European defense between NATO and PESCO: Charting a course for Czech defense policy
Summary and recommendations

Stirred up by the Russian annexation of the Ukrainian peninsula of Crimea in March 2014 and the ongoing undeclared war on Ukrainian statehood, NATO continues its structural adaptation for a major conventional conflict. NATO committed to a double-tack policy of adaptation that combines steps to ensure deterrence by punishment with open channels of dialogue with the Russian government and military. The ultimate success of this policy rests upon a credibility that any further actions on the Russian part will trigger a reaction from the Alliance. While NATO’s unilateral commitment to the 1997 NATO-Russia Founding Act and the so-called Three No’s pledge remains tenable today, it may not always be the case. Providing the same level of security for all Allies has to remain NATO’s central rallying call.

The decision to activate the Permanent Structured Cooperation (PESCO) in defense is a milestone in the history of European defense since the Second World War. Yet the expectations of Europeans should be cautiously managed. Europe will remain dependent on the US in security terms and the least we can do is to shoulder a bigger part of the burden for our defense. PESCO is a mere step on this long journey. Only the next steps will show if Europeans agree where to road goes to and whether or not it leads to European strategic autonomy. A question hangs over the power relations between the European Commission (and the European External Action Service) and the EDA over PESCO.

The course of the Czech defense policy should follow simple lines. Foster strategic interdependence and integration in the industrial and military realm with key Allies and refocus Czech NATO policy. This paper argues for “Easternisation” of Czech NATO policy. Multitasking and taking a back seat can no longer be an option. Instead, committing fully to deployments on NATO’s Eastern flank and signaling our ambition to take the lead of one the three battalions in Baltic countries after 2021 would not only raise our prestige but also help to organize our energies and skills when it comes to rebuilding Czech military capabilities while increasing our ability to double our contribution to collective defense in the future. Vocal support for NATO enlargement for Ukraine and Georgia should also be part of this “Easternisation” policy.
As we are slowly approaching the fourth “anniversary” of the 2014 Russian annexation of Crimea and the beginning of the Russian undeclared war on Ukraine it is a proper time to take a look at NATO on its road to the 2018 Brussels summit this July and put these developments in the context of the broader European defense landscape. President Trump has so far exerted limited influence on NATO’s general course. At the 2017 Brussels mini-summit Trump spurred the Alliance to join the Global Coalition Against Daesh and later in November to follow suit after the US decided to increase the number of troops in the never-ending Afghanistan operation. However, the primary goal of the Alliance remains unchanged – continuation of structural adaptation to major conventional war. There are now three somewhat intertwined factors that could derail the success of NATO’s dual-track policy vis-à-vis Russia: a military incident, Russian miscalculation and unaddressed incentives to test the Alliance’s cohesion.

Meanwhile the countries of the European Union are launching their fourth attempt at defense integration since the end of World War 2 in a latest effort to streamline resources and ultimately make the EU a regional military actor – following the lessons learned from the 1990’s Balkans wars and the 2011 Libyan intervention. Debates about what European strategic autonomy actually means are in full swing. Are these latest European activities an unnecessary duplication of energies and resources better managed through NATO that will ultimately speed up American disengagement from Europe or an empowerment of Europe both useful for NATO and strategically necessary for Europe in a post-Atlanticist world? Is a Franco-German military-industrial complex in the making?

This policy paper aims to analyze this defense landscape conundrum and discern possible lessons and recommendations for the Czech defense policy. Prague has since the annexation of Crimea distanced itself from the vocal countries on NATO’s “eastern flank” and lacks a major policy priority. Czech Republic is de facto “hiding in the middle” and commits its limited capabilities in a piecemeal fashion. This attempt at multitasking is detrimental to our ability to significantly shape the particular policies and leaves Prague as a mere follower of bigger players. We therefore propose an “Easternization” of Czech NATO policy.

