but could also help combat the human trafficking networks exploiting the mass migration phenomenon.

There was general discussion about resolving the current conflict between Turkey and Greece. Both Greece and Turkey stated that they were open to a resolution to the issue based on peace, stability and security.

NATO's Defence and Related Security Capacity Building Initiative

Presented by Ms Lara Martinho (Portugal)

Ms Martinho spoke about how NATO Allies not only assisted each other during the Covid-19 pandemic but also assisted others in the region through the supply of critical medical supplies. The ongoing engagement with other countries relies on long established initiatives to help them build capable and sustainable armed forces. These defence capacity building efforts will help maintain peace in their own countries and also with NATO Allies.

The Defence and Security Capacity Building (DCB) initiative is a key part of NATO's partner outreach. DCB packages have been awarded to Georgia, Jordan, Republic of Moldova, Iraq and Tunisia.

The report had six recommendations:

- there should be strong political support for NATSO's DCB initiative
- NATO security should help all citizens
- there should be greater transparency and better information sharing by NATO and the DCB package recipients
- support for the DCB initiative should be maintained as a strategic priority
- the current DCB recipients must continue to have NATO support
- Ukraine should be offered a DCB Package.

Mr Wallace, the Australian Delegation Leader, asked about the NATO view on the withdrawal of American troops from Afghanistan. The view was that the potential drawdown has attracted a significant amount of debate in the United States. There were concerns that the move could put American and Allied troops at risk. There was ongoing discussion with President Trump, and it was hoped that no irreversible decisions would be made before the Biden administration began. No talks had been held with President-elect Biden. The view is that the coalition went in together and should come out together.

Key Challenges to Maintaining Peace and Security in the Western Balkans

Presented by Mr Jean-Charles Larssonneur (France)

There have been some recent developments in the Western Balkans. These include an agreement between Serbia and Kosovo which potentially unlocks new economic opportunities between the two, although there are still security challenges and the Western Balkans nations continued focus on joining NATO and the EU.

There are other security challenges. Bosnia and Herzegovina is facing political, economic and social grid-lock. The voters want proper elections and a change of government. They want to remove the corruption that is present in the country.

Ethnic differences are manipulated for political gain across the region, particularly by violent extremist organisations.

There are worrying trends across the region that are resulting in weakened state institutions, democracy and the rule of law. These are being exploited by external players such as Russia and China. These powers seek to undermine the ideals and political agendas of the Euro-Atlantic community. China is investing heavily in the region and is trying to expand its security operations.

Covid-19 has had a major impact, but the Allies acted quickly to help with medical and financial assistance and, with the EU, to counteract Russian and Chinese disinformation.

The report had five recommendations:

- NATO should look for ways to overcome the current political impasse in Bosnia and Herzegovina
- Parliamentarians of NATO Member Nations should contribute to finding a solution to the Serbia and Kosovo disagreement
- NATO and the European Union should cooperate to address the rule of law issues and to ensure democratic improvements in the region
- NATO should ensure that engagement is based on common liberal democratic values
- NATO members should work with aspiring allies that will uphold NATO's values of the rule of law, human rights and democracy.

Russian Military Modernisation: Challenges Ahead for NATO Allies

Presented by Mr Cedric Perrin (France)

The report focussed primarily on the progress of Russia's large-scale defence procurement priorities under the State Armament Programmes (SAP). These programmes sought to overhaul Russia's armed forces equipment and procurement processes. SAP 2020 saw a large build-up of equipment but this has slowed under SAP 2027. The most significant factors causing the slowdown were the impacts of sanctions, the drop in oil prices causing a reduction in revenue and the loss of Ukraine as a defence industrial exchange partner. Covid-19 has also impacted the economy. Russian defence spending has been reduced but there are civil problems caused by the amount of defence spending in tight economic times. President Putin's popularity has fallen as have living standards.

Russia has focussed on modernising and adapting its armed forces to back up its increasingly aggressive foreign policy. Russia is using hybrid threats, disinformation, propaganda, proxies and private military contractors to intervene in conflict hotspots and to undermine NATO's values.

NATO needs to continue to invest in its armed forces as this will present a credible defensive front, maintaining NATO's leading edge in defence and deterrence.

Speaker for the Defence and Security Committee

Russian Military Modernisation: Challenges and prospects

Dr Richard Connolly

Director of the Centre for Russian, East European and Eurasian Studies at the University of Birmingham, Associate Fellow at the Royal United Services Institute

Dr Connolly spoke predominantly on the economic aspects of Russian military modernisation. He noted that analysts need to be careful about how they estimate Russia's defence expenditure. He said that assigning a dollar value as a percentage of GDP based on current market exchange rates underestimates the amount Russia actually spends. He suggested using a purchasing power parity (PPR) exchange rate which adjusts for differences in costs across countries. Russia purchases military equipment in Russian rubles which go further in Russia than the market exchange rate suggests. As a percentage of GDP, Russia spends about as much as the United Kingdom or France. Using the PPR it spends a similar amount to the United States. This is why Russia has been able to buy large amounts of military equipment, keep significant numbers of military personnel, and engage in ambitious military operations such as those in Ukraine and Syria.

A sharp rise in military expenditure between 2010 and 2016 has led to Russian military modernisation. Procurement, as a share of expenditure is approximately 35% which is much higher than NATO's aim of 20%.

Russia has done well in producing 4th and 4^{th++} generation aircraft and long range ballistic missiles but has had less success with 5th generation aircraft, larger naval platforms such as nuclear-powered submarines and tank types such as the new T-14 Armata. Its long range ballistic missile force, however, is the most modern in the world. Russia is stronger on land than at sea.

In terms of overall research and development expenditure, Russia spends approximately half of what the United States spends, and this does not allow for the significant amount spent by the private sector in the United States.

It is expected that Russia will perform well in developing hypersonic weapons and other new weapons systems in the future. Russia is good at developing new systems but the Russian defence – industrial base is not good at serially producing goods. This is the biggest problem for the Russian military system.

Russia has other economic levers that allow it to have strategic influence overseas. Russia is a key supplier of oil, gas, nuclear power, weapons and grain. It has strong markets in Asia, the Middle East, North Africa, sub-Saharan Africa and South America

and can have influence in these regions because of their dependency on Russian supplies.

Dr Connolly advised that the Allies should avoid complacency towards Russia. Its military is leaner and more modern than in the 1990s and 2000s and does not need to spend as much to stay powerful. NATO needs a balanced assessment of Russia's strengths and weaknesses and should not ignore Russia's non-military instruments including hybrid warfare and economic influence. NATO should use its economic levers to challenge Russia's ambitions.

There was discussion about the impact of Russia's activities on NATO's defence and deterrence stand. Dr Connolly said that Russia is aware that as NATO membership increases there are more variables that could challenge NATO's cohesion. The relatively slow speed of NATO's decision-making is considered advantageous to Russia. Russia, however, does not have the economic strength of NATO countries. Russia is concerned about the strength of NATO's aerial and naval capabilities particularly the precision missiles, and the anti-ballistic missile defence. Russia has the third largest ship building program but is unable to mass produce certain naval components which limits its ability to construct a large modern fleet. Its North Atlantic fleet is dated despite the political-strategic importance Russia attaches to northern Europe.

