Armament Industry European Research Group

Gorrissen Federspiel

TÆNKETANKEN EUROPA

EUROPE'S ARCTIC TEST: FROM AMBITION TO CAPABILITY?

ARES Group

May 2026

The views expressed here are solely those of the authors. They do not reflect the views of any organisation.

AUTHOR'S PRESENTATION

ARES Group

The Armament Industry European Research Group (Ares Group) was created in 2016 by The French Institute for International and Strategic Affairs (Iris), who coordinates the Group. The aim of the Ares Group, a high-level network of security and defence specialists across Europe, is to provide a forum to the European armament community, bringing together top defence industrial policy specialists, to encourage fresh strategic thinking in the field, develop innovative policy proposals and conduct studies for public and private actors.

CONTACT [PILOTS]

Jean-Pierre Maulny, Federico Santopinto, Louise Souverbie and Julia Tomasso
ares@iris-france.org
+33 (0)1 53 27 60 60

iris-france.org/ares
#ARESGroup

@AresGroup_EU

ARES Group - EU

PROGRAMME

ARES Conference

EUROPE'S ARCTIC TEST: FROM ABITION TO CAPABILITY

Friday, 13th March, 2026, Copenhagen - Danemark

9:00 – 9:05: **Welcome address**

9:05 – 9:25: **Keynote: Towards European Autonomy at Last?**

9:25 – 9:40: **Keynote: Nordic Power in Europe & the Role of the Arctic**

9:40 – 10:40: **Session 1 – European Capabilities and the Role of the EU**

11:00 – 12:00: **Session 2 – The Arctic as a Strategic and Industrial Capability Frontier**

On March 13, the Danish research centre Think Tank Europe (TTE) and the Armament Industry European Research Group (ARES Group) led by the French Institute for International and Strategic Affairs (IRIS) co-organised a conference dedicated to addressing the capability requirements needed to defend Europe and the Arctic.

Russia's war against Ukraine, intensifying strategic competition, and the increasing use of economic and technological pressure have underscored persistent shortfalls in Europe's capacity to deter aggression, protect critical assets, and sustain prolonged military operations. Growing strategic competition in the Arctic is generating security and capability challenges of direct relevance to Europe as a whole, with Denmark and the wider Nordic region positioned on the frontline of these developments.

The conference examined how Europe can address related capability gaps and strengthen industrial cooperation, with a focus on developing the specialised military and industrial capabilities required for sustained operations on the Arctic flank, including Greenland. To explore these issues, two panels were organized, bringing together high-level speakers from EU institutions, national administrations, defence industry and academia. The first panel, "European capabilities and the Role of the EU" explored whether the EU's expanding defence toolbox can realistically help close these gaps, or whether structural constraints in industry, governance and national preference will continue to undermine collective capability building. The second panel, "The Arctic as a Strategic and Industrial Capability Frontier", focused on how Europe, and Denmark in particular, can build the operational, technological and industrial capabilities required for effective and sustained action in the Arctic.

INTRODUCTORY REMARKS

To set the scene for the conference and frame the discussions, two keynote speakers were invited to provide initial reflections on European defence and strategic autonomy. Their interventions introduced key themes that were further explored throughout the panels.

The first speaker addressed the question of the push "Towards European Autonomy" in the current security context. His intervention focused on two main messages. First, he emphasised the importance of adhering to the existing treaties, as defence remains a competence of the Member States, and there is currently no realistic prospect of transferring this responsibility to EU institutions. Within this framework, the role of the European Commission is to strengthen the European Defence Technological and Industrial Base by supporting increased production capacity and encouraging joint efforts among Member States. In this regard,

cooperation was presented as a central principle, with the Commission acting through incentives and coordination mechanisms to facilitate collective action among the 27 Member States. Second, he addressed the objective of strategic autonomy. While reaffirming that European NATO Member States remain committed to the Alliance, he noted that recent developments have exposed certain uncertainties in the transatlantic relationship. This, in his view, underlines the need for Europe to develop greater capacity to act independently, functioning as a form of insurance. He stressed that this requires political leadership at the European level, while again remaining within the existing treaty framework. Reopening treaty negotiations was presented as time consuming and unrealistic given the urgency of the current security environment.

