



2024 NATO CIVIL PROTECTION GROUP SEMINAR



**PUBLIC-PRIVATE COOPERATION IN
SECURING CRITICAL SUPPLIES –
SUPPORTING ALLIANCE RESILIENCE**

MARCH 5 - 6, STOCKHOLM SWEDEN

This report and its conclusions are based on the recommendations provided by participants at the NATO Civil Protection Group Seminar held in Stockholm on March 5-6, 2024. Key findings and results from the seminar panels, working sessions, and keynotes have been merged into three main thematic areas, around which the report is structured. The results and views expressed do not necessarily reflect those of NATO or the Swedish Civil Contingencies Agency (MSB).

Public-Private Cooperation in Securing Critical Supplies – Supporting Alliance Resilience

EXECUTIVE SUMMARY



BACKGROUND

The COVID-19 pandemic and Russia's war of aggression against Ukraine demonstrate that NATO and its Allies must intensify efforts in establishing public-private cooperation to build national and collective resilience.

As owners of a substantial proportion of critical infrastructure, the private sector provides essential services to the civilian population and is relied upon to enable military operations.

Civil preparedness is dependent upon secure and often globalized flows of critical supplies, services, and information. This includes food, medicine, energy, telecommunications, and transportation.

NATO's Baseline Requirements for National Resilience mentions private actors 29 times. To explore ways to promote public-private cooperation in a degraded security environment, the Swedish Civil Contingencies Agency (MSB) hosted the "2024 NATO CPG Seminar on Public-Private Cooperation in Securing Critical Supplies – Supporting Alliance Resilience" in Stockholm on 5-6 March 2024.

Consisting of plenary sessions and workshops, a total of 320 participants from 28 Allied nations and two partner nations attended the seminar. Approximately 1/3 of participants came from the private sector. Participants left the seminar striving to begin implementing the recommendations in this report.

STRATEGIC AIMS

- More effectively implement NATO Baseline Requirements for National Resilience and enable civil support to military operations through greater public-private cooperation.
- Cross-border cooperation to address challenges on security of supply and global interdependencies.
- Public-private innovation partnerships aimed at further enhancing resilience.

SEMINAR OBJECTIVES

- Engage private sector representatives on NATO's public-private cooperation policy priorities.
- Identify best practices, models, and frameworks on public-private cooperation in securing critical flows/security of supply.
- Identify areas where NATO's Baseline Requirements for National Resilience can contribute to improving interoperability between the public and private sectors.
- Provide recommendations to further improve public-private cooperation in support of NATO's resilience policies and non-binding guidance.
- Support national authorities to further develop national practices and networks.

SUMMARY

Rooted in NATO's Article 3, resilience is both a national responsibility and a collective commitment. Each Ally must have national civil plans with the necessary public and private sector assets, capabilities, and resources to build societal resilience and support national military plans in close alignment with NATO's strategic goals.

Public-private cooperation must therefore be strengthened in order not to be a weak link in the Alliance's core tasks of deterrence and defence, crisis prevention and management, and cooperative security. With the private sector owning and operating substantial portions of critical infrastructure and services, much of which enables military operations, public-private partnership is not a "nice to have" but a "must have." Partnering with the private sector is vital in maintaining an advantage over competitors and adversaries.

Globally, the private sector is often the first to notice and react to changes in the security environment that impact their business. Supply chains and critical infrastructure are increasingly at risk of hybrid attacks and the consequences of climate change, geopolitical competition, and conflict. As stability is key for prosperous businesses, private sector investment in resilience, civil preparedness, and national security is not a matter of motivation. There is both a business interest and moral imperative. Rather, it is a question of how to effectively interface with government and creating a business case for public-private partnerships.

For successful partnerships, public and private actors are encouraged to conduct a joint needs assessment that identifies key areas where the private sector can increase the resilience and collective security of NATO Allies. To invest in resilience, the private sector requires clear government priorities and frameworks in peacetime, crisis, and war. Government and industry must share intelligence at classified levels to jointly assess risks and vulnerabilities across borders. Civil preparedness policy and planning must be jointly developed and exercised. Establishing a single point of contact within national and international institutions is a key step that can facilitate sustained public-private engagement.

Trust is the key ingredient in successful public-private partnerships. This report's recommendations aim to promote trust and willingness to embark on public-private partnerships that serve Allies' national and collective resilience and defence.

NATO Baseline Requirements for National Resilience



Supporting Resilience and Enablement through Public-Private Cooperation



BACKGROUND

Critical infrastructure and services, such as telecommunications and international shipping, are most often owned and/or operated by the private sector. To build societal resilience and enable military operations, public-private partnerships within NATO are not just desirable but a necessity.