Structural adaptation in the strategic direction East and three perils for the policy of strategic patience

Broadly speaking the Alliance that is about to turn 70 in 2019 so far navigated the dangerous waters of adaptation to the post-Crimea security environment with a reasonable measure of success. President Trump has not changed course as was feared because of his NATO-bashing campaign remarks and the delay in publicly affirming Article 5 – NATO’s collective security principle – once he became president. While Trump’s mannerisms raise eyebrows in Europe, it is concrete steps

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2 The first being the Pleven’s European Defence Community in the 1950’s, the second the Western European Union (WEU), the third the European Security and Defence Identity within NATO in the 1990’s, and finally the PESCO within the Common Security and Defence Policy framework.
5 To paraphrase the German “leading from the middle”.
that make the difference. And boosting the budget of the European Reassurance Initiative (ERI) that funds a rotational presence of American troops and strategic pre-positioning of military equipment by almost 40% (from 3.4 billion to 4.7) certainly makes a difference. Yet the question remains about the sustainability of this situation best characterized as a disconnect between the President's personal inclination to develop relations with Russia and his administration pressuring him to implement strong policy emphasizing great power rivalry.

Most importantly the Alliance in the face of Russian military adventurism broke one of its post-Cold War taboos and stationed four multinational battalions in Poland and three Baltic countries in order to establish a "tripwire" force alleviating fears that a local skirmish would not trigger the reaction of the whole Alliance. Although this step did not change the overall military balance in the region, it provided a decree of deterrence by punishment (combined with the reform of the NATO Response Force – NRF – and follow-on forces) vis-à-vis Russia whilst still honoring the NATO-Russia Founding Act of 1997 (NRFA).

As this so-called Enhanced Forward Presence (eFP) multinational force was being assembled during 2017, NATO kept the lines of communication with Russia open. On the ambassadorial level of the NATO-Russia Council (NRC) there were three meetings both in 2016 and 2017. And the NATO Secretary General met the Russian Foreign Minister four times in the last two years. Moreover, military to military contact at the top level was reestablished in 2017.

It is clear that NATO has committed itself to a double-track approach. Although the option of an anti-terror coalition with Russia seems to be off the table, there are now at least three factors that could still possibly derail the success of this policy.

Firstly there is the danger of a military incident that would escalate into a fully-fledged conflict. Which is why the resumption of military to military contacts at the top level is important. Even though this step has close to zero influence on the underlying reasons for the NATO-Russia standoff. It is therefore crucial that any further attempt at arms control with Russia has to be firmly anchored in reality. Putin’s Russia’s undeclared war with the West has become the regime’s de facto raison d’être and domestic justification for staying in power.

Secondly there is still a danger that Russia might miscalculate its own chances for another military adventure (e.g. stepping up its engagement within Ukraine or against Georgia). From the Russian military point of view the window of opportunity might be slowly closing. Just as the Russian economy was brought to a breaking point and its defense expenditure declined for two years in a row (and is now 10% lower than in 2015), the defense budgets of the European NATO Allies are on the rise – especially when it comes to the Eastern European NATO countries – and we are likely to see a European defense renaissance. As a power

7 NATO has committed itself not to station substantial military forces on the territory of new members. In combination with the so-called three no’s policy it was a major pledge in order to gain Moscow’s tacit consent for NATO’s enlargement.
in decline Russia and Putin’s regime will not be more risk-averse when it comes to using its military to draw attention away from mounting domestic issues should they think they can get away with it.

Third, and perhaps the most dangerous factor, is that Russia might be incentivized to escalate today’s cold standoff and test the Alliance’s political cohesion. This incentive stems from the fact that some NATO countries remain strongly committed to the NRFA that Russia de facto abrogated by its recent actions. If the dual track policy is to be successful, the message to Moscow must clearly say that no outdated letter will stop NATO from meeting the security concerns of its vulnerable members and that providing the same level of security for all Allies has truly become NATO’s central rallying call. As Deni eloquently puts it: ‘This approach risks undermining stability and security in Europe, all in the name of pursuing the chimera of Russian cooperation in the East.’

