

# 1st Annual Baltic Conference on Defence



## Road to Transformation Summit

**1-2 June 2006**  
**Baltic Defence College**  
**Tartu, Estonia**

*Ministry of Defence of the Republic of Estonia*  
*Ministry of Defence of the Republic of Latvia*  
*Ministry of Defence of the Republic of Lithuania*  
*Baltic Defence College*

**1<sup>st</sup> ANNUAL BALTIC CONFERENCE**  
**on DEFENCE (ABC/D)**

*Road to Transformation Summit*

**Baltic Defence College,**  
**Tartu, Estonia**  
**1-2 June, 2006**

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## Contents

<b>Chairman’s Introduction and Summary .....</b>	<b>4</b>
<i>Tomas Jermalavičius, Dean of the Baltic Defence College</i>	
 First session: TRANSFORMATION OF NATO	
<b>Operations as a Tool for Transformation .....</b>	<b>11</b>
<i>Renatas Norkus, Undersecretary of the Ministry of National Defence, Lithuania</i>	
 <b>NATO, Common Funding and Peace Support Operations:</b>	
<b>A comparative perspective.....</b>	<b>20</b>
<i>Maj. Gen. (ret.) Kees Homan, Senior Researcher, ‘Clingendael’ Institute, the Netherlands</i>	
 Second Session: TRANSFORMATION OF MIND	
<b>Transformation Myths: Confronting the paradoxes of change.....</b>	<b>33</b>
<i>Dr. Antulio J. Echevarria II, Director of Research, Institute of Strategic Studies, U.S. Army War College</i>	
<b>Understanding NATO Military Transformation.....</b>	<b>45</b>
<i>Maj. Gen. Frank Hye, Supreme Allied Commander Transformation (SACT) Representative in Europe</i>	
<b>Military Education as a Vehicle for Transformation.....</b>	<b>52</b>
<i>Dr. Peter Foot, Director of Academics, Canadian Forces College</i>	
 Third Session: ROAD TO RIGA SUMMIT	
<b>A View from Berlin.....</b>	<b>60</b>
<i>Col. Hans-Werner Wiermann, Deputy Assistant Chief of Armed Forces Staff, Federal Ministry of Defence of Germany</i>	
<b>A View from the NATO Partner Country.....</b>	<b>70</b>
<b>and Holder of the EU Presidency in the Second Half of 2006</b> <i>Jukka Knuuti, Defence Advisor, Ministry of Defence of Finland</i>	

**Chairman's Introduction and Summary**

*Tomas Jermalavičius*

**Chairman of the ABC/D  
Dean of the Baltic Defence College**

On 1-2 June 2006, the Baltic Defence College (BALTDEFCOL) hosted the 1st Annual Baltic Conference on Defence (ABC/D), organised by the ministries of defence of Estonia, Latvia and Lithuania and the BALTDEFCOL. This event is a joint initiative of the three Baltic states to promote a broad debate on conceptual and practical issues of defence reforms and military transformation.

The 1<sup>st</sup> ABC/D focused on the issues pertaining to the NATO summit in Riga, hence its subtitle 'Road to Transformation Summit'. It was attended by more than 80 policymakers and academics from 20 countries as well as international institutions, who discussed the challenges of transforming NATO as well as national armed forces to meet current and future security threats.

**Conference background**

The initiative to have a regular annual defence conference in the Baltics, drawing participants from NATO and the EU countries to discuss fundamental strategic issues, has its roots in the Baltic Security Assistance, or BALTSEA, forum. Designed to allow effective coordination of external assistance to the armed forces of the Baltic countries, the forum has largely outlived its purpose and did not reflect the new imperatives, stemming from their NATO and EU membership.

These imperatives – the need to focus more on new expeditionary capabilities, increase their strategic utility and effectiveness in the contemporary security environment, develop new common solutions in order to bolster NATO and EU capacity to project military power, enhance partnership and cooperation with various nations and regions – are as pressing and important to the old NATO and EU members as the new ones.

Thus the “assistance provider-recipient” relationship, which underpinned the BALTSEA, has been eclipsed by the challenge of military transformation.

The idea of the ABC/D also stems from the effort of the Baltic states – eager and successful reformers themselves - to stimulate and sustain a reformist mindset and innovative approach to the challenges of transformation within the Euro-Atlantic security and defence community. The Baltic states started searching for new ways of engaging this community by providing a platform for exchanging experiences, perspectives and ideas. The ABC/D initiative is designed to serve this ambition in the future.

### **Conference proceedings**

The 1<sup>st</sup> ABC/D was opened by Mr Lauri Lindström, Deputy Permanent Undersecretary for Defence Policy of the Estonian Ministry of Defence, who underlined the importance of the ABC/D initiative in continuing and carrying forward the BALTSEA spirit and addressing the challenges of military transformation. Brigadier General Algis Vaičeliūnas, Commandant of the Baltic Defence College, then introduced the hosting institution, putting its role and development into the overall context of changes in the strategic environment and reforms of defence institutions.

The first session, moderated by Mr. Gediminas Varvuolis, Minister Counsellor of the Permanent Delegation of Lithuania to NATO, was dedicated to the transformation of NATO, which is a challenge of paramount importance in terms of securing the future of the Alliance.

Transformation of NATO force generation process and mechanism was examined by Mr. Peter Michael Pilgaard, Head of NATO and EU Policy Department of the Ministry of Defence of Denmark.\* His presentation sought to recommend measures of how to solve problems associated with force generation and arising from the lack of political

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\* This presentation has not been made available for the publication.

will, a “free ride” phenomenon and lack of resources. Mr. Pilgaard suggested that enhancing strategic dialogue within the Alliance, expanding common funding in some specific areas, applying usability targets and focusing on output for better burden sharing as well as establishing a better linkage between NATO force planning and force generation would serve well to facilitate force generation for NATO-led operations. His conclusion was that more transformation is necessary to fully exploit the Alliance’s military potential.

Mr. Renatas Norkus, Undersecretary for Defence Policy and International Cooperation of the Lithuanian Ministry of National Defence, demonstrated how his country was using commitment to international operations as a tool of transforming its armed forces. He gave a brief summary of the main drivers for change in the Lithuanian defence system after the accession to NATO and outlined major transformation dilemmas. At the same time, Lithuania’s participation in the international operations, such as the Special Operations Forces’ contribution to the Operation Enduring Freedom in Afghanistan, and in the projects such as the NATO Response Force (NRF), helped to identify and address the shortfalls in the areas of C4I, equipment, logistics and interoperability. Mr. Norkus went on to focus on Lithuania’s decision to lead a Provincial Reconstruction Team (PRT) in Afghanistan’s province of Ghor as a focal point in obtaining valuable lessons for further development of the armed forces. The PRT, it was suggested, helped to improve national planning and force generation procedures, the deployable command and control systems, deployable logistics capabilities as well as address the shortcomings in such areas as CIMIC, EOD, PSYOPS.