Mr Wallace, the Australian delegation leader, asked about Russia's economic infiltration of foreign countries and how that compares to China's 'debt trap diplomacy approach'. Dr Connolly noted that Russia uses debt diplomacy but to a lesser extent than China. Russia does not have the same financial resources as China and, usually, does not issue substantial loans.

There was discussion about whether Russia's costly military missions in the Ukraine, Syria, Libya and Sudan would sap Russia's resources leaving Russia's neighbours in a relatively safer position due to overreach. Russia, however, redirects substantial funds from other government programs to its military budget. Russia also uses private military contractors in overseas countries. Russia has been using Syria and the Ukraine as tests for its military modernisation.

Plenary Sitting

The Plenary Sitting was the final meeting of the 66th Annual Session of the NATO Parliamentary Assembly and was held on 23 November 2020.

The sitting was addressed by the President of the NATO PA, Mr Attila Mesterhazy and the Secretary General of NATO and Chairman of the North Atlantic Council, Mr Jens Stoltenberg. The full addresses are included as Appendix C to this report. Both speakers spoke about the Covid-19 crisis and the security, social and economic impacts.

Mr Mesterhazy discussed the need to better confront some new challenges including the rise of China and the dependence on Beijing in strategic sectors and the need to better counter disinformation and propaganda. He also spoke about ongoing security challenges including Russia's aggressive actions, instability in the NATO neighbourhood, hybrid and cyber threats and emerging and disruptive technologies.

He spoke about the need to maintain NATO's commitment to collective defence. To support this, there is a need to maintain defence spending and investment in innovation and technology. He also spoke of the bond between Europe and the United States.

He addressed the need to protect the rules-based international order by working with like-minded partners in Europe and Asia. Allies must consult better and make faster decisions while preserving the fundamental principle of consensus.

Mr Stoltenberg spoke about the priorities for NATO 2030:

- NATO needs to maintain a strong military alliance. There is a need to fight against international terrorism. He spoke about the need to remain in Afghanistan as long as necessary even though the United States is reducing its presence. (NATO subsequently started to withdraw troops in mid-April following the US decision to withdraw totally by 11 September 2021).
- The need to strengthen NATO as a political alliance and use it as a forum for frank discussion on a wide range of security issues. These include Russia, the Middle East, China and new and disruptive technologies.
- NATO should take a more global approach. The challenges faced are increasingly global. These include terrorism, cyber threats, the proliferation of nuclear weapons, pandemics and disinformation campaigns.

A question and answer session covered topics including working with the EU, continued defence spending despite the economic impact of Covid-19, burden sharing between the NATO Member Nations, concerns about Russia and China, human rights abuses, the changes in the relationship with the United States under a Biden presidency, on-going conflicts in Europe, the Middle East and Africa and the need to improve gender equality and the safety of women in areas of conflict.

Each of the five Committees presented their reports (detailed in Appendix D). From these, the NATO PA adopted a number of resolutions. These are detailed in Appendix E.

There was an election of office bearers including for the position of President of the Assembly. Gerald E. Connolly, from the United States, was elected by acclamation.

Conclusion

The delegation's attendance at the virtual 66th Annual Session of the NATO Parliamentary Assembly (NATO PA) was a useful continuation of the Australian Parliament's engagement with parliamentarians of NATO member countries and additional delegations.

It provided a valuable opportunity to gain an insight into the workings of the NATO PA and also into the issues of concern of member countries and how these are expressed or resolved within NATO.

Australia's observer status meant that, while its contributions to the formal proceedings was limited, it did allow for involvement in the discussion of the various papers presented at the committee meetings.

In the delegation's assessment, involvement in the virtual meetings achieved the aims outlined at the beginning of this report.

The Covid-19 pandemic severely impacted the logistics for the Annual Session which was meant to be held in Athens, Greece. It was instead held virtually from Brussels, Belgium. The delegation notes the excellent arrangements put in place by the NATO PA's Secretariat and thanks it for its assistance both before and after the event.

The Australian delegation would also like to thank Ms Jenny Adams for her dedication in providing secretariat support during the course of the 66th Annual Session, which were held late at night and in the early hours of the morning, Australian time.



Andrew Wallace MP
Delegation Leader

27 May 2021

Appendix A: Australian Delegation Programme

66TH ANNUAL SESSION VIRTUAL MEETINGS, 18 - 23 NOVEMBER 2020

WEDNESDAY 18 NOVEMBER

Opening Ceremony
Covid-19 Special Meeting

THURSDAY 19 NOVEMBER

Joint Speaker: Committee on The Civil Dimension of Security and Political Committee
Political Committee Meeting

FRIDAY 20 NOVEMBER

Meeting with NATO PA President and Japanese Delegation
Economics and Security Committee Meeting
Joint Speaker: Economics and Security Committee and Science and Technology
Committee
Political Committee Meeting

SATURDAY 21 NOVEMBER

Economics and Security Committee Meeting
Defence and Security Committee Meeting

SUNDAY 22 NOVEMBER

Defence and Security Committee Meeting

MONDAY 23 NOVEMBER

Plenary Sitting

Appendix B: Delegations of the NATO Parliamentary Assembly

NATO Members

Albania
Belgium
Bulgaria
Canada
Croatia
Czech Republic
Denmark
Estonia
France
Germany
Greece
Hungary
Iceland
Italy
Latvia
Lithuania
Luxembourg
Montenegro
Netherlands
North Macedonia
Norway
Poland
Portugal
Romania
Slovakia
Slovenia
Spain
Turkey
United Kingdom
United States

Associate delegations

Armenia
Austria
Azerbaijan
Bosnia and Herzegovina
Finland
Georgia
Republic of Moldova
Serbia
Sweden
Switzerland
Ukraine

European Parliament

Regional Partner and Mediterranean Associate Member Delegations

Algeria
Israel
Jordan
Morocco

Parliamentary Observer Delegations

Assembly of Kosovo
Australia
Egypt
Japan
Kazakhstan
Palestinian National Council
Republic of Korea
Tunisia

Inter-Parliamentary Assembly Delegations

Parliamentary Assembly of the Organization for Security and Co-operation in Europe (OSCE PA)
Parliamentary Assembly of the Council of Europe (PACE)

Appendix C: Addresses

Address by Mr Attila Mesterhazy, NATO Parliamentary Assembly President delivered at the plenary sitting of the NATO Parliamentary Assembly on 23 November 2020

Opening of the Sitting and President's Speech

Order, order. I declare open the Annual Session of the 2020 the NATO Parliamentary Assembly.

Welcome to all of you and a special word of welcome to NATO Secretary General Jens Stoltenberg who will join me on screen in a moment.

A key theme for our sitting today will be how NATO adapts to remain a political-military transatlantic alliance unsurpassed today and in the future.

One year ago, at their December meeting in London, Allied leaders decided to launch a reflection process on ways to strengthen NATO further.