The second keynote speaker broadened the discussion by examining conditions necessary for achieving a robust European defence capacity. He argued that defence should not be understood solely in terms of military capabilities, but rather as dependent on a wider set of economic and industrial capabilities. From this perspective, he identified four key areas of vulnerability for Europe. The first concerns energy systems, where Europe remains partially dependent on external sources and exposed to volatility linked to global fossil fuel markets. The second relates to critical raw materials, where limited domestic extraction and investment have increased reliance on external suppliers. The third vulnerability is technological. While Europe maintains strong technology levels, investment have often favoured non-European, particularly American, technology companies, raising questions about Europe's capacity to scale its own technological champions. The fourth concerns the absence of a fully integrated European capital market, which limits the availability of financing for large-scale industrial development. In this context, the speaker argued that Europe's current situation reflects a high degree of reliance on external actors across multiple sectors. In terms of solutions, he emphasised the need for efficient forms of cooperation, notably through coalitions of willing Member States. Strengthening resilience across the four identified areas of energy, critical raw materials, technology and capital, was presented as a necessary condition for scaling up sustainable industrial production. This, in turn, would enable the development of a more robust European defence technological and industrial base. A final point highlighted that such investments should not be limited to defence objectives alone, but should also generate broader societal benefits, reflecting the interconnected nature of these sectors.

SESSION 1 – EUROPEAN CAPABILITIES AND THE ROLE OF THE EU

Despite rapidly rising defence budgets, Europe continues to face critical shortfalls in key military capabilities, fragmented procurement, and limited industrial scalability. This session examined whether the EU's expanding defence toolbox can realistically help close these gaps, or whether structural constraints in industry, governance and national preference will continue to undermine collective capability building. Discussions focused on what Europe can and cannot deliver through EU frameworks, how EU instruments interact with NATO and national planning, and whether current policies are sufficient to support long-term industrial capacity, not just short-term procurement. The panel also addressed the strategic implications of continued dependence on non-European suppliers and what this means for Europe's ambition of greater strategic autonomy in an increasingly contested security environment.

European defence in a complex strategic environment: what role for the EU?

Two approaches were presented regarding the future of European defence, with some panellists emphasising that Europe should continue to maintain strong links with the United States, while others argued that the continent should reduce its reliance on external powers. These visions could be reconciled on the basis of the objective to rebalance the relationship with the United States. As multiple panellists insisted that Europe should be able to ensure its own security without depending on others – particularly the United States – , the definition of a framework and the means to achieve this objective emerged as a key discussion point.

So far, the EU has launched several programmes to support the European defence industry and has been capable of intervening across the entire armament cycle. The tools developed have aimed to support coordination on both the supply side – by injecting funding into the industry – and the demand side – notably by incentivising joint procurement. However, panellists pointed out that these initiatives have been received with a certain degree of confusion by Member States. This can be explained by the way defence policies are structured within Member States and in relation to the European Union. One speaker explained that defence policies at EU level are structured along two main dimensions: the operational dimension, which, from a strategic point of view, does not play a major role, as the Council has only the capacity to deploy small military missions abroad if voted through unanimity; and the industrial dimension, which is more developed and continues to expand through several initiatives and instruments. The same speaker argued that if Europe wants to pursue strategic autonomy while mobilising both national and EU resources to support common defence projects, there should also be an armament planning policy. This dimension currently remains under the control of Member States and involves procurement decisions. In his view, this is

essential to clearly define planning priorities, funding choices and the overall industrial strategy.