Major General (ret.) Kees Homan, Senior Researcher at the ‘Clingendael’ Institute (the Netherlands), spoke about the ways of increasing NATO common funding for common ventures. He provided a comparative perspective of current arrangements for funding international peace support operations under NATO, the EU and the UN. General Homan suggested that NATO’s common funding system had to be revised in the light of its global role and the financial burdens stemming from it. To ensure fair burden-

sharing and collective solidarity as well as the Alliance's ability to launch and sustain non-Article 5 operations, it is necessary to extend the common funding principles to such operations and make financial contributions to such operations mandatory to all members of NATO.

The second session, chaired by Mr. Svein Mikser, Chairman of the Defence Commission of the Estonian Parliament and a former Minister of Defence, sought to engage the participants of the conference in a broader discussion on the meaning of transformation, its perils and the challenges of transforming mindset of security and defence communities.

Dr. Antulio J. Echevarria II, Research Director of the Strategic Studies Institute, the U.S. Army War College, gave a presentation entitled "Transformation Myths: Confronting the paradoxes of change". As the title indicates, Dr. Echevarria exposed a number of myths underpinning the ongoing military transformation and discussed their implications. He focused on such popular notions that transformation is about changing for the future, that strategic uncertainty is greater today, that imagination and creative thinking are keys to success in transformation, that "mental transformation" is the most difficult challenge organisations face and that the military tend to re-fight the last war rather than preparing for the next. Through a careful, historically well-informed and insightful argumentation, Dr. Echevarria tackled these myths and made well-founded conclusions. Firstly, he suggested that transformation is more about present than the future and that the uncertainty is a given. Also, transformation is an ongoing, evolutionary and natural when in competitive environment, while truly revolutionary transformation requires strategic impetus and timing. It was also concluded that critical rather than creative and imaginative thinking is by far most important ingredient in transformation, while creative thinking and consensus can be in conflict with each other. Finally, it was made clear that re-fighting the last war is not always bad as it allows blending the old and new ways of war and building upon the knowledge of the past.



Major General Frank Hye, Supreme Allied Commander Transformation Representative in Europe, elaborated upon the role of the Allied Command Transformation (ACT) in the process of transforming thinking in security and defence. He underlined that transformation is as much about changing the organisational culture as about the product of the transformation, the new capabilities. General Hye also highlighted the role which the ACT plays in developing such concepts as Effect Based Operations and Network Enabled Capabilities as the intellectual framework for the effort to transform both armed forces of the individual NATO nations and the Alliance capabilities in general. He furthermore outlined the challenges for further transformation, such as understanding the strategic environment, and demonstrated a full variety of tools that the ACT employs to enact and drive change within the Alliance.

Dr Peter Foot, Director of Academics at the Canadian Forces College and a member of the King's College London War Studies Group, delivered a presentation on education as a vehicle for transformation. His analysis built upon the distinction between the so-called Athenian and Spartan military mindsets, offered by John B. Lovell in 1979. Following this distinction, the Athenian mindset represents learning and high culture, emphasizes creative thinking and liberal arts, especially history, builds upon multiculturalism and is post-heroic, but also was challenged by 9/11. The Spartan mindset represents personal austerity, glory and discipline, emphasizes science and technology, builds upon patriotism and is heroic; thereby such mindset creates 9/11. Dr. Foot argued persuasively that to enable the military to tackle the Rumsfeldian "unknown unknowns", the military education institutions have to adopt the Athenian approach, focusing on developing open, flexible minds capable of analysis and conceptualisation.

The third session of the 1<sup>st</sup> ABC/D, chaired by Mr. Jānis Karlsbergs, Deputy State Secretary for Defence Planning of the Latvian Ministry of Defence, was devoted to discussing various national perspectives toward the forthcoming NATO summit in Riga, Latvia.

The view from Berlin was presented by Colonel Hans-Werner Wiermann, Deputy Assistant Chief of Armed Forces Staff, Politico-Military Affairs and Arms Control, Federal Ministry of Defence of Germany. It was followed by a view from the nation holding the EU presidency in the second half of 2006, elaborated upon by Mr. Jukka Knuuti, Advisor of the Finnish Ministry of Defence. Finally, the view from Washington was presented by Mr. Gary Robbins, Director for European Security and Political Affairs, Bureau of European and Eurasian Affairs of State Department.\* The presentations and the follow-up discussions revealed high expectations of the summit, particularly by the U.S., well justifying its ambition to become another major landmark in the road of transformation.

In this publication, we are proud to present those manuscripts of the presentations, which have been made available by the authors, to a wider audience. We hope that it will provide a further impetus for the discussion in the Euro-Atlantic security and defence community. Next ABC/D will take place in autumn 2007, on a topic to be agreed by the ministries of defence of Estonia, Latvia and Lithuania at the start of next year.

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\* This presentation has not been made available for the publication.

**First Session**

**TRANSFORMATION OF NATO**



## Operations as a Tool for Transformation

*Renatas Norkeus*

**Undersecretary for Defence Policy and International Relations  
Ministry of National Defence of Lithuania**

For us, members of the defence community, transformation is a state of mind; our daily bread and butter. It enables our ability to adapt to and survive in a fluid and uncertain environment. Operations are what we do in response to such environment. It is the main product of the overall defence policy and planning effort.

However, there is an input-output relationship between the two. We transform our armed forces to prepare for operations, and we learn from operations to carry on transformation. The goal of transformation is to ensure adequate capabilities and readiness of military units to respond to a variety of most likely and most demanding contingencies wherever they may arise. In turn, ability to learn from operational successes and failures affects farther development of the armed forces.

My article consists two parts: I will first put forward a few transformation-related questions of a broader, strategic nature. Second, I will share some lessons learned from Lithuanian participation in operations. With 12 years of experience under our belts, we are in a position to draw some important conclusions.

### **Strategic direction of transformation**

Two basic factors drive defence transformation: First, we build defence policy and force planning upon threat assessment. Second, membership in NATO and the EU affects the way we perceive our security environment and the way we do defence business.

Transformation is about making difficult decisions. We have to constantly balance between national needs, and NATO and, increasingly, EU commitments, while also taking into consideration limited resources. One needs to strike a delicate balance

between the role of the armed forces in homeland defence, and the ever-growing requirements of international operations.

The words “transformation” and “expeditionary” are often used in one sentence. “Lost in transformation” is the domestic role of the military. The deployment of troops for operations is often perceived as having more to do with foreign policy than homeland defence. It is no secret that smaller states rarely have vital interests at stake in remote areas of operations. When survival of state is not at stake, it takes substantial political will and resolve, as well as public support, to sustain commitments in expeditionary campaigns.