Of course, they did not know then that this process would coincide with the most serious, profound, and wide-ranging crisis which our societies and economies have known in decades. COVID-19 has taught us important lessons about our ability to sustain major global shocks – as societies and as an international community. This pandemic has also confirmed that our nations must learn to better confront a number of new dynamics and new challenges. Among these are the rise of China and our dependence on Beijing in strategic sectors and the need to better counter disinformation and propaganda.

For all these reasons, COVID-19 is a security issue.

But of course, the security challenges which predated the pandemic have not disappeared. To the contrary. First among these are Russia's aggressive actions; terrorism; instability in our neighbourhood; hybrid and cyber threats; and emerging and disruptive technologies.

NATO 2030 offers a timely and important opportunity – to ensure NATO is prepared to deal with these challenges and any future ones and to learn the lessons from the COVID-19 pandemic.

A key pillar of this Alliance is the remarkable commitment to collective defence – NATO's defining principle enshrined in Article 5. Allies must continue to demonstrate this commitment in words and in deeds. In this, the Alliance should not overreach, but it must address the entire range of complex and diverse threats at 360 degrees.

To back up this commitment, we must continue to maintain defence spending and investment in innovation and technology, despite the increased pressure on public budgets in the wake of the pandemic. But we must also work harder to achieve a fair sharing of the burdens and responsibilities for defence. This is essential for NATO's ability to address today's complex threat environment. But it is also essential for transatlantic unity and solidarity.

The bond uniting Europe and North America is unique. It is the wellspring of NATO's unmatched political and military strength. We cannot let it weaken.

Similarly, our values must remain our compass. We must protect them and resolutely counter those who seek to undermine the democratic foundations of our societies and institutions.

We must also do more to protect the rules-based international order, working with like-minded partners, from Europe to Asia. This order is threatened by many factors. Russia of course, and its many ongoing violations of international law. But also China and its attempt to impose its own vision and values. Let me be clear: China must act as a responsible global player. We can no longer afford to be naïve about its ambitions and role.

Recommitting NATO to shared values is also a prerequisite for strengthening the political dimension within NATO. Allies must consult more and better. This will increase predictability among Allies, foster a better understanding of Allies' national interests and policies, and promote a greater convergence of interests and strategic priorities.

Allies must also make decisions faster and streamline their decision-making processes, while preserving the fundamental principle of consensus.

The diversity of today's threats and a multipolar world make it more difficult for many citizens to understand NATO's mission and contribution to security. Yet public support is an indispensable element of NATO's strength and credibility. We must strengthen communication and public diplomacy to explain how NATO delivers security for citizens. And we must back it up with the necessary resources.

Our Assembly is particularly well placed to support key elements of this vision: whether it is about enhanced political consultation; rededicating ourselves to our shared values; maintaining public support for NATO; keeping up efforts on defence spending and innovation; or broadening NATO's network of partners. We complement and amplify NATO's action in ways no other organisation can.

Therefore, I want to thank NATO Secretary General Jens Stoltenberg for recognizing our Assembly as a key stakeholder in NATO 2030 and reiterate our commitment to support this process as best we can.

Later this afternoon, I will present a draft declaration which includes a number of recommendations on NATO 2030. This text draws much of its inspiration from the contributions which Assembly delegations have submitted over the summer and early autumn. I therefore sincerely hope you will be able to support it.

**Address by H.E. Mr Jens Stoltenberg, NATO Secretary General
delivered at the plenary sitting of the NATO Parliamentary Assembly
on 23 November 2020**

Adapting NATO for 2030 and beyond

Thank you so much, President Mesterházy, dear Attila.
And thank you for your leadership of the NATO Parliamentary Assembly in this very difficult period.

I really enjoyed working with you and appreciate also the many phone calls we had during your tenure as the President of the NATO PA.

Honourable members.

Dear friends and colleagues.

It is a pleasure to be with you all again.

I last addressed your Annual Session a year ago in London. Since then, COVID-19 has changed our lives in ways we could barely have imagined. None of the countries and communities you represent have been left untouched. NATO Allies and our militaries have been supporting each other and our partners throughout this pandemic. Transporting critical medical supplies, patients and experts. Setting up military field hospitals and securing borders. Supporting civilian efforts and helping to save lives.

As we now face the next wave, NATO has established a stockpile of medical supplies in Italy. It's already being used to provide for Allies in need. Just in the last few weeks, we have distributed hundreds of extra ventilators to our Allies in Albania, the Czech Republic, Montenegro and North Macedonia. And we are ready to provide further assistance.

At the same time, we remain vigilant and ready. Because NATO's main responsibility is to make sure this health crisis does not become a security crisis. Our military readiness has been upheld. And our missions and operations continue. From our battlegroups in the east of the Alliance. To Kosovo, Afghanistan and Iraq.

This is NATO adaptation at its best. And this is what I want to talk to you about today. How NATO can continue to evolve, in the face of an ever-more uncertain world.

Last December, NATO Leaders asked me to lead a forward-looking reflection. To future-proof our Alliance. That is why I launched NATO 2030. To make our strong Alliance even stronger. And fit to face any challenge. In the next decade and beyond.

My priorities for NATO 2030 are:

To ensure NATO remains a strong military Alliance. Becomes stronger politically. And takes a more global approach.

Let me go briefly through each of them.

First, we already are a strong military Alliance. In fact, in recent years we have had the biggest increase in our collective defence for a generation. With more investment. Modern capabilities. And higher readiness of our forces. This must continue. I know that prioritising defence spending in the middle of a health crisis is not easy. But the threats that existed before the pandemic have not diminished. On the contrary. So the commitment we have all made to invest more in defence is as relevant as ever. One of the reasons we need a strong military is for our fight against international terrorism. As we have been doing in Afghanistan for almost 20 years.

As you know, the United States has announced that it will reduce its presence in Afghanistan. But the NATO mission will remain. And we will continue to provide support to Afghan security forces. No Ally wants to stay in Afghanistan for longer than is necessary. But we cannot risk Afghanistan becoming once more a platform for international terrorists to plan and organise attacks on our homelands. And we cannot let ISIS rebuild in Afghanistan the terror caliphate it lost in Syria and Iraq. Therefore we will address NATO's future presence in Afghanistan at our next Defence Ministers meeting in February. We will be faced with a difficult choice. Either stay – and pay the price of a continued military engagement. Or leave – and risk that the gains we have made are lost. And that the peace process falters.

This is not the time to conclude. But we have to remember that we went into Afghanistan together. And when the time is right, we should leave together, in a coordinated way.

The second priority of NATO 2030 is to strengthen NATO as a political Alliance. NATO is the only place where the countries of Europe and North America meet every day. We need to build on this and use NATO even more as a forum for frank discussion, on a wide range of security issues. From Russia to the Middle East. And from the security impacts of a rising China to climate change and arms control. As well as how we deal with new and disruptive technologies.