The discussion on developing an internal market for defence in the EU also revealed a need for clarification, as this notion is sometimes associated with that of a single market for defence. Some panellists expressed doubts about what this would mean in practice, arguing that the concept of a single free market is not applicable to defence, as it involves the free circulation of goods, people and information, which contradicts the highly sensitive and sovereign nature of defence. According to another panellist, this concept should be approached from a different angle, as it has little to do with its liberal aspects. Instead, it focuses on the idea of exerting public power, not only at the national level but also collectively at the European level, to shape what the defence industry produces according to Europe's needs. It is therefore not a matter of economic liberalisation, but of determining where public authority should be exercised: solely at the national level or also jointly at the European level, as the objective is the collective steering of the defence industry.

The question of strategic autonomy in light of EU-NATO relations and dependencies vis-à-vis the US

Discussions then turned to the relationship between the North Atlantic Treaty Organization (NATO) and the European Union, as part of the broader debate on European strategic autonomy. Given NATO's heavy reliance on US capabilities, panellists agreed that the debate centres not on disconnection but on cooperation and contribution to the Alliance. Several speakers stressed that the objective is not to break away from the United States, but to strengthen European autonomy while maintaining cooperation with NATO. This would involve reinforcing complementary European contributions and increasing overall resilience. A further perspective was offered by a panellist who argued that Europe is not distancing itself from the United States — rather, it is the United States that may be distancing itself from Europe. This reframing reinforces the case for Europe to be capable of acting independently.

From this perspective, one panellist proposed replicating aspects of the NATO model at the EU level. NATO provides a planning framework through the NATO Defence Planning Process (NDPP), which assigns capability targets to each member state and ensures coordinated defence planning. Replicating such a model at the European level could allow Member States to gain greater autonomy and further develop their own capabilities. Certain panellists highlighted the need to rethink how the NATO defence planning process operates: while Member States contribute military capabilities to achieve collective strength, critical capabilities and planning systems remain, in practice, under US control. Moreover, the Galileo

satellite system is frequently cited as an example of a necessary duplication of NATO capabilities.

A member of the audience emphasised that, in the current situation, the priority should be to fulfil capability gaps quickly. This often leads to the purchase of off-the-shelf US equipment, as European alternatives are not always available. This point of view implies that the relationship with the United States will continue to prevail in the short term and that Europe must keep the United States engaged for as long as possible in order to manage the transition. This transition should be gradual and controlled, as long-term reliance on American commitment may not be sustainable. This prompted further discussion on innovation capacity. Some participants noted that EU investment in research and development is considerably lower than in the United States, raising the central question of whether Europe can truly innovate independently.

Strengthening the European Defence Technological Industrial Base (EDTIB)

The discussion then shifted to filling capability gaps from an industrial perspective, particularly through the European Defence Technological and Industrial Base (EDTIB). One speaker argued that Europe does not lack capabilities or an industrial base but rather struggles with coordination and integration. The main challenge is to effectively connect existing resources and capacities in order to achieve tangible impact and industrial readiness. From this perspective, Europe already possesses a defence industrial base, technological capabilities and strong political momentum. The key challenge is not to create a new industrial base, but to unlock the potential of the existing one and coordinate it more effectively. This perspective highlights that the industry is operational and capable but constrained by national structures and legacy policies.

Panellists explained this situation in the light of five EU mechanisms:

- First, joint procurement is useful in the short term, as it helps maintain supply and cooperation, but its long-term effectiveness is limited by dominant national frameworks.
- Second, efforts to create larger European defence players on the supply side have not resulted in the creation of true European conglomerates. Successful cases, such as MBDA in missile production, emerged from existing capabilities rather than institutional frameworks.
- Third, the European Defence Fund supports joint development, but progress remains too slow to meet urgent security needs.
- Fourth, competition mechanisms, such as tenders, can stimulate innovation and diversity, and there is a need to involve new entrants beyond traditional defence companies, as the market increasingly extends beyond the defence sector.

- Fifth, flagship projects aim to bring together winning coalitions, reinforcing cooperation among key actors.

The overall conclusion is that the objective is not to create a new industrial base, but to unlock and better coordinate the existing one. The main challenges are therefore forming effective coalitions, encouraging joint projects and shared assets and accelerating decision-making and implementation.