For politicians, it is indeed difficult to win votes by advocating foreign military adventures. For the common people, armed forces are about tanks, guns and homeland defence, not about provincial reconstruction and peacemaking in far away lands. This points to a broader issue of shaping strategic culture so that international operations are seen as the main mission of the armed forces, while society and decision-makers accept the risks of deploying troops to a wide-spectrum of operations, including high-intensity combat.

On one hand, using the military to clean up streets or extinguish forest fires is too much of a luxury for any nation. On the other hand, domestic visibility of the national armed forces and links to society at large still needs to be preserved for many good reasons. There is an ongoing national and international debate with one side arguing that “defence” should be purified to a strictly military sense, and the other side contending that concerted civil-military action is indispensable in dealing with contemporary threats. In some cases, military assistance may be vital in coping with a variety of crisis, including natural or industrial disasters and humanitarian relief. I believe the truth, as usually, is somewhere in between: the military force should be used when it really matters: be it humanitarian relief, be it a combat operation.

An unpredictable security environment also calls for more flexible and rapid decision-making. How much of national sovereignty are nations ready to sacrifice for the sake of a more efficient NATO? Smaller states are in particular sensitive about their sovereignty. Lithuania did manage to cast this issue aside: our Parliament has pre-authorized deployment of the Lithuanian element of the NRF, thereby granting full decision authority to the NAC.

There is also another set of questions that relate directly to the way we develop capabilities. What should be the balance between the in-place forces that carry out national tasks, and the deployable forces designated for international operations? I believe even the most advanced and “transformed” nations still retain some units that are used solely for national purposes. National capabilities available do not necessarily overlap with NATO needs. For example, not all the units offered by Lithuania to NATO as “niche capabilities” were actually required by NATO and vice versa: NATO has requested certain capabilities that Lithuania has never planned to have in its force structure.

A better balance between combat and logistics capabilities is also necessary. In the post-Cold war environment, NATO needs less heavy combat equipment, such as tanks, bombers, jet fighters, and artillery, but requires more logistics capabilities: transportation, air-to-air refuelling, field hospitals, etc. Nations need to make difficult decisions to scrap some sexy military toys in favour of field kitchens and laundries. Here, the main concern for smaller nations is over-specializing. Turning a nation’s armed forces into one niche capability, be it water purification or explosive ordnance disposal, even if it would cover all the needs of the Alliance, would be simply unthinkable politically. Conscription has been an organic element of a total defence system. Today, however, conscripts are of much less use for international deployments, unless conscription is used only for the purposes of recruiting and training to enter professional service. In such a case, it remains conscription only in name, which is already pretty much the case in Lithuania.

Last but not least, a dilemma that cuts across most of the other issues is a tension between the long-term needs of force development, procurement and modernisation and immediate operational requirements and running costs. Obviously, wishful thinking on resources should not guide the allocation of ever-limited funds, but striking the right balance is also extremely difficult. Failure to cover immediate operational needs may put security of deployed troops at risk. At the same time, covering running costs at the expense of important investment projects may jeopardise long-term development plans of the armed forces. It is indeed a Sophie's choice, which sometimes needs to be made.

Ever-growing international commitments further aggravate the problem. In the case of Lithuania, international operations are covered from the defence budget. There is a unpleasant tendency that the costs of operations usually pile up and above those initially planned. For example, when we initially planned the PRT deployment, the initial estimate of the endeavour was up to 10 million Lithuanian litas (2.9 mln. euro) per year. Today, we are approaching a 100 million mark. In addition, there are unplanned operations, which also mean unplanned expenditure. For example, in the end of last year, we deployed the Water purification unit as part of NRF in Pakistan in the aftermath of the Earthquake. We had to scramble money from here and there and rely on significant support of the Allies. In other words, sometimes operations may become a burden rather than a tool of transformation.

It seems to me there is only one way to avoid this problem - we need to develop a certain mentality, an understanding that each and every operation is an endeavour of the entire state, and not a caprice of the military or the Ministry of Defence. Participation in international operations is a tool of foreign and security policy as much as it is a tool of defence. Unfortunately, this is not yet taken for granted by the decision makers.

## Transforming for the operations

Let me now turn to more concrete aspects of Lithuanian defence transformation that enabled us to increase the involvement in international operations and eventually start drawing some lessons from these operations.

First, we built our defence planning on the assumption that there is no immediate threat of military aggression to Lithuanian territory. Second, the number, severity, and scope of the so-called “new threats” are increasing, and military means are being used more often to respond to these challenges. Third, Lithuania must counter threats where they arise: defence of Lithuania starts in Afghanistan rather than within our own borders. These assumptions lead to a term coined by the former Secretary General Lord Robertson - “usability” as keyword for Allied planning. Non-usable forces are unnecessary forces.

These new assumptions have caused a major shift in our overall planning approach. We have turned away from the threat based approach, which implied preparation for the worst case scenario, to a capability based approach, which implies having capabilities to respond to a variety of the most likely or most demanding scenarios. Instead of large territorial defence structure of 4 regular brigades and some 10 territorial brigades, we now aim at having one reaction brigade for a full spectrum of operations.

In line with this new approach, a new force structure has been put in place, consisting of smaller, lighter, deployable units. The new structure effectively enables the generation of deployable units. Priority is given to the development of the Reaction Brigade, which by the end of 2014, together with the pooled CS and CSS units and assets should be capable of deploying and sustaining one infantry battalion task group.

The logistics system is another key area, which yearns for major improvements. As long as we have been planning our defence against major aggression, we did not need a well-developed logistics system other than direct combat support. To put it simply, 15 years ago we did not expect nor planned to deploy and sustain a provincial reconstruction team in a remote province of Afghanistan.



The national ambition is to have 50% of our Land Force structured, prepared, and equipped for deployed operations and 10% undertaking sustained operations at any time, as compared to NATO usability targets of 40% and 8% respectively. In addition to the battalion task group, Lithuania will also be able to sustain one special operations squadron, 1 MCM ship and some brigade level CSS capabilities for operations at any time.

This ambition to a large extent drives the defence transformation efforts. Inside the defence system, we look into a number of areas in which we could save or reallocate resources to deliver deployable capabilities. For example, we seek to eliminate our non-deployable structures and non-usable capabilities as well as those designed solely for national purposes. We try to rationalize the use of existing infrastructure and get rid of those functions that are not natural to the armed forces. At the end of the day we should arrive at our long term vision for 2014 – having a modern and capable force, which is neither too heavy nor too light, but fit enough to carry out any mission throughout the full spectrum of operations, inside, and most likely outside Lithuania.