For NATO to become stronger politically, we must continue to acknowledge that yes, we have our differences. We have had them in the past, and we have them now. We must continue to address any differences frankly, as Allies and as friends. This is what we have been doing, for instance, in the Eastern Mediterranean. NATO provided the platform for Greece and Turkey to come together. On the basis of international law and Allied solidarity. To establish a military de-confliction mechanism. And to cancel some planned military exercises. This type of military de-confliction can prevent dangerous incidents and accidents in the Eastern Mediterranean. And it can create the opportunity for political discussions and diplomatic solutions to address underlying disputes. Even in the most heated debate, we should not forget that what unites us is stronger than what divides us. That ultimately, we are NATO Allies. Committed to our core mission. To protect and defend one another. And committed to our core values. Democracy, individual liberty, and the rule of law. Our voice is more powerful when we stand united.

The third priority of NATO 2030 is to take a more global approach. We are a regional Alliance and will remain a regional Alliance. But the challenges we face are increasingly global. Terrorism, cyber threats, the proliferation of nuclear weapons, pandemics and disinformation campaigns. None of our countries, even the biggest ones, can deal with such challenges alone.

This is also true of our approach to China. China is not our enemy, but its rise is fundamentally shifting the global balance of power. Bringing many opportunities, especially for our economies. But also challenges to our security and our technological edge. Increasing the pressure on our values and our way of life. And multiplying the threats to open societies and individual freedoms. So the rise of China requires our continued collective attention. To fully understand what it means for our security. And to act accordingly. Including by boosting the resilience of all of our nations. And by working even more closely with like-minded countries, and with organisations like the European Union. To defend the global rules and institutions that have kept us safe for decades.

I welcome the active contribution of the NATO Parliamentary Assembly to NATO 2030. Including through the survey of your members you conducted over the summer. Your written report and discussions with the expert group. The lively debate you had last month with the Deputy Secretary General. And the reports and resolutions to be adopted later at this Annual Session. Your input will feed into my recommendations for NATO Leaders when they meet next year.

I am also consulting with youth leaders, civil society, industry, partners, and of course, with Allied capitals. All of you in the NATO Parliamentary Assembly play a crucial role in preparing NATO for the future, as we look to 2030 and beyond. You ensure we stay safe militarily by deciding our defence budgets. You make us stronger politically by upholding our values, debating our differences, and keeping our democracies strong. And you help us take a more global approach. By bringing together well over 300 parliamentarians from all NATO Allies, associate countries and observer delegations.

So thank you for your many contributions, and for your continuing support for NATO. I look forward to your comments and to your questions.

Appendix D: Reports

Reports adopted by committees of the NATO Parliamentary Assembly are listed below. Reports can be accessed from: <http://nato-pa.int/documents>.

COVID-19 Special Committee

- The Impact of the COVID-19 Crisis on the Civil Dimension of Security
- NATO's Essential Role in the COVID-19 Pandemic
- The Economic Consequences of the COVID-19 Pandemic
- COVID-19 and Transatlantic Security
- COVID-19, International Security, and the Importance of NATO's Science and Technology Network

Committee on the Civil Dimension of Security

- China and the Liberal Global Order
- Enhancing Education and Information about NATO
- Advancing the Women, Peace and Security Agenda

Defence and Security Committee

- NATO's Defence and Related Security Capacity Building (DCB) Initiative
- Key Challenges to Maintaining Peace and Security in the Western Balkans
- Russian Military Modernisation: Challenges ahead for NATO Allies

Economics and Security Committee

- The Black Sea Region: Economic and Geo-Political Tensions
- The Gulf Crisis and Global Energy Markets
- China's Belt and Road Initiative: A Strategic and Economic Assessment

Political Committee

- The NATO-EU Partnership in a Changing Global Context
- Security and Political Dynamics in the Gulf
- The Rise of China: Implications for Global and Euro-Atlantic Security

Science and Technology Committee

- Hypersonic Weapons-A Technological Challenge for Allied Nations and NATO?
- Urban Warfare
- Defence Innovation

Appendix E: Resolutions

NATO 2030: A MORE UNITED AND STRONGER ALLIANCE ON THE GLOBAL STAGE DECLARATION 460

Presented by the Standing Committee and adopted online by the Plenary Assembly on Monday 23 November 2020.

The Assembly,

1. **Saluting** the timely decision by Allied Heads of State and Government in December 2019 to launch a forward-looking reflection process, under the auspices of the NATO Secretary General, to further strengthen the political dimension of the Alliance, including consultation;
2. **Noting** that the COVID-19 crisis and its aftermath have brought to light important lessons which Allies must learn as part of this reflection process;
3. **Welcoming** the valuable work conducted by the Group of Experts in support of the NATO Secretary General's efforts;
4. **Applauding** the NATO Secretary General's NATO 2030 initiative and the three priorities it lays out for the Alliance, namely being strong and united politically, staying strong militarily and taking a broader approach globally;
5. **Emphasising** the important opportunity this process offers to engage the Alliance's publics and thereby strengthen public understanding and support for the Alliance;
6. **Convinced** that NATO's strength now and tomorrow lies in its commitment to shared values and to the transatlantic bond;
7. **Recognising** that NATO must continue to adapt to meet its core task of collective defence, while defending against new threats and rising to emerging challenges;
8. **Acknowledging** that NATO's actions and partnerships contribute not only to Euro-Atlantic security but also to security in its neighbourhood and on the global stage;
9. **URGES** the governments and parliaments of the North Atlantic Alliance:

9.1 Priority 1: Europe and North America United Around Shared Transatlantic Values

- a. to reaffirm the indivisibility of Europe and North America's security and the centrality of the transatlantic bond for Allies' foreign policy and defence policies;
- b. to rededicate the Alliance to the shared democratic values that constitute its founding principles, democracy, individual liberty and the rule of law, by recalling the obligations resulting from the North Atlantic Treaty and the recommendation previously adopted by the Assembly to consider the creation of institutional mechanisms within NATO to assist NATO member states that seek to strengthen their democratic institutions;
- c. to foster the full implementation of United Nations Security Council Resolution 1325 on Women, Peace, and Security and subsequent resolutions,

including by promoting gender equality and mainstreaming gender through all NATO policies;

d. to reaffirm NATO's role as the unique and essential forum for transatlantic security consultations;

e. to increase the scope and frequency of political consultation and develop a range of tools to facilitate the convergence of views among Allies, increase predictability of national actions and resolve any differences in full respect of international law; these could include more regular exchanges on national strategic priorities and operations, increased intelligence sharing, as well as, when needed, the use of mediation or the setting up of ad hoc working groups to address divisive issues;

f. to make informal meetings of the North Atlantic Council (NAC) a regular new practice as well as consider new formats for the NAC as appropriate;

g. to strengthen the role of the NATO Secretary General as facilitator of consensus-building among the Allies;

h. 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;

i. to continue and reinforce efforts to implement the Defence Investment Pledge and parallel efforts in terms of capabilities and contributions to operations, as fair sharing between the Allies of the burdens and responsibilities for defence is crucial for Alliance cohesion and necessary to maintain and, where necessary, rebuild the military capabilities to deter and defend against potential adversaries; initiatives aimed at reinforcing European defence must be conducted in complementarity with the strengthening of NATO;

j. to support the NATO Public Diplomacy Division and relevant national actors, including parliamentarians, in their efforts to increase public awareness and understanding of NATO, to reach out to new generations of Europeans and North Americans, and to help build grassroots solidarity among Allied societies;

k. to reaffirm their commitment to NATO's Open Door policy as a tool to enlarge the zone of stability and spread democratic standards throughout Europe, to support the Euro-Atlantic integration of Bosnia and Herzegovina, Georgia, and Ukraine, and to help strengthen their resilience against foreign interference.

