

DSACT SPEAKER – ATLANTIC TREATY ASSOCIATION, ROME
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“SACT analysis of the Challenges Facing NATO”

Excellencies, Mr President, Dr Dahl, ladies and gentlemen

Thank you, I am grateful for this opportunity to engage in this next session of your programme on Capabilities Development and Transatlantic Interoperability.

I have been asked to provide you with a keynote address on Allied Command Transformation’s analysis of the challenges facing NATO.

You might ask “Why ACT analysis? What makes this organization best placed to deliver such comment? Well, our remit, in simple terms, but with complex implications, is to improve NATO’s military capabilities and to promote interoperability. A task encapsulated in the word “transformation”.

To tackle this we have created at ACT a fully joint, intellectually agile, HQ. We aim to identify and influence the Alliance’s future military requirements; and hopefully become recognised throughout NATO, as the source for new concepts and capabilities and the automatic “first port of call” for those with original ideas.

In process terms, our Transformational model is one in which lessons learned, innovative thinking, concept development, research and technology, experimentation, training, education and material implementation all combine to promote capability improvement. It is a process in which we strive continuously to look to the future and anticipate change and one in which we have the remit to innovate and experiment in order to deliver usable capability to the front line – as quickly as possible.

Clearly, our remit is military transformation. It is within these tramlines that I therefore speak. Capability development and interoperability, this afternoon’s themes, are ACT’s business and I will address how we are dealing with them. However, in analyzing the key deliverables of our Alliance, I must also stray into operations and SACEUR’s area of responsibility if I am to present a rounded view of all the challenges facing NATO in the years to come. We

heard much during the opening session on political realities and challenges. I will concentrate on those in the military arena.

I seek to present to you issues where we need to do better. In doing so I must, up front, highlight that NATO has significant successes to its credit already. Much was said yesterday about them, and I do not wish to cover old ground. Please keep in mind however that I consider, in Banking terms, our account to be well in credit, in the black, as far as transformation goes. My job is to continue to drive it more deeply in that direction.

So what of the **challenges**?

This audience is very aware that the last two Alliance Summits focused closely on those issues perceived as the principle challenges to NATO's future. Prague in November 2002 and Istanbul this year. The key decisions from these Summits are therefore a valid and contemporary catalogue of the areas NATO needed to address. An audit of these issues therefore goes some way, I think, to provide you with the analysis upon which you have invited me to speak.

In short, as well as addressing Enlargement and other engagement initiatives, which of course it did most successfully, Prague was a Transformation Summit with 3 key decisions:

The first, a decision to go beyond the Euro-Atlantic area; to deploy when and where-ever needed.

The second, to create a NATO Response Force, a highly capable force at high readiness, with deployability anywhere, anytime, at its core.

Third, a redefining and restructuring of the Post Cold War Command Structure, to create a Transformational Strategic Command to drive improvement of the military capabilities of the Alliance and to promote interoperability.

These were ground breaking decisions, designed to reinvigorate the Alliance, to introduce Transformation, to maintain our Transatlantic cohesion, and reposition NATO as an international security institution able to operate anywhere.

What of Istanbul? Well the key message there was one of "Projecting Stability" and its importance to strategic security. Strengthening relationships

with our partners and internal work on our transformation were prominent discussion items but you will know that the two most significant decisions at Istanbul were, first, for NATO to expand its presence in Afghanistan and, second, to deliver training to the Iraqis, both in and outside Iraq.

All significant decisions and represent huge challenges.

What I would now like to do is take those 5 decisions, 3 at Prague and 2 at Istanbul, and by merging them into 4 broad themes, give you a brief audit of each, exposing the consequence of these themes as the current, residual military challenges for our Alliance. My 4 themes are ACT, the NATO Response Force, Afghanistan (or ISAF) and Iraq.

First, **ACT**. There are many areas that I could touch on here but the main thrust of our work is aimed at 3 key goals. I have already mentioned our constant focus on the future. We concluded early that we needed more granularity and detail of the future – vision, if you like - in order to set a framework within which we could explore the transformational requirements necessary to meet future challenges out to some 15 years. The need for this detail has resulted in a Bi-SC paper entitled “Strategic Vision – The Military Challenge”, a living paper where the views and inputs of all nations are actively encouraged to ensure its continuing relevance.

ACT uses this document to guide its efforts and to stimulate debate. So far it has proved invaluable.

Using our thinking within this paper, we consider that Alliance success in future operations will require the achievement of three Transformational goals:

- The first, we have labeled “Coherent Effects”. This involves the application of Effects Based Operations in which all instruments of Alliance power, both military and non-military, are integrated to create campaign effects and focused outcomes.
- Second, Decision Superiority – a seductive slogan, but one which seeks essentially to define a process of more transparent and rapid information exchange facilitating faster decision making,
- Finally, the application of Joint Deployment and Sustainment. By this I mean the deployment of mission-tailored forces in a timely manner wherever they are needed in order to conduct continuous, distributed,

non-contiguous operations throughout any area of requirement. Of course, once deployed we must achieve sustainment of the force over distance and time and across the spectrum of conflict.