All these ongoing defence reform efforts have already enabled a rather significant increase in the potential to deploy and sustain Lithuanian armed forces in international operations. The costs of operations, the limits set by the Parliament and the actual deployment of troops have all been rising during the past few years and will continue to rise. As a result, Lithuania went “truly global”.

Our overall approach to operations is shifting. Before NATO membership, we sought political visibility and therefore wanted to put as many flags on the map as possible. Today, a logic of military expedience prompts us participate in operations with a more substantial footprint, in order to reach a higher efficiency level of capabilities used. Our goal of increasing the size of our units in operations may indeed sometimes come at the expense of the number of operations. I am afraid, some tension between political and

military logic will always be inevitable, and political interest to put a flag on the map may outweigh the military advice.

This new approach will allow us to consolidate our national contributions and allocate resources more efficiently. Commanders of the units will get more opportunities to serve in higher positions; troops will be able to gain more experience and develop better skills. Most importantly, participation in operations, especially those in Afghanistan, serves as a good testing ground for the capabilities developed through the NATO Force goals cycle. The received expertise and lessons identified “feedbacks” into our armed forces development plans and enables a better identification of existing shortfalls. Paradoxically, one easily identifiable lesson is that we need a centre for lessons learned that could draw together all the lessons from operations and translate them into new requirements for the armed forces. In this respect, our leading role in the PRT is by far the most valuable experience and may eventually serve as an impetus to establish such a centre.

First of all, it is an entirely new kind of experience for us. Albeit with indispensable assistance of some Allies – in particular the US, for the first time we have undertaken full national responsibility for every aspect of the operation – from planning phase to reaching full operational capability and executing the tasks outlined in the NATO operational plan, while commanding a multinational contingent. Needless to say, we had to grapple with many uncertainties during the planning phase, ranging from cost estimates to the assumptions about capabilities required in the area of operations, possible input from the Partners and Allies, and necessary logistical support.

Relations between the military personnel and a small civilian element of the PRT had to be sorted out. Capability shortfalls became clear soon after the deployment of troops. CIMIC element had to be reinforced; EOD team found itself lacking the Improvised Explosive Device Disposal capability; legal adviser to the PRT commander had to be deployed; national liaison elements in RAC-W and in ISAF HQ were established.

Cumbersome national procurement procedures caused delays in receiving supplies. Lack of recreational activities for the PRT personnel is also a matter, which needs to be addressed in order to avoid some negative affects on the motivation of the troops.

Not all shortfalls are easy to fix. For example, PSYOPS is a very important part of any peace support and stabilisation effort. But one faces a serious obstacle, when majority of population is illiterate and there is no local media whatsoever, except a single private radio station. Local interpreters appeared to have rather poor English language skills, prompting to the need to find prepared and reliable interpreters well in advance of the mission. Drivers had to learn on the spot driving in extreme conditions, sometimes without any roads.

The experiences accumulated have already allowed us to test and improve our deployable command and control systems, deployable logistics capabilities, and the skills of our units. Interoperability is by far one of the most important factors for success of any operation. The issue of interoperability is equally applicable to both a national and a multinational contingent. In Afghanistan, we have learned that it is important to send units that live and train together instead of pooling individual volunteers from different units. In a multinational operation, various national caveats, differences in procedures and doctrines, levels of training, standards of equipment and communication systems presents a challenge that needs to be overcome. Achieving interoperability of “hearts and minds” is in particular important, when a multinational contingent is being generated. In the case of our PRT, we are indeed lucky to have the Americans, the Danes, the Croats and the civilian specialists from Iceland on board. Multi-nationality for smaller countries has been and will continue to be an asset of invaluable importance, which indeed enables them to do things they would never be able to do alone.

## **Conclusion**

Let me conclude with what I believe is the most important lesson we have learned from most recent operations. A new generation of international operations has arrived.

Operations are no longer about pure military tasks of war fighting, peacemaking and peacekeeping. As we have seen in Iraq, peacekeeping and stabilisation effort must take place simultaneously with combat actions. In Afghanistan, we are learning that full synergy between civilian and military aspects of stabilisation and reconstruction operation is absolutely essential to succeed.

Moreover, neither a single state nor a single organisation can adequately respond to contemporary challenges. I believe that only concerted planning and action is the only option, as complex and politically sensitive it may seem. I mean “concerted” not only in terms of civil-military cooperation, but also in terms of concerting activities of different international organisations – NATO, the EU, the UN, the OSCE and other. Governmental agencies must also involve nongovernmental organisations and businesses. In the Balkans, in Iraq, in Afghanistan, the passwords to success are secure environment and reconstruction. The military can provide the former, but only civilian agencies can ensure the latter. One without the other is insufficient, inefficient and ultimately - irrelevant.

To sum up, it is our ability to learn from our past mistakes that helps succeed in the future.

## NATO, Common Funding and Peace Support Operations: A comparative perspective

*Major General (ret) Kees Homan*

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### Introduction

NATO is into the transformation process from a static defence organization to a more flexible, deployable mechanism for operations in and out of Europe. The NATO Response Force (NRF) concept and its inherent structures illustrate how NATO is transforming into a more responsive joint and combined force. However, as the command structure and strategic and operational concepts have rapidly evolved to meet changing threats, financial support mechanisms have not adapted.

NATO Secretary General, Jaap de Hoop Scheffer, remarked at the ‘Munich Conference on Security Policy’ earlier this year: “Right now, participation in the NRF is something like a reverse lottery: If your numbers come up, you actually lose money. If the NRF deploys while you happen to be in the rotation, you pay the full costs of the deployment of your forces. This can be a disincentive to countries to commit to participation in the NRF. And that is something that the alliance can’t afford.

At present, NATO operates a ‘costs lie where they fall’ system, which means that if one country sends two soldiers to a conflict zone, it only pays for two; while if it sends 700 it pays for 700. Most alliance members, particularly the larger ones, believe the system is not only unfair and inefficient but makes nonsense of any notion of solidarity by allowing some countries to ride in the slipstream of others”.<sup>1</sup>

In following article I’ll first make some observations on the financing of peace support operations in general. I’ll continue with discussing the financing mechanisms of the

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<sup>1</sup> Jaap de Hoop Scheffer, Secretary General NATO, Speech at the 42nd Munich Conference on Security Policy, 4 February 2006.

United Nations and the European Union. Then I'll focus on the way NATO is funding its non-article 5 operations. At the end I'll make some final remarks.