9.2 Priority 2: An Alliance Fit to Address Evolving Threats and Challenges at 360 Degrees

a. to update NATO's Strategic Concept to reflect the changed security environment;

b. to reaffirm that NATO's greatest responsibility is to protect and defend collectively its territory and populations against attacks;

c. to continue to affirm the crucial role of a safe and resilient nuclear deterrent for the Alliance's deterrence and defence posture, and to strengthen NATO's contribution to effective arms control, disarmament, and non-proliferation, taking into account the prevailing security environment;

d. to continue to strengthen NATO's enhanced deterrence and defence posture in the East and the Baltic and Black Sea regions, and to continue to adapt

collective defence and deterrence to new threats, including hybrid actions, and new domains of conflict, including cyber and space;

e. to maintain NATO's policy towards Russia, based on strong deterrence and defence as well as openness for meaningful dialogue, while holding Russia accountable for its unacceptable violations of international laws and norms and adopting necessary responses;

f. to reaffirm NATO's readiness to address any threats and challenges which have the potential to affect Euro-Atlantic security at 360 degrees;

g. to further enhance NATO and Allies' counterterrorism efforts, and continue to share assessments about the future evolutions of terrorism in all its forms and manifestations;

h. to strengthen support to stability and defence and related security capacity building in the partner countries on the southern shore of the Mediterranean Sea and in the sub-Saharan area, including within the framework of the Mediterranean Dialogue and ICI (Istanbul Cooperation Initiative), and stand ready to support selected partners upon request, given the increasing instability on NATO's southern flank, especially the crises in Syria, Libya, and the ensuing migratory flows;

i. to better understand the consequences of the rise of China, to assess the opportunities and challenges that its global ambitions and actions – as well as its cooperation with Russia – could pose to NATO and the Allies, and to examine the possibilities for a closer dialogue with China; in this respect, exchanges with relevant NATO partners, the European Union and partners in the Asia-Pacific region should be pursued;

j. to continue to assist Allies in building their resilience to hybrid threats, disinformation, and other attempts at undermining democratic processes and political and economic independence including – in full respect for national prerogatives – in the areas of foreign investments and technological reliance;

k. to contribute to the improvement of their ability to deal with future natural or man-made health emergencies;

l. to bolster NATO's situational awareness in the Arctic region, including through greater information sharing, the creation of a working group on the Arctic, and training and exercises, and to maintain a good dialogue with Allies about search and rescue capabilities in the region;

m. to fully recognise climate change-related risks as significant threat multipliers in their foreign and security policies, and increase the frequency of military and political consultations on climate change within NATO;

n. to step up investment and Allied collaboration in defence science, technology, research and development to maintain NATO's scientific and technological edge, especially in emerging and disruptive technologies and new domains of warfare, consistent with Allies' international obligations.

9.3 Priority 3: An Alliance with a Global Voice and Broad Network of Partners

- a. to stress that NATO can contribute to both Euro-Atlantic and global security by working hand-in-hand with, and building the capacity of, its partners around the world;
- b. to emphasise NATO's commitment and role in safeguarding the rules-based international order;
- c. to continue to improve the NATO-EU strategic partnership, ensuring coherence and complementarity, with a view to enhancing NATO and EU members' response to common challenges;
- d. to ensure the fullest involvement of non-EU Allied countries in efforts to enhance European security and defence in the spirit of full mutual openness and in compliance with the decision-making autonomy and procedures of the two organisations;
- e. to continue to develop political and practical cooperation with the United Nations, the OSCE, the Council of Europe, the African Union, the Arab League, the Gulf Cooperation Council, and other relevant international organisations;
- f. to establish a NATO-certified Centre of Excellence on the Indo-Pacific region

**FURTHERING THE IMPLEMENTATION OF UNITED NATIONS SECURITY COUNCIL
RESOLUTION 1325 AND THE WOMEN, PEACE AND SECURITY AGENDA
RESOLUTION 461**

*Presented by the Committee on Civil Dimension of Security and adopted online by the
Plenary Assembly on Monday 23 November 2020*

The Assembly,

1. **Recalling** that, in October 2000, twenty years ago, the United Nations Security Council (UNSC) unanimously adopted resolution 1325 on Women, Peace and Security (WPS), which recognised the specific impact of conflict on women and girls and acknowledged women's essential role in the prevention and resolution of conflicts as well as in peacemaking and peacebuilding;
2. **Reaffirming** the importance of fully implementing UNSC resolution 1325 and subsequent resolutions on WPS;
3. **Reminding** that 2020 also marks the 25th anniversary of the Beijing Declaration and Platform for Action, a critical milestone in the realisation of gender equality and the advancement of the rights of women and girls worldwide;
4. **Saluting** NATO's adoption of measures supporting the advancement of gender equality through the three guiding principles of integration, inclusiveness, and integrity;
5. **Restating** its commitment to furthering the aims of UNSC resolution 1325 and subsequent resolutions, including within its own organisation;
6. **Bearing** in mind that conflicts disproportionately affect women and put them more at risk of violence and exploitation as conflicts amplify entrenched inequalities, strain social relations, and weaken community support mechanisms;
7. **Emphasising** that sexual violence is recognised under certain conditions as a crime against humanity and a war crime, and that its use as a tactic of war is prohibited;
8. **Reaffirming** that the implementation of UNSC resolution 1325 and the WPS agenda, and the advancement of gender equality more broadly, should constitute constant guiding principles in the development and execution of all policies and activities in the area of peace and security;
9. **Restating** that the equal participation and full involvement of women and men at all levels is indispensable to prevent and resolve conflicts and to achieve sustainable peace, security, and economic development;
10. **Convinced** that the participation of both women and men in military operations improves their operational effectiveness and credibility, as well as contributes to a stronger and broader engagement with the local population;
11. **Reiterating** that all parties involved in armed conflicts must cease and prevent all forms of sexual exploitation and abuse and take special measures to protect women and girls from sexual violence;
12. **Stressing** the importance of paying particular attention in relief and recovery efforts to the needs of the most vulnerable, including survivors of sexual violence, displaced women and girls, and those with disabilities, and of systematically including them in the design and implementation of such efforts;

13. **Acknowledging** the crucial role played by women in building more resilient and democratic societies and as such in ensuring durable peace, stability and security;

14. **Recognising** women's vital contribution in the response to the COVID-19 pandemic and its consequences;