The latter issue is closely interlinked with concerns about Europe's current capacity to scale up its defence industry sufficiently to meet demand. While tools and programmes already exist, the key question is whether production can increase quickly enough to respond to security needs. Three key success factors, referred to as the "3 Cs", were identified by one speaker:

- The first is cooperation, aimed at achieving mass production and efficiency through joint and cross-border procurement, expanded industrial partnerships and the inclusion of new partners, including additional countries and companies.
- The second is consistency, which requires aligning political ambitions with actual industrial output. Industry needs predictability and long-term visibility, as only stable demand enables effective investment and production planning. A common investment strategy is therefore essential, with a strong role for EU institutions in guiding and incentivising cooperation.
- The third is common preference, which emphasises the need to prioritise European products. This is crucial for building a sustainable European defence industry in the long term. The focus should be on European designed systems, as well as control over technology, skills and intellectual property. Europe must invest in R&D and create business opportunities to reduce dependence on non-European actors.

The issue was framed not as one of protectionism, but of sovereignty over defence assets: how much control Europe should have over weapons production and use. Europe should be able to decide how to use its capabilities without restrictions, determine export conditions and autonomously upgrade its technologies by retaining full control over its Intellectual Property (IP).

SESSION 2 - THE ARCTIC AS A STRATEGIC AND INDUSTRIAL CAPABILITY FRONTIER

The Arctic has rapidly moved from the margins to the centre of European security. Climate change, intensifying strategic competition and the region's critical geography have made the High North a frontline for European defence and resilience. This session examined how Europe — and Denmark in particular — can build the operational, technological and industrial capabilities required for effective and sustained action in the Arctic. What operational capabilities and industrial skills are needed for persistent presence in the High North? Should Europe adapt its defence-industrial and capability planning to reflect Arctic-specific realities? And how can Denmark and European partners better connect Arctic needs to the development of the European Defence Technological and Industrial Base (EDTIB)?

Europe's strategic priorities and the place of the Arctic

Europe faces a changing strategic environment and must prioritise its security efforts. The key question is where to focus and whether the Arctic represents a lasting strategic shift or a temporary concern. A panellist highlighted that, at present, the main strategic priority is Ukraine, as Ukrainians are defending Europe by containing Russia and, in doing so, are buying time for European security. Europe's key objective should be to ensure that Ukraine does not lose the war, if not for the sake of values and international law, in order to avoid a situation in which Russia gains control over Ukrainian military assets as such a scenario would have devastating consequences for Europe. From this perspective, Russia represents the main long-term threat to Europe as it is seeking to reshape the continent's security architecture, with ambitions not limited to Ukraine. Russia is undermining NATO and blurring EU cohesion by testing Europe's unity and capabilities. Another speaker stressed that Europe can use its diversity as an asset in this context, as the complementary roles of different countries, each pursuing different diplomatic strategies adapted to specific situations, enhance Europe's ability to act swiftly and effectively.

The Arctic is a region that matters for both strategic and structural reasons, mainly due to two factors. The first is climate change. There is a clear security framing of the Arctic by various actors – political, institutional but also academic. This security dimension is in part associated with climate change consequences like melting ice and permafrost bringing environmental risks with global consequences, not just new trade routes. The second factor is geopolitical, as the Arctic is seen as crucial for Russia due to its territory, military bases, nuclear submarines and strategic positioning. It is also important for European countries, particularly because of the strategic axis between Greenland, Iceland, and the United Kingdom (GIUK). An additional

factor increasing the Arctic's importance is the growing connection between China and Russia. One consequence of Russia's war against Ukraine is its increasing dependence on China, which in turn strengthens Chinese presence in the region. As a result, the Arctic has moved from being a niche academic topic to becoming a strategically significant region where Russia could potentially test Europe. From a Danish perspective, this evolution has also reshaped national security priorities. Denmark has undergone a rapid strategic shift from a low-profile defence actor to a highly active one. Key changes include a stronger focus on supporting Ukraine and increased awareness of threats from both Russia and the United States, particularly in relation to Greenland.