### **General observations**

So first of all, some general observations. Peace operations which are conducted within the framework of international organisations, such as the United Nations, NATO, the EU and the AU are funded by two basic mechanisms of financing: through the budget of the respective organisation and through direct contributions from national resources. Furthermore, there are two types of direct national contributions: physical resources (in-kind contributions) and financial resources (monetary payments).<sup>2</sup>

A common feature of all four systems is that the organisations do not have any significant capabilities (personnel, equipment, etc.) of their own but rely on the national capabilities of member states. Capabilities are built up in different ways. The UN invites member states to contribute forces to operations when a mandate has been decided. NATO and the EU have gone one step further in that member states have agreed to capability targets on the organisational level, whereupon individual member states have made national commitments to develop personnel and equipment capabilities to meet these targets. Common organisational capabilities are limited and consist primarily of assets, which can not be reasonably charged to any individual member state.

The systems of financing peace operations within the UN, NATO and the EU are shaped by their historical roots and institutional settings. The UN system is the oldest. It was developed after the Second World War entirely for traditional peacekeeping. Current requirements are much broader: the NATO system originated in a system for collective defence, to which peace support operations were added with the adoption in 1999 of a new NATO Strategic Concept. The EU system for crisis management has developed gradually since 1997, when the so-called Petersberg tasks were incorporated into EU's

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<sup>2</sup> Elisabeth Sköns, *International financing of peace operations*, Paper prepared for the International Task Force on Global Public Goods, SIPRI, Stockholm, 22 March 2005.

CFSP – within the initial constraints of an organization without competence in areas with military or defence implications.

### United Nations

Focusing now on the UN, this organisation has a separate agency for the management of peacekeeping operations (PKOs), established thirteen years ago notably to meet the growing demand for such missions. The UN system of financing and provision of PKOs has the following main characteristics:

A. Peacekeeping operations are financed separately from the regular UN budget through a system of so-called *assessments accounts*. UN member states are required to pay fixed shares of the annual budget for peacekeeping operations. The rationale for a separate financing system for peace missions is that it provides a more permanent and reliable source of funding. This has been interpreted as recognition of the risk of free riding, a problem common to public goods.

Financial contributions of UN member states are determined according to their ability to pay. The ability to pay is assessed based on income levels (GDP per capita) and for small states, their level of external debt. All this is translated into a graded scale with four groups: A, B, C, and D. This means that nearly all the costs of UN-led peacekeeping are met by the countries in group A (the five permanent members of the Security Council: 63,15 %) and B (most EU and OECD members: 34,78 %).

B. Financial contributions begin when the mandate for the mission is approved and are thus independent of the budget cycles of the contributing states. In addition to the standing budget for peace missions, additional contributions are requested from member states when there is a mandate for a new operation. This introduces an element of unpredictability of payment, since contributing countries are requested to make payments at unexpected times throughout their domestic budget cycle, which causes

them significant problems. They may also withhold peacekeeping contributions for a variety of political reasons, such as specific objections to particular missions.

C. Payments to the personnel in UN peace operations are made according to a common scale. This reportedly contributes to a good and co-operative atmosphere in the missions.

There is a great divergence between the pattern of financial contributions and the provision of personnel for the missions. The USA and the EU countries, which provide a major share of financial contributions, account for only a minor share of PKO personnel. Out of a total of the 18 current peacekeeping missions world-wide, involving some 63,000 military personnel, only some 2,500 personnel come from EU countries and less than 10 from the USA.<sup>3</sup> Most of the military personnel in UN peace missions come from developing countries. It provides a very high income for personnel from poor countries in relation to their standard of living back home. This is why there are so many military for UN peace operations from countries such as Fiji. In essence, the system therefore translates into a North-South financial transfer.

Still, the UN continues to face financial challenges because some nations are not paying their assessed contributions. When payment of assessed contributions is delayed the UN can no longer afford to authorize new missions and the success of ongoing missions is jeopardized. It is also worth recalling, that the UN foresees at least two distinct methods of financing peacekeeping operations.

The first was used e.g. for the UN force in Cyprus, which is paid for the government of Cyprus, the troop-contributing countries and voluntary donations. The second relates to so-called 'multinational forces' (MNFs) which, although authorised by the Security Council, are not actual UN-led forces: they are rather coalitions made up of and financed by willing states, such as the Australian-led force initially deployed to East Timor in late

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<sup>3</sup> [www.un.org/Depts/dpko/dpko/index](http://www.un.org/Depts/dpko/dpko/index)



1999 and, in particular, the NATO-led forces in place in Bosnia and Herzegovina till 2003 and still in place in Kosovo. The advantage of these types of operations is that they are not dependent on lengthy procedures for securing funds and can be deployed quickly.

### **The European Union**

Continuing with the EU, pursuant to Article 28 of the Treaty on European Union, military operations are financed by the member states outside the Community budget.<sup>4</sup> Article 28 dictates that “expenditures arising from operations having military or defence implications” be charged “to the member states in accordance with the gross national product scale, unless the Council acting unanimously decides otherwise”. In other words, the costs incurred by the EU for a military operation are not funded through the regular EU budget. Instead, participating states agree on a “key”, based on GNP, which dictates the percentage of the costs each is to contribute. By excluding military operations from the regular budget, this article ensures greater autonomy for states over their participation in potentially controversial missions. Those states opting out of an operation, as outlined in Article 23(1) of the Treaty, do not incur any of the costs. But the operations conducted in FYROM and the Congo have made clear, that it would be very much in the Union’s interest to have a permanent financial mechanism for such purposes.

### **The Athena mechanism**

The issue of financing took a big step forward on 22 September 2003, when the Council decided that the EU needed a mechanism for managing the common costs of military operations of any scale, complexity or urgency. The aim was to set up a permanent mechanism which would be activated for a military mission and not establish a standing pool of funds. As of 1 March 2004, the EU has a permanent mechanism, the so-called ‘Athena’ mechanism, for handling the common costs of the EU’s missions. Athena has been designed to streamline the budgetary mechanisms for every mission. The

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<sup>4</sup> Antonio Missiroli, *Euros for ESDP: financing EU operations*, Occasional Papers no 45, The European Union Institute for Security Studies, Paris, June 2003.

mechanism reduces the bureaucratic burden on the Council at the time of launching a mission.<sup>5</sup>

In other words, Athena aims to “improve the speed at which [the EU] can launch operations, by removing the need to adopt a Council Decision establishing a mechanism for every mission”. Instead of bringing budgetary concerns to the European Council each time a new military mission is proposed, Athena oversees the “common cost” decision-making process on its own.