15. **URGES** Allied governments and parliaments and, where appropriate, NATO institutions:

a. to fully translate existing National Action Plans on the implementation of UNSC resolution 1325 into concrete actions and, for those Allies that have not yet done so, to adopt such a plan;

b. to encourage the participation of women at all levels in their national armed forces and increase the share of female personnel deployed as part of NATO operations;

c. to strive for gender balance and advocate for the appointment of more women to leadership positions in international organisations, including at NATO, as well as in parliamentary and government institutions in the field of foreign policy, defence, and security;

d. to incorporate the particular needs, concerns, and interests of both women and men into all decisions and operations;

e. to provide all national armed forces and NATO personnel with trainings dedicated to gender mainstreaming and ensure that the principles of WPS are integrated in all NATO trainings for Allied armed forces and education activities for partner nations;

f. to actively involve women in the strategic reflection processes launched by Allied countries and NATO, in order to further integrate their perspectives in the development and analysis of future emerging security scenarios;

g. to take all possible measures to prevent any acts of sexual violence in conflict situations throughout all operations;

h. to increase financial funding and other resources for the implementation of the WPS agenda, both within and outside the Alliance, and to refrain from using the COVID-19 pandemic as an excuse to reduce their efforts and lower their ambitions in this area;

i. to consistently prosecute perpetrators of sexual violence against women, as it is recognised under certain circumstances as a crime against humanity and a war crime;

j. to meet the needs of survivors, such as access to sexual and reproductive health services, psychological support, judicial redress, and financial reparations;

k. to include gender perspectives in post-conflict relief and recovery efforts and meet the needs of women and girls, in particular, in post-conflict settings;

l. to ensure, that local women's groups and civil society networks are informed of their rights and options, that they receive training as the need arises, and that such local actors are involved as equal partners in negotiations and decision-making processes;

m. to intensify efforts to engage with and mobilise men as invested partners and actors of positive change through outreach and communication on the benefits for both men and women of the implementation of the WPS agenda;

n. to cooperate more closely with partner countries, relevant international organisations, and institutions as well as civil society organisations on the implementation of the WPS agenda and to promote the exchange of information, lessons learnt, and best practices;

o. to mainstream the importance of implementing the WPS agenda and, more broadly, of advancing gender equality into the “NATO 2030” reflection process;

p. to integrate gender perspectives and to mainstream the advancement of the WPS agenda into their short- and long-term response to the pandemic and its social, economic and security consequences.

MAINTAINING ALLIED DEFENCE INVESTMENT MOMENTUM AFTER COVID-19 RESOLUTION 462

Presented by the Defence and Security Committee and adopted online by the Plenary Assembly on Monday 23 November 2020

The Assembly,

1. **Recognising** the devastating tragedy of the COVID-19 pandemic, which has claimed more than a million human lives and continues to upend economies and societies across the globe;
2. **Applauding** the important role of Allied forces and structures, particularly the Euro-Atlantic Disaster Response Coordination Centre (EADRCC) and the NATO Support and Procurement Agency, in the coordination and oversight of hundreds of medical relief missions, in support of national medical and civilian services, which mobilised over half a million men and women to provide critical support to civilian responses in both Allied and partner nations;
3. **Praising** Allies' demonstration of strong solidarity by stepping up to assist one another and their partners via the provision of critical supplies, personnel, military transport, logistical, and other support when the need was acute;
4. **Encouraged** that, while NATO continues to respond to the COVID-19 pandemic via relief missions to assist Allies and partners, Allies are also preparing for any future pandemics over the horizon via strategic planning, stockpiling, and investing;
5. **Highlighting** that, despite their engagement in the delivery of critical pandemic-related assistance to Allies and partners, NATO forces have seen to the seamless delivery of credible, capable, and effective defence and deterrence, keeping Allied missions and operations staffed and focused on their objectives, thereby clearly demonstrating their ability to respond rapidly to any threat;
6. **Concerned** that, despite the ongoing pandemic, international security challenges for Allies have not diminished, but have in fact been amplified, adding further complexity to an already volatile and increasingly dangerous international security environment;
7. **Denouncing** Russia's continued provocations, which not only display its new military capabilities, but also seek to probe NATO forces' readiness on land, in the air, at sea, and in space;
8. **Concerned** that the COVID-19 pandemic and the attendant economic downturn will put pressure on Allied defence budgets;
9. **Reaffirming** the Alliance's commitment to guarantee peace and security for its populations and the sovereign integrity of its territories, and to working with partner nations to help improve security and project stability; also, stressing that such commitments necessitate sustained investment in Allied defence and security institutions;
10. **Recalling** Allies' commitment in Wales in 2014 to reverse a downward trend in defence spending, which has resulted in six consecutive years during which total defence spending by European Allies and Canada has increased, resulting in over USD130 billion in new investments since 2016, and with 10 Allies surpassing the 2% GDP benchmark for spending on defence and others poised to do so;

11. **Remaining** focused on the central tenet of Article 3 of the Washington Treaty, which notes that all “Parties, separately and jointly, by means of continuous and effective self-help and mutual aid will maintain and develop their individual and collective capacity to resist armed attack”; and stressing that each Ally’s continued investment in its armed forces is what provides the Alliance with the means to fulfil its core tasks of collective defence, crisis response, and cooperative security;

12. **Determined** not to lose the defence investment momentum of the last six years, which has resulted in tangible gains and well positioned the Alliance to face the complexity of today’s international security environment,

13. **URGES** member governments and parliaments of the North Atlantic Alliance:

a. to recognise the essential role their armed forces have played in mitigating the impact of the pandemic;

b. to thereby recommit to increase their spending to at least 2% of their GDP on defence and invest 20% or more on major equipment, including research and development, with a goal of meeting NATO’s capability targets and filling shortfalls;

c. to understand their continued increased defence investments act not only as a safeguard against future threats, but also against the next potential pandemic;

d. to remain committed to their national defence investment plans, which detail investments necessary to strengthen each Ally’s contribution to the fair sharing of the burden for the whole-of-Alliance effort to maintain a credible and strong defence and deterrence posture capable of maintaining peace and security at home and projecting stability abroad;

e. to focus their efforts to reduce overreliance on any single supplier country of medical equipment, pharmaceuticals, and other technologies that may be critical during a future crisis;

f. to explore ways to strengthen Euro-Atlantic defence industrial cooperation, which will not only increase Alliance resilience, but also help revitalise defence industrial sectors that may be facing procurement and budgetary uncertainties as a result of the pandemic;

g. to increase investments in the medical components of member states’ armed forces in order to maintain and improve medical expertise within Allied armed forces;

h. to better protect critical Allied infrastructure from predatory investments by external actors, particularly when the potential investor is a strategic rival;

i. to invest in the infrastructure and institutions necessary to strengthen resilience in the face of pandemics, which, in turn, will allow national armed forces to remain focused on potential external threats;

j. to increase cooperation with the EU, particularly on military mobility to facilitate more efficient movement of Allied forces across Europe and help speed up the delivery of medical supplies and personnel responding to potential regional health emergencies.