Linked to all of this is an ability to operate in a truly integrated Joint manner.

In taking this work forward we work in close contact with Joint Forces Command in the USA, with Adm Ed Giambastiani dual-hatted to allow for maximum leverage of US initiatives, whilst also acting in reverse as the conduit for European ideas and concepts. Indeed, as we deepen our understanding of post-conflict operations and holistic campaign planning, Europeans and Canadians have much to offer to transformational thinking.

We have also created a dynamic process to learn lessons from the Afghanistan experience and have deployed a permanent team in country to capture contemporary data from first hand experience in ISAF and feed it back into training for the next NATO HQ.

In terms of training, the recently inaugurated Joint Warfare Centre in Stavanger is already coming into play and the Joint Force Training Centre in Poland will soon join it. These arrangements are allowing us to initiate a complete overhaul of Alliance training. We have, for instance, conducted mission rehearsal training for NRF command elements and for the next NATO HQs deploying to Afghanistan. We are delivering intensive and up to the minute high-level operational training and evaluation fed by the lessons learned analyses I mentioned earlier and also coupled with elements of experimentation. All this is completely new to NATO.

I mentioned experimentation. Building from the US JFCOM's extensive experimentation programme, we have now conducted experiments addressing concepts ranging from Autonomous Underwater Vehicles, to Effects Based Planning and Collaborative Planning Tools. We are also conducting some experimentation work with a friendly force tracking device in Afghanistan to increase situational awareness, and to challenge some of the lengthy acquisition processes which are currently a feature of the NATO bureaucratic procurement process.

This links also to the significant Force Generation challenges mentioned by SACEUR yesterday and ACT's new focus on the Defence Planning process. Here we aim to develop a more predictive system orientated towards capabilities rather than threats, which in turn assists nations to be more able to deliver usable, expeditionary forces when called for.

So the message here is that ACT is hitting some of the Transformational targets posted at Prague. It has been an ambitious program for this new command, but it has moved forward at speed. It took the US a decade to complete the creation of their agency for change, Joint Forces Command – we established a similar organisation inside 8 months. A significant achievement but there is still a great deal of work to do, and here lies one of the many challenges for the future.

At the Strategic level of command we have established the machinery necessary to deliver a NATO Transformational process. But wider Transformational change within the NATO bureaucracy has yet to be addressed – consensus remains the binding principle of the alliance but consequent decision making processes and laborious committee systems need revision. Equally, the military transformational model requires difficult decisions from nations to release the necessary resources. Expanding defence budgets are not a feature of current EU politics, therefore headroom within existing budgets is required; this means giving up those areas of military capability that have less relevance to today's themes, to establish the headroom to invest in those capabilities more suited to tomorrow's environment – difficult decisions are necessary.

We know that we need to move away from vast in-place forces that lack agility and expeditionary punch, as well as reducing our inventory of assets where we have too much resource such as fighter aircraft and submarines, and this, you should note, coming from a sub-mariner!

In their stead, we are driving towards forces that are usable, in deployability and integration terms, as well as an increasing emphasis on logistics and sustainability. To use an old analogy we need to move away from the Sumo wrestler that NATO had become during the Cold War and towards a fencer – light, fast, able to adjust quickly and strike precisely. We need to move away from individual national logistics provision and move towards the more agile pooling of assets.

And in technology terms, our priority rests with delivering Network Enabled Capability. We have chosen this because improvements in this area draw improvements in others. Information superiority enhances information sharing as well as situational awareness and improves collaborative planning. The latter, a critical lesson to emerge from Iraq, facilitates a common joint context within which one can establish Joint alignment and rapid adaptive planning. And this results in greater trust, more agile decision making and Joint decisive effect.

In short we are moving fast on delivering the intellectual foundation upon which nations can build transformational forces. Already nations are indicating their commitment to these themes in their own Defence Reviews. It will take time and significant re-allocation of funding priorities but, within 8 to 10 years, the indications are positive.

Next on my list of audit themes is **the NRF**. Let me remind you of the model. This is a force designed to move quickly to wherever it is needed, carry out the full range of missions, and be technologically superior, flexible, deployable, interoperable and sustainable. It is designed to deploy and fight alone or to be the high readiness end of a larger, combined and joint expeditionary force.

In terms of progress, an initial, joint force with developing capability, has been drawn together by SACEUR and stands-by under JFC Naples command as I speak. Elements of it were indeed used during the Greek Olympics. This is not yet a force able to achieve the kind of warfighting prowess that we seek but it is already a superb vehicle for tackling some of the big issues associated with these new NATO missions. Issues such as availability; readiness, force certification, Transfer of Authority, contingency planning and Joint sustainment are all having to be addressed as the NRF approaches Full Operational Capability in 2006.