Athena is managed by a Special Committee composed of representatives from each of the participating member states (all EU members except Denmark). This Special Committee approves all budgets to finance the common costs of an operation. Its decisions are binding and have to be unanimous. Among the costs to be covered by Athena are:

- incremental costs for deployable or fixed headquarters for EU-led operations;
- transport costs to and from theatres of operation; transport costs within are of operations with the exception of *per diems*;
- administrative costs, including communications; locally hired personnel, maintenance costs, public information, representation and hospitality;
- accommodation and infrastructure costs;
- incremental costs incurred to support the force as a whole; and
- incremental costs associated with the use of NATO common assets and capabilities made available for EU-led operations.<sup>6</sup>

Other costs associated with an operation – such as common costs relative to the preparatory phase of an operation – may also be borne by Athena, which will be financed primarily from contributions payable by the participating and contributing states. When appropriate, funds could also come from contributing third states. A

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<sup>5</sup> Gustav Lindstrom, On the ground: ESDP operations, in: Nicole Gnesotto (ed), *EU Security and Defence Policy, The first five years (1999-2004)*, EU Institute for Security studies, Paris 2004, pp. 124-127.

<sup>6</sup> *Council Decision 2004/197/CFSP* of 23 February 2004 establishing a mechanism to administer the financing of the common costs of European Union operations having military or defence implications.

smaller revenue stream will come from other sources such as interest revenue. The contributions by member states are calculated in accordance with a GNP scale.

While Athena provides an improvement over the former ad hoc system, it may still have some shortcomings. The unanimous decision-making process within the Special Committee may slow or hinder the financing process should a participating state decide to block a decision. From a different angle, if the allotted deployment time for troops is gradually reduced, the call for contributions at a later stage of the operation may prove inappropriate. This latter may be mitigated by Athena's requirement that the force commander produces pre-mission estimates of mission costs.

In addition to military operations, the EU funds a number of civilian post-conflict operations, such as the European Union Police Mission (EUPM) in Bosnia and Herzegovina. Funds for such civilian missions can come through a variety of channels. The key distinction for civilian missions is whether the costs are 'administrative' or 'operational'. Administrative expenditure for civilian missions is to be charged to the European Communities budget. Although operational expenditure is also normally charged to the European Communities budget, the European Council has the option of delegating operational costs to member states according to a GNP-based scale, or other scale of its unanimous choosing. In practice, large-scale civilian missions such as EUPM have not resorted to GNP-based scales to handle operational costs such as police officers' salaries and travel expenses. Instead member states have borne these expenses on a 'costs lie where they fall' basis. Importantly, when the costs of such civilian CFSP mission are covered within the budget of the European Communities, they normally appear within Budget Subsection B-8, under a heading for CFSP.

## **NATO**

I'll now address the way NATO is funding its non-article 5 operations.<sup>7</sup> In essence, NATO pays both ways – through common funding or a member's own purse. There are certain types of expenses that cannot reasonably be allocated to particular Member

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<sup>7</sup> *NATO Handbook*, Chapter 9: Common –funded Resources: NATO Budgets and Financial Management, Brussels, 19 October 2002.

States, and which are therefore shared as NATO “common costs”. These common costs are divided into three main accounts:<sup>8</sup>

- the civil budget;
- the military budget; and
- the NATO Security Investment Programme (NSIP)

The civil budget supports NATO headquarters in Brussels, and deals with all the diplomatic, non-military costs associated with maintaining a large, multilateral political organization. This budget is funded primarily from the appropriations of ministries of foreign affairs of member states. The military budget covers all expenses related to operating and maintaining NATO military headquarters around the globe. The military budget is financed mainly by the defence ministries of member states. The NATO Security and Investment Programme (NSIP) is designed to improve the security infrastructure in NATO Member States and to help fulfil NATO’s strategic vision of broad military readiness. Expenses for the NSIP are split among 25 or 26 member states, depending on French participation.

The percentage contribution that each member state makes to the various NATO budgets is based partly on GDP, but also represents the product of a political bargaining process. The division of the NSIP budget for example, takes into account each country’s “ability to pay”, along with other factors such as the potential economic benefit that the construction of NSIP projects will bring to a country, and the amount that each country is contributing to overall NATO security. Like all NATO decisions, percentage contributions to NATO budgets must be agreed on by consensus.

Focusing now on peace support operations, the current principle of “costs lie where they fall” is, as Mr. De Hoop Scheffer remarked, problematic because it leaves virtually the entire financial burden of participating in NRF operations on the member countries that are on-call at the time of deployment. This is not a fair system as the decision to

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<sup>8</sup> ‘Funding for Post-Conflict Operations: NATO and the EU’, *Peace Operations Factsheet Series*, The Henry Stimson Center, Washington, March 2004.

deploy is taken by all 26 members of the Alliance. Such a financial impact might further discourage participation in the NRF and other on-call forces. It has been recognized within the Alliance that failure to address this issue will negatively affect NATO out-of-area operations in the future, thus undermining one of the key strategic purposes of the Alliance.

In stabilisation operations, daunting upfront costs (for example, setting up runways in remote areas or creating a logistical infrastructure on the ground) discourage nations from being the first to volunteer. Instead, countries tend to wait to see what others commit. An easy, affordable and cost-effective way to surmount this “pay if you play” problem is to create an expanded NATO common fund for operations. This would ensure that there are no “free riders” in the Alliance, sharing the operations burden equitably between those who contribute forces and those who do not.

### **NATO’s revised funding policy**

Nevertheless, important progress was recently made in common financing when NATO revised its funding policy for non-article 5 NATO-led operations on 21 October 2005.<sup>9</sup> This revised funding policy lays down generic principles providing the outer framework within which the guidelines for a specific operation can be developed. Still, the primary funding mechanism for NATO-led operations remains that nations absorb any and all costs associated with their participation in such operations (costs lie where they fall). NATO common funding should not be a default solution for shortfalls in the force generation process and extended common funding should not lead to a further erosion of that process. This principle of nationally incurred costs “lying where they fall” will equally apply to non-NATO troop contributing nations but does not preclude bilateral or multilateral support arrangements.

Only those costs not attributable to a specific nation and agreed as eligible for common funding will be assumed by NATO. Such costs will be limited to minimum military

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<sup>9</sup> *Revised Funding Policy for Non-Article 5 NATO-led Operations*, PO(2005)0098, North Atlantic Council, Brussels, 18 October 2005.

requirements in direct support of the military aspects of the operation. NATO common funding will not be used for nation building purposes. In the revised funding policy, the notion of costs not attributable to a specific nation has been enlarged to cover a number of critical theatre-level enabling capabilities previously considered as a national responsibility. These capabilities, to be put under the operational control or logistic control of the theatre commander, will be listed in the OPLAN for an operation as part of a Theatre Capability Statement of Requirements (TCSOR). These requirements should, in preference, be provided by lead nations, such nations taking responsibility for assembling and maintaining the required capability from their own and other nations' forces, but with common funding paying for the deployment, the installation and the running of the provided capability.