ECONOMIC RESILIENCE AND PANDEMICS RESOLUTION 463

Presented by the Economics and Security Committee and adopted online by the Plenary Assembly on Monday 23 November 2020

The Assembly,

1. **Noting** that the global community is currently undergoing the most consequential pandemic since the outbreak of the Spanish influenza in 1918-1919;
2. **Affirming** that beyond the horrific loss of life pandemics inflict, they are also essentially negative economic shocks that can affect supply, demand, monetary and fiscal conditions, while weakening consumer and investor confidence;
3. **Understanding** that measures undertaken to minimise the impact of a pandemic, such as enforced quarantines and travel bans, will undermine national economies over the short-term, although such measures can have salutary economic impacts over the longer term if they help limit the spread of catastrophic diseases;
4. **Realising** that those measures should strike the right balance between protecting public health and maintaining social and economic life;
5. **Acknowledging** that when the world's economies slow together, as they have during the COVID-19 pandemic, there is a pro-cyclical impact that both hastens and deepens recession;
6. **Applauding** the emergency fiscal and monetary measures that North American and European governments as well as the EU have undertaken to counter the recessionary shock COVID-19 has inflicted;
7. **Lamenting** that a pandemic can also have a rapid and negative impact on trade, particularly once governments have shut down many commercial activities and undertaken measures to close borders;
8. **Underlining** that as a result of the COVID-19 pandemic, heavily leveraged financial markets confront their gravest challenge since the 2008 global financial crisis;
9. **Warning** that this crisis has revealed that Allied countries are overly dependent on strategic rivals like China in several critical medical and high-technology sectors and that foreign investment in Western firms represents one means by which these countries potentially put vital supply chains at risk;
10. **Concerned** that developing countries confront particularly momentous challenges in the midst of this pandemic because of capital flight from poor to rich countries but also because many less well-off countries lack the financial means, technical capacity and social capital needed to cope with the medical and economic dimensions of the crisis;
11. **Acknowledging** that the economic destinies of North America and Europe are undergirded by a dense web of trade and investment relations as well as by essential diplomatic and security ties, of which NATO is the highest expression;
12. **Welcoming** the crucial role played by NATO structures supporting Allied and partner nations in their response to the COVID-19 pandemic, including the contributions made by the Euro-Atlantic Disaster Response Coordination Centre (EADRCC) and the NATO Support and Procurement Agency (NSPA) which facilitated crisis relief missions, including the provision of medical supplies and equipment;

13. **Noting** the paradox that defence budgets are politically vulnerable in a period of heightened scarcity but that, historically, geopolitical risks often mount precisely when an international economic crisis unfolds;

14. **Recognising** that the defence industrial sector currently confronts unique problems linked to procurement and budgetary uncertainties as well as a burgeoning crisis in civilian business sectors, which increasingly “spin-in” essential technologies to today’s defence platforms;

15. **Convinced** that pandemics are not one-off events, but rather recurrent over human history and that there is consequently every reason to anticipate new global epidemiological challenges over the coming decades;

16. **URGES** member governments and parliaments of the North Atlantic Alliance:

a. to acknowledge that failing to hedge against the likelihood of a future pandemic could be catastrophic and that states may need to partly restructure their approaches to public health to better react to this kind of emergency in the future;

b. to invest in infrastructure, institutions, personnel, equipment, training, procedures, contingency planning and thoroughly articulated international procedures to build national and international resilience in the face of pandemics;

c. to forge innovative partnerships among governments, scientists, and economists to better prepare for catastrophic risk and to ensure that there is strong international collaboration in the development of a vaccine against COVID-19;

d. to help counteract the economic and medical plight of developing countries, many of which have been struck very hard by the current crisis;

e. to mount clear and credible long-term strategies aiming to unwind debt burdens that will almost inevitably mount as the current crisis unfolds;

f. to intensify European and transatlantic monetary and fiscal cooperation while reinvigorating the transatlantic trade relationship, which has long provided a foundation of prosperity and well-being;

g. to monitor foreign investment in critical strategic sectors while reducing overreliance on any single supplier country of vital medical equipment, pharmaceuticals, and other critical technologies, particularly when the investing country is considered a strategic rival;

h. to nonetheless resist the temptation to engage in broader protectionism while reasserting a collective commitment to free trade and open markets;

i. to work with multilateral institutions like the IMF, the World Bank and the OECD which play a crucial role coordinating international economic strategies for coping with the economic fall-out from pandemics and to ensure that the WHO effectively coordinates global public health responses to pandemics;

j. to redouble national and multilateral efforts to enhance the security of cyber-infrastructure, which plays a central role in sustaining economic activity during pandemics;

k. to employ smarter collective approaches to defence procurement and deeper defence industrial and doctrinal cooperation, which will enhance efficiency, interoperability and military capabilities;

l. to continue investing in military mobility across the Euro-Atlantic area which can, among other things, facilitate the rapid movement of medical supplies and personnel to regions struck by health emergencies;

m. to rededicate themselves to allocating 2% of GDP to defence and 20% of overall defence spending on major equipment procurement and related research and development in order to ensure that Allies remain capable of defending their societies against geopolitical threats, some of which a pandemic and related economic crises will only exacerbate.

A TRANSATLANTIC STRATEGY ON CHINA RESOLUTION 464

Presented by the Political Committee and adopted online by the Plenary Assembly on Monday 23 November 2020

The Assembly,

1. **Recognising** that the People's Republic of China (henceforth China), as the world's most populous country, second biggest economy, second largest defence spender and a global technology leader has emerged as a highly consequential global strategic actor, which brings with it a duty to act responsibly and defend the rules-based global order;
2. **Mindful** that China's mounting influence on the international stage and in multilateral forums has consequences for Euro-Atlantic security, that this presents both opportunities and challenges which the Alliance needs to address jointly, as Allied leaders recognised at the December 2019 London meeting; and that this is one of the themes identified by NATO's Secretary General within the framework of the NATO 2030 reflection process;
3. **Welcoming** the existing avenues for dialogue and cooperation between NATO and China, and convinced that a transatlantic strategy on China must seek cooperation wherever possible while being clear-eyed about the multifaceted challenges posed by China's rise;
4. **Underscoring** that the Chinese leadership does not share the liberal democratic values that underpin the Alliance, that it acts to undermine elements of the rules-based liberal world order while threatening open societies and that it attempts to export its authoritarian governance model;
5. **Cognisant** that China is rapidly developing and deploying advanced military capabilities, including intercontinental nuclear missiles, hypersonic weapons and blue-water naval capabilities, while refusing to engage in arms control negotiations in key areas;
6. **Troubled** by China's increasingly assertive international behaviour, including diplomatic and economic bullying, regional brinkmanship, demonstrations of force in the South and East China Seas as well as in the Himalayas, military exercises in the Baltic Sea and the Mediterranean and its blatant disregard for international maritime law, especially in the South China Sea;
7. **Closely** monitoring China's strategic ambitions and activities in the Arctic region;
8. **Strongly** condemning massive human rights violations, including the crackdown on democracy in Hong Kong and oppression of religious and ethnic minorities, particularly members of the Uyghur and Tibetan communities;
9. **Appreciating** China's assistance to Allied members and partners during the Covid-19 pandemic, but deeply regretting related targeted disinformation and political pressure campaigns that aim to undermine social and political trust in democratic societies;
10. **Recognising** China's growing technological prowess and the significant progress it has made in areas such as Artificial Intelligence, but deploring China's continued sponsorship of massive cyber-espionage programmes and intellectual property theft

as well as its use of sophisticated technology to monitor and control its own citizens;