An irreplaceable part of NATO’s deterrence by punishment is credible nuclear posture. That is why a similar approach should also apply to the three no’s pledge from 1997 that says that NATO has no intention, no plan, and no reason to establish nuclear weapons storage sites on the territory of new members. Should the post-Crimea defense posture require it, NATO should not shirk from having this difficult nuclear discussion. All the more so when the current emphasis on the role of nuclear weapons in the Russian military doctrine and concerns about violation of the 1987 Intermediate-range Nuclear Forces Treaty – a cornerstone of Cold War arms control – recently prompted the North Atlantic Council to issue a statement supporting the United States on this issue.

Along with the trip-wire force and high readiness forces, NATO also endeavored to fit one last piece of structural adaptation to the new security reality – its command and control structure. At the Warsaw Summit in 2016, Allies decided to “conduct a functional assessment of the current structure”. The fruits of this task were harvested in November 2017 when NATO defense ministers agreed to create two new commands, one for the Atlantic (AC) and a second for military mobility across Europe (LC). The freedom of movement across the Atlantic and within Europe is critical if the Alliance is to credibly pursue the policy of deterrence by punishment. The details and locations of both new commands are still open to discussion, although there are some hopeful candidates. Maritime nations like Portugal, Spain, France or even the US could host the AC while the LC will probably be located in central Europe (e.g. Germany or Poland). But the final location, costs and even the size of these new commands will be decided at the next meeting of NATO defense ministers in February 2018.

The next step for the Alliance would be to mirror these changes in its main documents. The time is ripe for NATO to initiate an update of the 2012 NATO’s Deterrence and Defense Posture Review and 2010 Strategic Concept. That would be a proper way to celebrate NATO’s 70th anniversary.

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13 See 4.
16 Press conference by NATO Secretary General Jens Stoltenberg following the the meeting of the North Atlantic Council at the level of Defence Ministers”. NATO, 8. 11. 2017, https://www.nato.int/cps/en/natohq/opinions_148417.htm?selectedLocale=en.
Understanding PESCO: A game-changer if Europeans choose to

Enabled by Brexit and encouraged by the ascension of a more isolationist American president the countries of the European Union decided in December 2017 to activate the Permanent Structured Cooperation (PESCO) in defense provided to them by the 2009 Lisbon Treaty. Yet this was only the latest milestone on a longer journey re-started by the European commission and facilitated by the December 2013 European Council that among other things endorsed the Commission’s initiative to launch preparatory action on defense research and “invited” the High Representative to “assess the impacts of changes in the global environment”.

The EU thus had ‘irons in the fire’ when Putin’s invasion of Crimea and Ukraine shook the global environment three months later giving the EU’s endeavor a “critical mass” of member states’ support. This was the origin of the 2016 European Union Global Strategy (EUGS) that codified European strategic autonomy as the ultimate goal of the Common Security and Defence Policy (CSDP) and the European Defence Fund (EDF). The EUGS’s ambitions were in November 2016 operationalized in the Implementation Plan on Security and Defence (Implementation Plan) that lists a range of contingencies that Europeans should have capabilities for: crisis management, stabilization, air security and maritime security operations, and capacity-building. Yet the EU should be capable of executing these operations based on previously agreed goals and commitments – i.e. the Headline Goal 2010 approved in 2004. So the actual level of military ambition remains undetermined.

While PESCO has no goals per se its purpose is to make these CSDP goals possible. It is therefore a mere process or cooperation framework that connects the European ambitions set out in the EUGS with the capabilities needed for its execution. Simply put “PESCO is to European defense what the Maastricht criteria are to the Euro”, says a report to the European Parliament. The list of approved PESCO projects shows a clear crisis management focus and southern states (Italy, Spain, Portugal and Greece) lead or participate in a majority of the projects. The Headline Goal is to be achieved mostly through the German-led EUFOR Crisis Response Operation Core (EUFOR CROC) that should provide the EU with a full spectrum force package of about 60 thousand troops by drawing up a list of force elements – it is therefore not a stand-by force like the NRF or European Union Battlegroups (EU BG). This would speed up the process after the EU decides to launch an operation. If successful, this would represent a significant increase of military capabilities within the EU committed by Germany, France, Italy and Spain.