A public-private partnership may be defined as any type of mutually beneficial cooperative arrangements, formal or informal, between two or more organizations from both the public and the private sector to enhance national resilience, crisis management, and Host Nation Support capacities and capabilities.

The term “partnership” is key. The private sector should not be viewed as vendors but a strategic resource for NATO. A mutual need and benefit between the public and private sectors must be clearly defined, including making a business case for investing in resilience.

Public-private partnerships have far-reaching advantages in anticipating, withstanding, responding, and recovering from strategic shocks and disruptions.

KEY CHALLENGES

- The private sector will not make risky investments in resilience without a considerable business case.
- The private sector is unsure of where to turn to establish public partnerships contributing to resilience and national security.
- Lack of a legal basis and mechanisms to conduct planning processes and crisis response operations.
- Diverse sets of private sector interests to effectively rally capabilities, capacities, and innovation that contribute to resilience.
- Sensitivities around skewing the market economy when the public sector enters into partnership with business and industry.
- Lack of mutual access to classified information and confidential commercial data leads to ineffective intelligence sharing and surveillance of critical infrastructure.

RECOMMENDATIONS

To meet the challenges of a deteriorated security environment, greater cooperation based upon a shared appreciation of new risks is required. Developing models that mobilize public-private capabilities and promote trust is key for success.

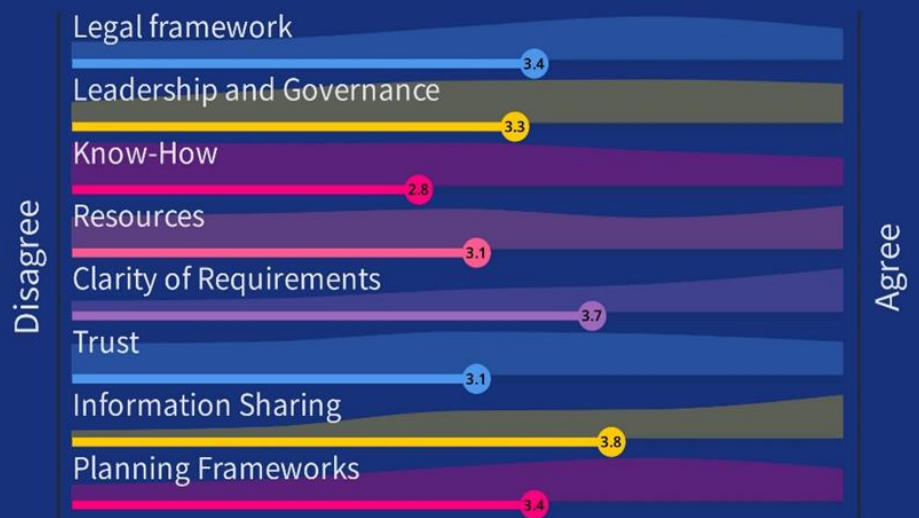
To start building working relationships, there is a critical need to identify a single national representative office and point of contact for the private sector to work with on matters of partnership and resilience at national and international levels. Allies should in-turn develop a national business and industry economic database to inform governments and NATO representatives of private sector points of contact. These steps can facilitate strategic-level discussions that prioritize and implement the appropriate civil and crisis preparedness legislation, planning, and exercises.

A clear business case must be made for the private sector to enter into partnership with the public sector. Business incentives and appropriate legal frameworks should be created to encourage the private sector to invest in resilience and crisis response efforts. Many capabilities are fundamentally dual use, such as railways, geodata, and cyber security. There is therefore great potential to share capabilities to attain resilience in both civilian and military domains.

The private sector must be part of national resilience governance. This includes participation and joint leadership in training and exercises with government and military representatives. A deliberate public-private planning process should be established with a concept of operations that details expectations for public-private operations. Private-sector participation throughout civil preparedness and defence planning processes will ensure that partnerships are based upon mutual needs and benefits, which will sustain engagement. The cooperative planning process, exercises, legal structures, and financial incentives established in peacetime will ensure robust resilience and military enablement across the spectrum of crisis and conflict.

Cooperation and planning must begin during blue sky periods. National and collective resilience and total defence posture is already insufficiently robust during peacetime. Establishing relationships and processes in the middle of a crisis will be too late.

Rate the degree to which each of the following is an obstacle for **public-private** cooperation



Response from participants of the Civil Protection Group Seminar.

Cross-Border Public-Private Cooperation in Securing Critical Supplies



BACKGROUND

International trade and cross-border cooperation are key to the sustainment and development of all NATO's Baseline Requirements for National Resilience.

Supply chains are international, interdependent, and vulnerable to a large number of threats in peacetime, crisis, and war. Climate change, cyber security, and geopolitical competition and conflict are the current main drivers of risk.

Compounding risk is the fact that critical raw materials and supply chains are often concentrated in geographic hot-spots and bottle-necks. Most of these are outside NATO territory, creating supply vulnerabilities and dependencies.