11. **Acknowledging** China's immense economic clout, development assistance and the significant volume of infrastructure and other strategic investments it has made within the framework of the 'Belt and Road' Initiative;

12. **Cautioning** that investments in critical infrastructure, such as ports, motorways and rail systems can serve China's strategic and military ambitions; and recognising the need for Allies to reduce their reliance upon sole-source providers in strategic sectors and address vulnerabilities linked to China's powerful position in global supply chains;

13. **URGES** member governments and parliaments of the North Atlantic Alliance and NATO partners:

a. to encourage constructive engagement between NATO and China and examine opportunities to expand the ongoing NATO-China political and military dialogue to matters such as military transparency, freedom of navigation, emergency response and disaster management among others;

b. to engage in information-sharing within the Alliance and joint assessment of Chinese activities with potential security implications with the aim of achieving a greater unity of purpose on matters pertaining to China;

c. to align NATO's Strategic Concept, as well as defence planning, training and capability development priorities with a rapidly shifting global strategic environment in which the rise of China is a key feature;

d. to establish a NATO Centre of Excellence on the Indo-Pacific region in order to identify initiatives that allow Allies to collaborate with regional partners on shared priorities, to enhance Allies' understanding of the challenges China poses to NATO, and to forge a consensus on how best to cope with these challenges ;

e. to prioritise the human rights dimension in their approaches to China and to hold China accountable for rights abuses;

f. to enhance individual and collective resilience to the threats of Chinese disinformation campaigns, cyber-attacks and cyber-interference;

g. to establish or enhance mechanisms that assess potential risks to national and collective security - in accordance with national prerogatives - linked to third-party investments in strategic sectors, including 5G networks and health-related supply chains, and to improve coordination of these policies among the Allies and with the European Union;

h. to undertake diplomatic efforts to strengthen the wealth-generating rules-based open global economic order while resisting the establishment of highly transactional, opaque and unaccountable trade and investment systems like the 'Belt and Road' Initiative;

i. to exercise vigilance when dealing with China on matters pertaining to the Arctic as many of its commercial investments in the region have potential military and strategic implications for the Alliance;

j. to maintain regular exchanges with the European Union and Indo-Pacific partners in order to gain a better understanding of the opportunities and challenges presented by the emergence of China.

DEFENCE INNOVATION RESOLUTION 465

Presented by the Science and Technology Committee and adopted online by the Plenary Assembly on Monday 23 November 2020

The Assembly,

1. **Recognising** that the severe health, economic, financial, and other effects of the COVID-19 pandemic demonstrate the need to strengthen resilience across the Alliance and its partners;
2. **Realising** that the Alliance remains in a technological adoption race which may not be won by those with the best technology, but by those with the most agile organisations;
3. **Concerned** that the unprecedented speed and global spread of the coronavirus have caused unparalleled health, economic, financial, and social disruptions that further undermine an already volatile security environment in the Euro-Atlantic region;
4. **Stressing** that the world has become more unstable as Russia and China challenge the existing global order and asymmetric threats have increased;
5. **Recognising** that NATO forces need an array of robust, sophisticated, and evolving capabilities across all domains to meet today's and tomorrow's security challenges;
6. **Recalling** that, since the foundation of the Alliance, NATO's technological edge has been pivotal for maintaining peace and security in the Euro-Atlantic region;
7. **Alarmed** that NATO's technological edge is rapidly eroding as peer competitors are catching up and that the easy availability of commercial and dual-use technologies allows malignant nonstate actors, including terrorist and extremist militant groups, to weaponize them;
8. **Observing** that biological agents are relatively easy and inexpensive to obtain and gravely concerned that the COVID-19 pandemic is giving rise again to the spectre of bioterrorism;
9. **Underlining** that the rapidly shifting innovation environment of the 21st century requires new ways to leverage the creativity of NATO nations, which are, on aggregate, second to none in research and technology and capital in support of NATO's technological edge;
10. **Stressing** that the private sector is an important driver for innovation and that Allied governments therefore need to improve collaboration and involvement with non-traditional defence firms;
11. **Noting** that complex military procurement processes and a lack of funding often prevent fast-moving technology companies, especially start-ups, from considering military contracts;
12. **Aware** that defence innovation is driven by member states and applauding NATO's invaluable role as an innovation engine, which has fostered intellectual, technological, and scientific collaboration within the community of Alliance member nations and partners;

13. **Concerned** that the COVID-19 pandemic and the subsequent economic downturn are likely to put pressure on Allied defence budgets, including on defence innovation budgets;

14. **Concerned** about the limited pool of expertise in disruptive technologies and about the under-representation of women in science and technology, and innovation more broadly, and noting that encouraging the participation of women is likely to bring new ideas and perspectives to research, development and implementation;

15. **URGES** member governments and parliaments of the North Atlantic Alliance:

a. to commit to maintaining their defence spending budgets at their current levels despite the pressures resulting from the COVID-19 pandemic to reduce them;

b. to rededicate themselves to allocating 2% of GDP to defence and develop post-COVID-19 recovery plans that underpin their commitment to stay at the forefront of innovation by providing sufficient financial resources, including ring-fencing resources for innovation;

c. to put an increased emphasis on defence innovation in the biotechnology field, particularly regarding integration, testing, response and resilience;

d. to promote innovation hubs for defence, both nationally and integrated with Allies, to bring together think tanks, academia, experts, and start-ups to generate new technology;

e. to support greater risk-taking in defence innovation, which leads to occasional failures, but often allows NATO's innovation community to unlock truly revolutionary technology;

f. to better integrate non-defence firms – including the smaller, fresh-thinking start-ups – by facilitating their access to government contracts, streamlining bureaucratic procedures, and ensuring reliable financial returns from such public-private partnerships;

g. to enhance the NATO innovation agenda by developing a more strategic planning approach and fostering an agile, innovative and risk-tolerant mindset through, inter alia, sharing best practices across the NATO innovation community; and particularly by exploring financial tools, including seed money for start-ups, which can be used to exploit potential opportunities as part of a broader Alliance-wide systemic approach to innovation;

h. to establish a quantifiable mechanism to measure defence innovation, e.g., along the lines of the OECD's Oslo manual, and develop a more robust process to scan, identify and rapidly adopt new technologies and approaches;

i. to pursue a blended approach to strengthen efforts to leverage civilian-oriented innovation ecosystems in defence innovation and to encourage commercial organisations to mitigate the vulnerabilities in their technologies;

j. to develop a joint approach for enhanced export controls of sensitive technologies, to better coordinate screenings of investments, intellectual property protection and restrictions against S&T/innovation collaboration with problematic institutions associated with adversarial nations and, in this regard, to consider working out common regulatory approaches to the innovation spread together with Enhanced Opportunities partner states;

k. to report on progress in achieving a better gender and age balance in the NATO S&T expert network, particularly in the area of emerging and disruptive technologies.