By activating PESCO the participating states also elevated the 2008 Capability Development Plan (CDP) and the 2016 Coordinated Annual Review (CARD) to a new level. While these remain on a voluntary basis, they were

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19 Although there is different understanding what this actually means – notably between the French and Eastern Europeans.
20 See 4.
22 CROC could therefore function as a follow-on force after the initial EU BG deployment and resolve the systemic problem when the countries responsible for the stand-up EU BG refuse to replace the standing EU BG jeopardizing the possible mission.
23 See 4.
incorporated into the PESCO framework and became legally binding\textsuperscript{24} – a fundamental difference to NATO’s Defense Investment Pledge (DIP).

Where European defense cooperation is heading should be a bit clearer by spring 2018 when a review of the CDP is to be put together by the EDA and member states taking into account the level of ambition from EUGS and the Implementation Plan. So far the list of priorities from the 2014 CDP corresponds to the 2017 PESCO project with two significant exceptions. Firstly, there are projects not covered in the 2014 CDP like the EUFOR CROC but also an Italian-led project to develop and build a European Armored Infantry Fighting Vehicle (IFV) and a Slovakia-led Indirect Fire Support project aiming to develop an artillery platform (EuroArtillery).

Secondly, quite obvious is the absence of projects covering strategic enablers like air-to-air refueling, smart ammunition or strategic airlift. The existing capability gaps are only partially addressed through projects on command and control (for CSDP missions and operations), on maritime surveillance and on communication (European military radio standard).\textsuperscript{25} Moreover, the relation between PESCO projects and multinational projects led by the European Defence Agency (EDA) – like the important air-to-air refueling project\textsuperscript{26} – has yet to be clarified. A power struggle between the European Commission (and the European External Action Service) and the EDA over PESCO is to be expected.

With a revision of the CDP member states should be able to identify gaps between the level of ambition (EUGS) and actual European military capabilities and hence will be able to revamped the list of capability priorities for member states to develop. The implementation of the priorities identified by Member States in the revised CDP is then to be periodically analysed by the CARD. The national gaps can then by plugged by collaborative projects that can be launched by Member States in various formats - under PESCO, within the EDA or in other bilateral or multinational frameworks - some of which may be co-funded by the EDF.\textsuperscript{27}

Thanks to the crisis management focus of the PESCO (while lacking strategic enablers) it is clear that this framework will not bring about the solution to reinforcing the non-North American contribution to neither the deterrence of Russia\textsuperscript{28} nor produce the majority of capabilities needed for European strategic autonomy in the medium term – the most ambitious project, EUFOR CROC, is to start with an implementation study. It is therefore absolutely crucial to keep the expectations of the European public realistic. The hole in European military capabilities is still gaping and Europe will remain dependent on the US in security terms. Underestimating the importance of military power for Europe’s future, as post-Atlanticists incline to do, would be a mistake that could backfire terribly.

On the other hand, blocking European defense cooperation from Atlanticist positions and not recognizing the ramifications of the deep structural shift


\textsuperscript{26} Initiated in 2016 by the Netherlands and Luxembourg and joined by Germany and Norway in September 2017, See: https://www.eda.europa.eu/what-we-do/activities/activities-search/air-to-air-refuelling.


Let’s also not forget that the whole process remains under the member states’ control and that national defense planners have to ensure that the planning goals assigned to each country within NATO and within PESCO overlap as much as possible following the logic of a single set of forces and reducing unnecessary redundancies in most areas while enabling the creation of crucial non-North American military capabilities.

**Prague in need of a grand strategy: “Easternisation” of NATO policy**

These tectonic shifts in the European defense landscape spell tremendous problems for a middle-sized former Eastern European country (with a defense industry built on small and medium businesses) that is not quite sure what is its “grand strategy”. We will now try to chart the backbone of this strategy in two intertwined parts: policy and capabilities. Let’s start with the policy first.