While supply chains are generally operated by private multinationals with a global scope, they typically face regulation demarcated by national borders. Cross-border, public-private cooperation is therefore essential in creating legal frameworks and contingency planning.

The Nordic-Baltic region, for example, faces hybrid threats to its dense network of privately owned critical undersea infrastructure and shipping routes. Regional companies monitoring their infrastructure are often unable to respond to threats on their own. Conversely, national governments and NATO may not have sufficient intelligence on emerging threats but do have the capacity to act and deter hybrid attacks. Cross-border, public-private partnerships are therefore key to mitigating risks to security of supply.

KEY CHALLENGES

- Diverging scope of operations between multinational corporations and national governments lead to differing sets of priorities and contingency planning.
- Lack of enabling legal frameworks for cross-border resilience, crisis management, and NATO Host Nation Support.
- Concentration of critical materials and supply chains in geopolitical hot-spots create vulnerable dependencies.
- Existing security of supply plans do not sufficiently account for raw material development from geopolitically risky nations.
- Lack of critical supplies and cross-border cooperation if and when national borders close (e.g. the Covid-19 pandemic).
- Single points of failure as a result of "just-in-time" business models are a risk during crisis or conflict.
- Lack of supply chain transparency.

RECOMMENDATIONS

NATO has an opportunity to involve the private sector in jointly identifying interdependencies and cascading effects on cross-border critical infrastructures and supply chains.

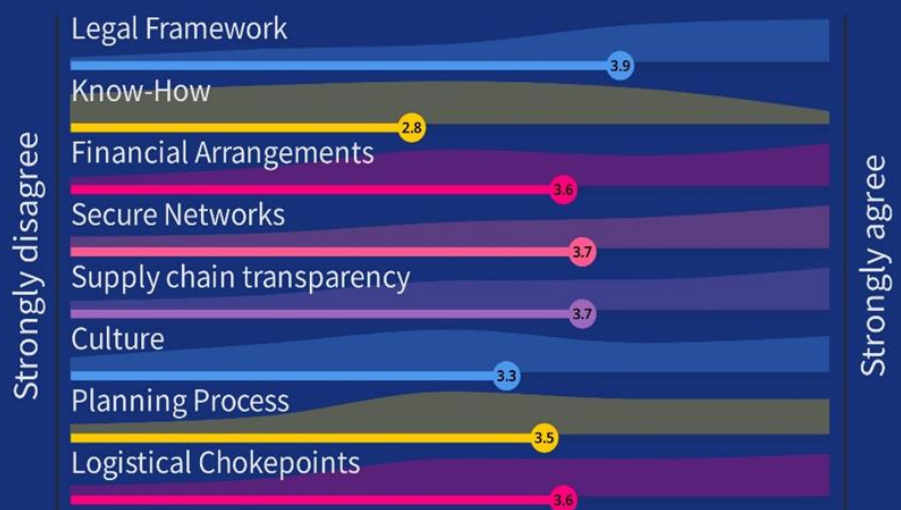
Multinational risk management and resilience planning should occur between public, private, and military organizations. The establishment of international platforms on thematic, sector-specific, or cross-sector supply chains and infrastructure can facilitate planning and operations. Joint-planning should aim to build a knowledge base and shared understanding of how various partners operate, including specific plans, agreements, and assumptions in times of crisis and war. NATO can lead the exchange of best practices in resilience across sectors and should consider the use of sector-specific lead nations to coordinate between industry and the Alliance.

Contractual agreements between the public and private sectors can ensure security of supply during crisis or conflict. Agreements should be coordinated across the Alliance and clearly define supply chain resilience priorities, targets, and processes to involve companies in developing solutions. This can include increasing production, stockpiling critical goods, relocating production to Allied countries, and prioritizing procurement from key actors/sectors. The private sector should make inventories of alternative products and production lines it can provide to the public sector during crisis or war.

To increase situational awareness of threats against supply chains and critical infrastructure, governments should share information about capability gaps and vulnerabilities to spur private sector engagement. Conversely, the private sector should share information on capacities and capabilities to help governments understand potential risks to security of supply. Secure systems and networks should be put in place to share information. The increased transparency additionally serves to build trust between public and private partners.

If Allies continue to work towards strong free trade agreements, there will be a larger degree of regionalization and/or "friendisation" – trade agreements amongst nations sharing NATO's core values.

Rate the degree to which each of the following is an obstacle for **cross-border** public-private cooperation



Response from participants of the Civil Protection Group Seminar.

Emerging Technologies and Innovation to Enhance Resilience



BACKGROUND

Innovation, unlike other critical resources, cannot be stockpiled. Rather, the public and private sectors must continually work together during peace time to innovate and develop new technologies vital for building societal resilience and defence capabilities. Leveraging private sector innovation is key in maintaining an operational and strategic advantage over adversaries.