And we have made some progress. The high level exercise studies completed for MODs and CHODs in Colorado Springs last autumn and for NRF Commanders in Norfolk in January have moved forward collective thinking on these issues significantly. The many associated issues are starting to be tackled in educational, doctrinal, cultural and training terms, and in that respect the NRF as a Transformational engine is beginning to have an effect. Many challenges remain, however. Not least for ACT is to ensure the capability of successive NRFs is improved incrementally – the bar continues to be raised.

Turning now to **ISAF**. NATO's current engagement in Afghanistan is the Alliance's number one priority. You have heard this before. I was recently there and can confirm that it is a significant task. We have, however, made real progress. Since NATO took command of ISAF in August 2003, a singular achievement in itself, things have turned for the better. Thanks to ISAF patrols, Kabul is safer than it has been of late. We are helping to secure heavy weapons in the capital and we are assisting in the retraining of the Afghan fighters to help reintegrate them into civilian life. As an example of such progress, at the site of the bombed out King's Tomb, I recently

witnessed hundreds of men and boys flying kites at sunset. An activity banned under Taliban rule but which seemed to me so simply to represent freedom. They were relaxed, spirited and joyful and I was left with a true feeling of optimism.

But the task there remains formidable. Security must be established throughout the country, not just in Kabul and the Northern region. Governance must be unified further and made truly representative. Poverty has to be tackled, and economic reform must take root. Lawlessness, organized crime, and in particular a growing drug trade also need to be addressed.

Consequently, NATO is currently aiming to expand ISAF to help the Afghan authorities in projecting stability and extending their authority outside the capital. To do this we intend to increase the number of so-called Provincial Reconstruction Teams deployed in the countryside. We have already expanded in the North and now need to go further.

But, despite the public optimism, difficulties with the availability and useability of forces on the ground are beginning, collectively, to impact seriously and it is clear that not all Alliance nations choose to recognize in military terms what they have signed up to in deploying a NATO force to the region. A clear link to my earlier message on useable forces. Obviously we cannot let ISAF fail for all the geopolitical reasons that I know an audience such as this will immediately recognize, and a great deal is being done in Brussels to avert such a scenario.

Simply put, and taking both ISAF and the NRF together, we have some considerable way to go yet to enhance our ability to deploy sufficient numbers of capable troops and equipment quickly, over long distances, and to keep them there for as long as they are needed. With such improvements, NATO's credibility will be maintained and strengthened but there are very real concerns that the military requirements for the tasks envisaged remain short of meeting political ambition – a key challenge, I think you would agree.

Finally, a comment on **Iraq**. Like Afghanistan, Iraq is critical to future security and stability across Euro-Atlantic boundaries and consequently features high on the Alliance's priority list. Right now we have a team of approximately 50 personnel in Theatre, who have completed an assessment of the opportunities for the Alliance to fulfil its commitment to train Iraqi forces in and outside the country and we have already initiated training. Additionally, we have instructed out-of-country a small number of Iraqi senior officers in both

Stavanger and Oberammergau and have begun to establish a Training and Doctrine Centre in Iraq itself. Additionally, we are advising on and coordinating the international provision of equipment to Iraq. Clearly, we have some way to go, but the emergent synergy between the Coalition and NATO efforts to establish an Iraqi force able to bring stability to this difficult Theatre are significant. This is no easy route for NATO, no simple task, and will sit as another mission challenge for the future.

All cautiously optimistic thus far, but I must draw your attention to an issue that could blight much of the progress in other areas – national caveats. Mentioned by SACEUR yesterday, these are increasingly a feature across the spectrum of recent NATO operations and range from limitations on the use of troops in theatre, to an outright veto to commit forces to certain operations including personnel from within the NATO Command Structure. Such dissonance is not only damaging in the highly responsive NRF context I have outlined, but also debilitating in terms of the over-arching cohesion of the Alliance. We must do all we can to overcome this worrying trend.

So let me draw to a close. I hope I have given you some food for thought. There is no doubt that NATO is facing an immensely challenging time but it has done so before and succeeded. The Alliance has done well in taking forward the decisions of Prague in operational and organizational terms. The military have been flexible and coordinated in delivering a new Command Structure and NATO nations have made progress in deploying force to where it is needed. The development of essential capabilities and creation of the NATO Response Force are key indicators of transformation progress, which is on track, but has a long road ahead.

Whatever the complexities I have described, NATO is transforming to meet the challenges posed by a new, 21st century security environment. In so doing, it remains a crucial anchor of stability -- for its own members as well as many other countries in the Euro-Atlantic area. As a consequence, anyone looking for indications about the state of the transatlantic relationship, and the health of the Alliance, should have much cause for optimism.