The 2014 Ukraine Crisis debased Czech security policy.\footnote{Jakub Kufčák. “Czech security policy and the Ukraine crisis: A lack of consensus on Russia”. Visegrad Insight, 2. 3. 2015, http://visegradinsight.eu/czech-security-policy-and-the-ukraine-crisis03032015/} The threat posed to our Eastern Allies by Russian military adventurism feels very distant from Prague. The theoretical safety of our Central European location thus limits our sense of responsibility for our shared “eastern backyard”.\footnote{Vojtěch Bahenský, Jakub Kufčák. “Conventional/hard security threats: the view from the Czech Republic” in Anna Visvizi, Tomasz Stępniewski (eds.) Poland, the Czech Republic and NATO in Fragile Security Contexts. I EWS Report, December 2016, http://www.amo.cz/wp-content/uploads/2016/12/Poland-the-Czech-Republic-and-NATO-in-Fragile-Security-Contexts.pdf.} Still the Czech Republic significantly contributed to the NRF in 2015, 2016 and 2017, and committed a company-sized unit equipped with armored personnel carriers (APC) to a Germany-led eFP battalion in Lithuania and a platoon-sized mortar unit to a Canada-led eFP battalion in Latvia for 2018. Yet, there are so far no plans to keep this contribution in the following years or to strongly recommit to eFP in the future. In 2019 the main defense policy priority will be the creation of V4 EU BG and in 2020 Prague will provide a major contribution to the Polish-led VJTF.

The recent 2017 Defense strategy of the Czech Republic\footnote{Ministry of Defence of the Czech Republic. “The Defence Strategy of the Czech Republic”. April 2017, http://www.army.cz/assets/en/ministry-of-defence/strategy-and-doctrine/defencestrategy2017.pdf.} sets the ceiling for contributions to the NRF, to EU BG and to Enhanced Forward Presence (eFP) in Poland and three Baltic countries to a mere battalion in total meaning that Czech contributions to these three major activities will very likely be mutually exclusive on a yearly basis. Before Prague rebuilds sorely needed capabilities, more tailored defense policy priorities would suit the Czech Republic’s limited resources. The Czech contribution to joint activities along NATO’s Eastern flank is treated only as one among many (and flexible stand-by NRF over deployed eFP are favored) and not as a geopolitical imperative that would mirror our dependence on the security umbrella provided by the Alliance. Prague should concentrate its limited resources where it counts and prepare to significantly enhance Czech contributions to the eFP in the Baltic region after 2021 and even signal preparedness to take over the lead role in one of the eFP battalions. Joining NATO’s Tailored Forward Presence (tFT) in the Black Sea region should also be a priority.

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This “easternisation” of Czech foreign deployments should be complemented by vocal support for NATO enlargement for Georgia and Ukraine. Although there is no consensus to invite these countries to the Alliance, Prague as one of the main beneficiaries of the enlargement process should show that we do not leave behind other nations trying to choose their own future as we once did. Staying in the silent majority of NATO countries on this topic is unworthy of our foreign policy traditions. This is a dual-track policy to refocus the Czech NATO policy.

Bringing foreign deployments in line with our geopolitical national interest is even worth leaving other foreign deployments like Afghanistan (where Prague keeps a company-sized unit), Iraq or Mali where we have small, specialized elements. This would constitute a concrete step to sharing an appropriate piece of responsibility for Central and Eastern Europe. This “laser-like” approach to foreign deployments is more in line with limited Czech military capabilities. Hopefully, this picture should change by 2025 when the rearmament of a second Czech brigade is to be completed and the creation of a new, third brigade is planned to begin. This would allow Prague to double its contribution to collective defense from today’s 1 brigade (while keeping the commitment to eFP). Yet, in order to make both of the brigades deployable simultaneously, separated critical support units like indirect fire support and air defense elements should be integrated into the brigades by 2025.