During crisis or war, the private sector is able to innovate “duct-tape” solutions – innovation that can be used to solve a variety of problems. The war in Ukraine has shown that integrating dual-use technologies, such as drones and satellite systems, is key to maintaining an advantage on the battle field.

There is thus a sizable opportunity for the private sector to contribute to societal resilience and national security. However, public institutions and their procurement processes run on a different time scale than innovators, making access to funding difficult. Moreover, the public and private sectors have very different cultures around taking risk necessary for innovation.

Closing this gap by creating the right regulatory and financial incentives, as well as structures for mutual understanding and interfacing between the tech and public procurement sector, is key for public-private partnership that spurs innovation.

KEY CHALLENGES

- The public-sector has not clearly articulated the needs/challenges the private sector should help solve.
- High barriers for start-ups and smaller innovators to access the public sector.
- No easily accessible NATO structure responsible for enabling business partnerships with the private sector.
- The speed of innovation and financing required for start-ups developing new technologies outpaces lengthy public procurement processes.
- The public sector’s risk-aversion versus the high-levels of private-sector risk-taking in order to innovate is not conducive to effect partnerships.
- New technologies are a double-edged sword that can create new security challenges exploited by adversaries.

RECOMMENDATIONS

Public and private actors must jointly conduct a needs assessment to identify the key areas where private sector innovation and technology can increase the resilience of NATO Allies. This includes both a strategic and responsive approach.

From a strategic perspective, NATO should update security and regulatory frameworks, designate points of contact and platforms for sustained private sector engagement, and focus research on drivers of innovation.

To that end, NATO must clearly articulate the challenges it wants the private sector to help solve. National governments should share information about capability gaps and resilience priorities to spur private sector investment in innovation that contributes to identified resilience and national security needs. Conversely, the private sector should share market intelligence on emerging technology from small-scale innovators in Allied, partner, and adversarial states. This increased transparency also serves to build trust.

Creating a financial and regulatory framework to incentivize effective public-private cooperation is key. Simplified and expedited public procurement processes can lower the barriers for both small and large innovators. NATO should build on existing examples of public-private partnerships. The Defence Innovation Accelerator for the North Atlantic (DIANA) is a step in the right direction. Additional arenas where solutions can be tested and transitioned into usage should be established.

Educating public officials on the tech sector and innovative landscape can help ensure that regulatory frameworks and policies incentivize innovation. To close the culture gap between public and private risk-taking, public policies should foster a “no blame culture” where failure is accepted in order to encourage innovation in both the public and private sector. There will always be bad actors, but the right public policy and (financial) incentives can promote good behaviour and mitigate malign use of innovative technologies.

In a responsive context, production flexibility is needed if private companies will be asked to change their production during crisis or war. Scalable innovation is also required to support just-in-time workforce competency training. There is potential to develop greater collaboration with academia, such as universities identifying hard-to-find critical competence and educating and training human capital.

Rate the degree to which each of the following is an obstacle for using private sector **innovation and emerging technologies**



Response from participants of the Civil Protection Group Seminar.

Conclusions and Recommendations



Way Forward

Seminar participants acknowledged and expressed desire for greater public and private sector cooperation. The private sector and Allied governments were encouraged to contact and engage one another to find opportunities to further facilitate partnerships. NATO was asked to support Allied efforts in facilitating cross-border, public-private cooperation, and in building a body of knowledge on best practices, including through the publication of non-binding guidance. To that end, seminar participants issued the following recommendations:

- Establish a NATO-level consultative platform for private industry executives to meet with NATO senior officials and resilience policy directors to maintain regular public-private engagement.
- National governments and NATO should clearly define and prioritise the security challenges the private sector can help solve, backed by the necessary financial resources, to drive mutually beneficial investment in resilience and innovation.
- In order to create resilience governance frameworks, Allies should establish national-level working groups for each NATO Baseline Requirement that includes the relevant public and private sector representatives. Frameworks should address legal, policy, and contractual concerns.
- Jointly develop clear requirements for the private sector to support civil and military authorities in the context of resilience, crisis management, and Host Nation Support.
- Increase situational awareness about threats and risks to national security and other vulnerabilities through greater information sharing between the public and private sectors. This includes designating mechanisms for unclassified and classified information exchange.
- Conduct joint public-private planning, training, and exercises to build trust and ensure readiness.
- Develop an Alliance-wide body of knowledge, guidance, and best-practices to enhance public-private cooperation.
- Create arenas where security challenges and innovative solutions can be brought together and sandboxed to test, evaluate, and transition into use.

NATO has been advised to initiate the development of non-binding guidance for enhanced public-private cooperation in the area of resilience and innovation, to be finalized by the end of 2025.

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