NATO costs agreed as eligible for common funding will be borne by the Military Budget and the NATO Security Investment Programme and shared by all member nations, using the corresponding cost sharing formula of the Military Budget and the NSIP. Examples of critical theatre-level enabling capabilities for a NATO-led operation, under the operational control or the logistic control of the theatre commander, which are eligible for common funding now are:

- Role 3 Medical Facilities;
- CBRN Elements;
- Airports/Seaports/Railports of Disembarkation;
- Intelligence, Surveillance and Reconnaissance (ISR) and Air-to-Ground Surveillance;
- Engineering support;
- Fuel Storage and Supply;
- Financial settlements of claims;
- The destruction of weapons and ammunitions collected in the area of operations;
- NATO medals fir Crisis Response Operations;
- The construction of temporary weapon and ammunition storage sites;
- Repair or upgrade of critical strategic theatre infrastructure; and

- Improvement and repair of critical airfield infrastructure.

Although the agreed revised funding policy was welcomed for instance by NATO's Parliamentary Assembly, its members were concerned that it still leaves virtually the entire financial burden of participating NRF operations on the member countries that are on-call at the time of deployment.<sup>10</sup> The revised funding policy does not, as yet, cover the provision of strategic lift for short-notice deployments.

### **Short-Notice Deployments of the NRF**

The concerns expressed by the Assembly could be partly addressed by the current discussion within NATO on short-notice deployments of the NRF. The new policy under discussion could be a temporary solution, operating for two years, and foresees in the reimbursing of airlift. The use of airlift should be certified by the NMAs as necessary. Sealift might also be eligible on the recommendation by the NMAs, when doing so is both sensible and cheaper, for example, to redeploy forces from an operation. However, until now there is no consensus on such a policy.

### **Summary**

I end with some final remarks. Funding is perhaps the most powerful disincentive to nations participating militarily in a NATO operation.<sup>11</sup> The system of 'costs lie where they fall' makes many nations reluctant to contribute. It is a system under which those nations who make the biggest and most sustained investments in modernizing their military capabilities are, as a result, the nations who are consistently asked to make the biggest operational commitments and, by implication, the biggest financial contributions. The shift towards expeditionary operations conducted over progressively greater distances has increased costs in, for example, strategic transport and in-theatre logistics. Much of the inertia in generating forces for ISAF can be credited directly to a refusal amongst certain key nations to continue to bear what they perceive to be a disproportional share of these increased operational costs.

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<sup>10</sup> *Resolution 337 on enhanced common funding of NATO*, NATO Parliamentary Assembly, Copenhagen, Denmark, 15 November 2005.

<sup>11</sup> *Reforming NATO Force Generation, Progress, Problems and Outstanding Challenges*, Royal United Services Institute, London, October 2005, p. 22.

Although NATO has made progress in the common funding of peace support operations, in my opinion, by analogy with the UN system, it should also proceed establishing a separate common fund for non-article 5 operations based on a distribution code involving the costs of peace support operations to be borne by the member states.<sup>12</sup> After all, it is clear that NATO's main task today is no longer the collective defence of the Alliance's territory, but rather to contribute to global collective security. The current 'common funding' system consequently needs further to be revised. The fact that NATO has developed from a regional to a global player entails consequences for funding military operations. By maintaining the still dominant principle – that is, only participant countries foot the bill – runs the risks of dealing with gradually diminishing willingness among countries, small countries in particular, to participate in military operations.


It has also to be recognized that high running costs usually lead to lower investments. There are only a few countries that are prepared to increase their defence budget. A common fund will enhance a proportional distribution of the financial burden, while – assuming that budget levels remain constant – other items of expenditure, such as investments, will not suffer. A system based on obligatory rather than voluntary national contributions is essential to ensure sustainability and predictability. Such an approach underscores collective solidarity, which is the necessary cement, as it were, for international security organizations, such as NATO, to realize their objectives.

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<sup>12</sup> The report *European Defense Integration, Bridging the Gap Between Strategy and Capabilities*, by Michèle A. Flournoy and Julianne Smith (Lead Investigators), CSIS Washington, October 2005, recommends that all NATO countries should be asked to provide .17 percent of GDP annually to a common fund for operations, so that enough money could be raised to reimburse those states that absorb front-end costs, p. 51.



**Second Session**  
**TRANSFORMATION OF MIND**



## Transformation Myths: Confronting the paradoxes of change

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Many of the discussions concerning Defence Transformation in the United States revolve around catchwords which have been repeated earnestly and often, but which have little genuine value. Unfortunately, if a phrase is repeated enough, it begins to sound true, and—whether warranted or not—in policy circles, it begins to form the premise for any number of decisions. Worse, because such phrases are often misleading, they can derail already expensive transformation efforts, or result in decision makers having to accept higher risks whenever military forces deploy to carry out policy objectives. For these reasons, this essay takes a closer look at some of the more popular phrases in today’s transformation literature, and endeavours to expose the faulty assumptions and flawed logic underpinning them.

Five such catchwords or phrases—myths, really—are discussed in this paper. The first is that military transformation is about changing to be better prepared for *the* future, as if there were only one future for which a military organization must prepare. The second myth is that strategic uncertainty is greater today than in the past, particularly when compared to the Cold War; this view plays-up the degree and type of certainty that existed during the Cold War, while also downplaying the level of certainty that exists today. A third powerful myth is that imagination and creative thinking are the keys to any successful transformation; while these are certainly important ingredients, they are only critical in the early stages of an effort to transform an organization. The truly essential keys to successful transformation are the persuasive force of one’s strategic rationale, and one’s skills at consensus building. The fourth myth is that mental transformation is the most difficult part of any transformative effort. Actually, if the essential keys mentioned above are present, mental transformation is not difficult. Finally, the last myth is that militaries are the most difficult organizations to transform

because they like to “refight the last war,” rather than preparing for the next one. While there is some truth to that, organizations need the opportunity to learn from their experiences; this is particularly true of professions, which must cultivate a corpus of knowledge.

The remainder of this paper will address each myth in more detail.

## 1. Transformation and The Future

As stated above, the first myth is that defence transformation is about changing one’s military and related organizations to be better prepared for *the* future. Unfortunately, the future is always plural, never singular. Forecasting the future, not surprisingly, is more art than science. Just as painting a scene will result in as many paintings as there are painters, so forecasting the future will yield as many futures as there are forecasters. Each picture of the future will depend, as in art, on the tools, skills, and biases of the individual forecasters. In many cases, those pictures will be deliberately rendered in a particular way, either to make a case for a specific weapon system, or to undermine the rationale for a competing system. In other cases, forecasts might not be as overtly self-serving, but they will likely be self-referential nonetheless.

