January 31, 2024 Tara VARMA

Written statement

Testimony at the Senate Foreign Relations – Europe Subcommittee

Chairwoman Shaheen, Ranking Member Ricketts, members of the subcommittee, thank you for the opportunity to testify today. I am Tara VARMA, a visiting fellow with the Centre on the United States and Europe at the Brookings Institution. My research focus includes current French security proposals in the European framework, as well as ongoing efforts to materialize European sovereignty in traditional and non-traditional security fields.

I am honored to speak with you today about expectations ahead of this year's NATO Washington Summit. My testimony this afternoon reflects my personal views and should not be attributed to the staff, officers, or trustees of the Brookings Institution.

I would like to focus my statement today on three points: first, the state of play, then how Europe is stepping up, and finally why reinforced EU-NATO cooperation matters.

The state of play

In July 2022, NATO adopted its latest Strategic Concept, almost five months after Russia's full-scale invasion of Ukraine. This new Strategic Concept laid out NATO's core tasks as deterrence and defense, crisis prevention and management, and cooperative security. It described a Euro Atlantic security environment profoundly and durably changed by Russia's invasion of Ukraine. The swift reactions of the Alliance in the immediate aftermath of Russia's attack also demonstrated its vitality and relevance.

The Summit in Vilnius last year succeeded in showcasing strong transatlantic unity and resolve. The center of gravity of the alliance are unity, solidarity and cohesion. Russia's attack on Ukraine has emboldened our sense of political cohesion, as well as the credibility of the alliance's deterrent. Russia has pursued relentless attacks and massacres in Ukraine, but has yet to attack a NATO member country. The 2022 Strategic Concept explicated that Russia poses 'the most significant and direct threat to Allies' security and to peace and stability in the Euro-Atlantic Area'.

If the Summit in Vilnius last year succeeded in showcasing strong transatlantic unity and resolve, especially in terms of political cohesion, the question of the future Ukraine-NATO relationship remains open and will be part of the Washington Summit discussions too. Key discussions should also revolve around sustained defense equipment procurement and production, going beyond the 2% threshold.

Europe is stepping up

The shock of the attack and the new reality it brought about means mitigating the effects of the previous reality in which national defense spending fell in Europe by an average of 31% between 1995 and 2015, with a disinvestment in those capabilities needed for collective defense (including mass). Even today, the NATO Defense Planning Process identifies sixteen critical major shortfall areas in the collective investment of Allies, including: ballistic missile defense; integrated missile and air defense; surface-based air and missile defense; joint intelligence, surveillance and reconnaissance; deep precision strike capability; chemical, biological, radiological and nuclear defense; and armaments and battle decisive munitions. In large part these are also the capabilities that are needed by Ukraine.

Europeans acknowledge these capability gaps and they are looking at ways to mitigate them, in particular by reaching the unprecedented step of a common European missile and ammunition acquisition and production deal last year. For a political project whose essence was to maintain peace on the European continent, these decisions are historical. However, their implementation will take time. And, time is precisely what Ukraine doesn't have.

The issue of Ukraine being offered a path to NATO membership overshadowed the Vilnius Summit. Last July, the NATO secretary general said member countries had agreed Ukraine would eventually join the alliance once the war is over. While the war is ongoing, absent the membership proposal, <u>several</u> <u>European</u> countries, the UK, Germany and soon France, have committed to providing security guarantees to Kyiv. These should be clarified to ensure Ukraine and Europe's security.

European heads of state are meeting tomorrow (February 1) at the European Council, where I hope they will agree to give Ukraine the long-term, predictable funding it needs. It is of vital interest to Ukraine, and hence it is now of vital interest to Europe too. Europeans should also go a step further and make sure that Kyiv receives not only societal and economic support – which has been the bulwark of European aid – but they now need to provide the much-needed military equipment in order for Ukraine to protect its critical infrastructure and population.