The discussion then turned to how Europe can engage in the Arctic. There is already growing European engagement through increased investment in Arctic-capable military equipment, reflecting the region's rising strategic importance. One panellist emphasised that Europe must take into account the extremely challenging conditions in the Arctic. Many ideas that appear feasible in strategy documents are in reality very difficult to implement, especially when it comes to maintaining a permanent presence or establishing permanent bases. Two complementary approaches to engaging in the region were suggested. The first is through dialogue. EU actors must ensure close engagement with Greenlandic and other Arctic partners, respecting Greenland's ownership and aligning with local values and interests. The second approach is through NATO. One speaker argued that as there is no alternative to NATO, Europe should not seek to replace it, but rather to "Europeanise" it by increasing its leadership and contributions. Arctic security must remain multilateral and alliance based. In this context, Europe's contribution should focus on multidomain situational awareness systems, such as satellites, undersea monitoring and sensors, as well as on adapting capabilities to Arctic-specific conditions, including with more icebreakers and polar vessels. A stronger European role in the Arctic should therefore develop within NATO, combining increased capabilities and leadership with respect for Greenlandic sovereignty, while placing as much emphasis on resilience and hybrid threats as on traditional military presence.

Space capabilities as key enabler in the Arctic

Space capabilities are becoming essential for Europe's ability to act, especially in challenging environments such as the Arctic. The EU's role in this domain is to support Member States by providing autonomous and reliable space infrastructure, without replacing their authority in defence matters. Space is critical for defence for three main reasons:

- The first is navigation, as it enables forces to determine their position and operate effectively. At the EU level, this is ensured by the Galileo system.

- The second is observation, which provides monitoring and intelligence capabilities. At the EU level, this mainly focuses on environmental surveillance through flagship programmes.
- The third is communication, which forms the backbone of modern military operations. It is essential for coordination, command and control (C2), and data exchange.

At present, the EU strives to develop space capabilities for Member States, not in place of them, in order to guarantee autonomous access and use for all 27 Member States, as well as a degree of autonomy of use, meaning that states can use these systems for their own purposes without interference from the European Commission. The objective is to ensure both reliability and autonomy in space infrastructure, allowing each Member State to retain independent operational capacity.

In this context, the IRIS² satellite communication programme is a flagship communication system. It is expected to include around 3,000 satellites and to deliver innovative services based on 5G standards. The system will operate across Medium Earth Orbit (MEO), at approximately 8,000 km altitude, and Low Earth Orbit (LEO), at around 1,200 km altitude, with deployment planned by 2030. Unlike the Galileo programme, IRIS² is unlikely to generate opposition from the United States, as satellite communications are mutually beneficial, commercially shared, and aligned with US expectations that Europe should invest more in its own capabilities. In this domain, increased satellite communication capabilities are generally seen as beneficial for all actors.

CONCLUSION

Across both sessions, the discussions highlighted that, despite significant progress in recent years, major structural challenges remain. Several key themes emerged. First, Europe does not necessarily lack resources or industrial capacity but rather struggles with coordination, long-term planning and alignment between national and European levels. Second, strategic autonomy is not understood as disengagement from allies, particularly the United States, but as the ability to act more independently within a cooperative framework, notably alongside NATO. This raises important questions about sovereignty, control over capabilities and the balance between short-term needs and long-term objectives. Finally, there was a shared recognition of urgency. The current security environment leaves limited time for structural reforms or lengthy institutional debates. Overall, the conference discussions suggested that Europe has the foundations required to strengthen its defence capacity but that the real challenge lies in translating this potential into coherent and coordinated action.

The Armament Industry European Research Group

Armament Industry European Research Group

2 bis, rue Mercœur - 75011 PARIS / France

+ 33 (0) 1 53 27 60 60

ares@iris-france.org

iris-france.org/ares

The Armament Industry European Research Group (Ares Group) is a high-level network of security and defence specialists across Europe. Its aim is to provide a forum to the European armament community, bringing together top defence industrial policy specialists, to encourage fresh strategic thinking in the field, develop innovative policy proposals and conduct studies for public and private actors.