In order to streamline cooperation and interoperability Prague should affiliate each of these brigades to a higher level of command for the collective defense follow-on forces (forces following the initial response force like the NRF). The potential partners for this goal are Germany and Poland. In 2017 Prague already took a significant step in this direction and enhanced its cooperation with Berlin through the Framework Nation Concept (FNC). The affiliation of the 4th Rapid Deployment Brigade to the German 10th Armored Division, however, has a design flaw. While the Czech brigade is equipped with “lighter” Pandur APCs, the German division is being rearmed with the “heavier” Puma IFV. A more optimal solution would be: a) to purchase the Puma IFV for the other Czech brigade, the 7th Mechanized Brigade, that sorely needs to replace its soviet-era equipment and b) by 2025 to affiliate this “heavier” Czech brigade to the German division. This step should be mirrored vis-à-vis Poland where a second Czech brigade could be affiliated to the 12th Mechanized Division in Szczecin within the NATO Multinational Corps Northeast that also commands the NATO eFP battalions.

When considering the Czech military capabilities, we should not forget that there are now two pressing structural problems. First is the lack of multinational projects that would anchor the Czech defense policy and armaments industry with our key partners. There are few possible projects that the Czech Republic should consider: leasing tanks (preferably from Germany) when the lifespan of modernized T72s ends, sharing its “bonsai” Gripen fixed-wing Air Force (with Slovakia) and participating in the Polish short range air defense Narew project. The philosophy behind this policy is to conserve resources to fully develop compact and deployable mechanized brigades and possibly create a 4th mechanized brigade after 2030 (but without the ambition to create the costly division level command structure). For too long has Prague sought to utilize its niche special forces, CBRN and medical capabilities and waited for others to do the heavy lifting.

And then there is our inconsistent PESCO policy. Although Prague was an active player during the initial stages of PESCO negotiations, the ministry of defense (MoD) later failed to negotiate enough support for proposed Czech CBRN and trainer aircraft projects (which the General Staff had to put together in just about two weeks). Curiously enough, the minister responsible for this failure is now the minister of foreign affairs (MFA) and is supposed to be one of the leading actors for this policy as a member of the EU’s Foreign Affairs Council. Prague is an observer in three already mentioned projects (the CROC, European APC...
and EuroArtillery) and participates in the German-led European Medical Command (EMC), the European Union Training Mission Competence Centre (EU TMCC) and the military mobility project (the so called “Military Schengen”) that has crucial importance for collective defense of Europe within NATO but also for support for CSPD missions.

What all these issues have in common is the importance of parliamentary control where policy makers have to advocate for pursued goals and means to achieve them. The Committee on Defence of the Czech Chamber of Deputies (the Defense Committee) has to live up to its task to be a constructive but critical partner to the MoD (but also the MFA when it comes to PESCO). The Defense Committee should vehemently push for multinational projects to create structural links with our key partners. Also the Defense Committee has to be put on an equal footing with the European Affairs Committee when it comes to national mandates and defense initiatives within the Foreign Affairs Council or the European Council. Last but not least, PESCO implementation plans and Czech PESCO projects planned for a second wave of projects where the MoD hopes to generate more support for its initiatives should be highly scrutinized in the Defense Committee along with the NATO Defense Planning Policy implementation plans with the focus on their complementarity.

Not self-sufficiency but strategic interdependence should be the principle of Czech defense strategy. The problems outlined in this policy paper are manifold yet a “wait-and-see” policy is not an option anymore for the Czech Republic. The lack of commitment to our Eastern Allies, overreliance on contributing non-combat military niche capabilities, lack of long-term projects with our Allies and no clear priority is no longer a sustainable policy for a country boasting to be the “heart of Europe” and surrounded by Allies in all directions.
European defense between NATO and PESCO: Charting a course for Czech defense policy

Association for International Affairs (AMO)

AMO is a non-governmental not-for-profit organization founded in 1997 in Prague to promote research and education in the field of international relations. This leading Czech foreign policy think-tank owes no allegiance to any political party or to any ideology. It aims to encourage pro-active approach to foreign policy issues; provide impartial analysis of international affairs; and facilitate an open space for informed discussion.

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