Since the beginning of the war, Europeans countries have stepped up, France is spending 1.9% of its GDP in defense (56.65b USD), so are the UK (2.07%, 65.77b USD), Germany (1.57% of GDP, 68.08b USD) and Poland is now spending almost 4% of its GDP (29.1b USD)

The European Peace Facility (EPF) is an off-budget instrument aimed at enhancing the EU's ability to: prevent conflicts, build peace, and strengthen international security. It also enables the financing of operational actions that have military or defense implications under the Common Foreign and Security Policy (CFSP). Below is a breakdown of European aid to Ukraine until now:

- 43b USD in financial and budgetary support and in humanitarian and emergency assistance
- 29b USD in military assistance
 - 6b USD from EPF
- 18b USD from the EU budget to support Ukrainian refugees
- 1b USD for maintaining food and aid transport lanes

Europeans can do more when it comes to burden-sharing – and they have pledged to do so. That said, we still need US leadership. The viability of NATO as an alliance depends on it. And, so does the credibility of its deterrent – whose need is pressing while Vladimir Putin attacks Ukraine daily and is hoping out transatlantic unity will falter.

One should not underestimate the Copernican revolution the EU went through in using the EPF. It has led to collective EU and EU member state support to Ukraine. Part of that funding went to forms of aid that the EU is used to providing: almost \$47 billion for financial and budgetary support and in humanitarian and emergency assistance. This support is crucial as it allows Ukraine to maintain infrastructures and public services, such as hospitals, schools, and housing for relocated people. It also ensures macroeconomic stability, and helps restore critical infrastructure destroyed by Russian attacks. The innovation of the use of the Peace Facility is that funding has been dedicated, for hte first time in the EU's history, to military assistance. As such, \$29 billion have been spent on ammunition to air-defense systems, Leopard tanks, and fighter jets. This includes an unprecedented \$6 billion from the "European Peace Facility," in addition to supplies provided directly on a bilateral basis by our Member States. On ammunition for Ukraine, EU support includes \$2.2 billion for the joint procurement and delivery of up to an additional one million rounds of artillery ammunition by early 2024, and an additional \$535 million to urgently boost EU defense industry capacities in ammunition production. The difficulty now lies in the defense industries on both sides of the Atlantic materializing the production of sorely needed equipment. We have seen European companies struggling to ramp up production, as they now move from the smaller production capacities they adapted to at the end of the Cold War to a vastly different strategic environment in Europe since Russia's invasion of Ukraine. This new phase of adaptation will take time: once the funding is secured, factories need to be built, workers trained. New supply chains of critical materials must also be set up.

Increased EU-NATO cooperation

Hence, the need for NATO, the EU and member states to demonstrate their willingness, in words and action, to support Ukraine in the long run.

While NATO has procurement agencies and has been the essential go-to forum to coordinate efforts, the EU is endowed with financial instruments and the industrial toolbox that can incentivize defense industries in Europe. Indeed, Ukraine's allies find themselves buying equipment off the shelf as they go. But, if they are serious about providing long-term, decisive support to Kyiv, Europeans will have to develop these long-term capabilities for themselves.

The security of the EU and NATO are inter-connected. With Sweden about to become a NATO member, 23 European Union member states will also be NATO members. The addition of Sweden to the alliance will also lead to a strengthened Baltic Sea corridor. The EU has now officially open accession negotiations with Ukraine, effectively tying Kyiv and the Union's futures together.

The transatlantic alliance is rendered stronger by the partnership between the EU and NATO, and EU defense initiatives contribute to Trans-Atlantic burden-sharing. NATO is the foundation of collective defense and a bolstered European defense is complementary to it. Making both organizations stronger is mutually reinforcing and must be done in tandem.

In that context, the idea of a European "pillar" within NATO — meaning that a politically and economically strong Europe should contribute practically equivalent military capacity as the United States to mutual security – will be both a European and an American strategic interest.

EU-NATO cooperation is also an area where we tackle global issues, particularly when it comes to China.

The months and weeks leading up to the NATO Washington summit should be an opportunity for increased transatlantic cooperation and for bolstering our defense plans, as we seek to protect Ukraine and provide it with all the equipment and assistance it needs. A strong and stable Europe is in the US' interest.