Forecasts of future strategic and operational environments sponsored by government agencies are a case in point.<sup>13</sup> Unavoidably, such agencies will seek to advance their interests. The U.S. Army’s “Army After Next” reports of the late 1990s focused on the threats land power would have to face twenty years in the future, and the capabilities needed to meet them.<sup>14</sup> Likewise, the U.S. Air Force and U.S. Navy held exercises concerning future warfare during the same timeframe, and each addressed tomorrow’s security environment from the standpoint of their respective domains of power. Of course, one should expect to see such in-house studies catering to service perspectives; after all, each of the branches of military service ought to prepare themselves for the future, and they need to conduct research in order to do that. Yet, the point is that the

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<sup>13</sup> Sam J. Tangredi, *All Possible Wars? Toward a Consensus View of the Future Security Environment, 2001-2025* (Washington, DC: National Defense University, 2000) underscores the problems of trying to arrive at a consensus.

<sup>14</sup> *Knowledge & Speed*, Army After Next Report, U.S. Army Training and Doctrine Command, 1996; and *Knowledge & Speed II*, 1997.

future, much like the past or the present, is always filtered through the lens of the forecaster. Hence, when we look ahead we find many futures, not one.

Accordingly, any defence transformation effort that involves separate services will have to deal with competing futures. Additionally, other forecasts will undoubtedly add alternative futures to these; the recent study published by the U.S. National Intelligence Council, for instance, posited four such alternative worlds: a Davos world in which Asia emerges as a principal economic player, Pax Americana where the United States takes a multilateral approach to security, a New Caliphate in which radical religious-political movements continue to challenge Western norms and values, and a Cycle of Fear where security measures become more intrusive in response to increasing proliferation of weapons of mass destruction.<sup>15</sup> Obviously, forecasting the future inevitably entails a certain amount of self-projection. Land-power forecasters naturally look ahead through a land-focused prism; similarly, air and naval experts tend to see the future through their own particular perspectives. This tendency is natural, if not unavoidable, as individual and organizational biases form the filters through which the future (as well as the past and present) is viewed. While the filters, which are products of years of decision-making and value tradeoffs, necessarily screen out some information, they also make sense of a great deal more. Without them, much of the information we accrue about our environment, whether past, present, or future, would remain unintelligible. The key lies in recognizing the filters for what they are, that is, in filtering the filters, so to speak.

While many of these reports are parochial and self-serving, they are not necessarily devoid of intrinsic value. The nuclear, biological, and chemical weapons threats described in many studies, for instance, underscore a legitimate and significant security concern, even though the stockpiles of such weapons have actually declined overall.<sup>16</sup>

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<sup>15</sup> National Intelligence Council, *Mapping the Global Future: Report of the National Intelligence Council's 2020 Project* (Washington, DC: Government Printing Office, 2004).

<sup>16</sup> Sharon A. Squassoni, "Nuclear, Biological, and Chemical Weapons and Missiles: Status and Trends," Congressional Research Service, Library of Congress, Washington, DC, January 14, 2005.

The threat of infectious diseases is also legitimate, in many respects, though it has been inflated for political reasons.<sup>17</sup>

The difficulty lies in pulling the various reports together, and in determining how to prioritize the many capabilities needed to address the dangers these forecasts describe. Each report tends to portray its particular threat as the most imminent. Yet, no government has unlimited resources, and each must make funding decisions, which naturally require accepting risks.

Moreover, by definition, the future has not yet happened. Also, by definition, it cannot. Every present has a future, but no future can become the present. The future is ever fluid and unfolding, always just over the horizon, and so it must always be, otherwise the future could not, in fact, be the future. Because of this, antagonists can make decisions in the future that are independent of conditions today; but our decisions about the future are inevitably conditioned by today. Put differently, tomorrow's strengths and weaknesses are not necessarily today's. Thus, expenditures today may not result in better security tomorrow; instead, they might just encourage adversaries to attack us differently than they would today. Hence, we need to hedge our bets. Accordingly, while it is indeed trite to say that today's decisions can shape the future, it is also worth remembering.

## 2. Strategic Uncertainties, Yesterday and Today

The second oft-repeated, and seriously misleading, phrase is that strategic uncertainty is greater now than during the Cold War.<sup>18</sup> This phrase is evidence of a short memory indeed. Today's uncertainty may be qualitatively different, but it is hardly more significant than the uncertainty that obtained in the Cold War. The threat of nuclear annihilation loomed large, and it profoundly affected strategic thinking. Interestingly, not all scientists and strategists—most notably, the physicist Herman Kahn, who could

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<sup>17</sup> Milton Leitenberg, *Assessing the Biological Weapons and Bioterrorism Threat*, Carlisle Barracks, Pa: U.S. Army War College, 2005; Robert J. Einhorn and Michele A. Flournoy, *Protecting Against the Spread of Nuclear, Biological, and Chemical Weapons: An Action Agenda for the Global Partnership*, 4 vols., Washington, DC, 2003.

<sup>18</sup> Richard K. Betts, "Is Strategy an Illusion?" *International Security* 25, no. 2, (Fall 2002): 5-50 lays out the rationale for this claim.

claim to have the highest IQ in American history—thought such a war had to be avoided; the theory that a nuclear war could be won, which had some powerful advocates, thus adds another dimension to the uncertainty that characterized the Cold War. At root, because we know the outcome of the Cold War, it is easier for us to believe the degree of uncertainty that existed during it was somehow less than it actually was.

Still, the prevailing assumption regarding the Cold War is that, while the danger of escalation was great, the threats were at least better known. Yet, this assumption overlooks how much we actually know about today's threats. The word often used to characterize most contemporary threats is "asymmetric." Unfortunately, that term has probably done more to obscure the nature of those threats than to illuminate them. In fact, throughout history, conflicts have been more asymmetrical than symmetrical. Asymmetries can be a question of kind or a question of degree. The hoplite wars of ancient Greece, for instance, would appear, on the surface at least, to have been about as symmetrical as it is possible to be. Yet, closer examination reveals the numbers engaged on each side were rarely the same, the leadership and training were almost never equal, and the geographic positions, strength of economies, and the number and value of allies were always uneven.<sup>19</sup> All of these factors matter; some matter decisively.<sup>20</sup>

Disparities in numbers, training, and leadership are asymmetries of degree. Fundamental differences in military strategy or sources of strength—Sparta was clearly a land power, and Athens a naval power—are examples of asymmetries of kind. Distinguishing between asymmetries of degree or of kind helps to demystify the term by providing a simple but viable framework for helping us understand the types of differences and their significance. Yet, it also shows that asymmetrical wars are the rule, rather than the exception. Asymmetries of kind may appear, at first, to be more decisive, and thus more important, than those of degree, and indeed a major difference in kind is what some would argue the term really means. However, asymmetries of kind are not necessarily

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<sup>19</sup> Donald Kagan, *The Peloponnesian War* (New York: Viking, 2003).

<sup>20</sup> Barry S. Strauss and Josiah Ober, *The Anatomy of Error: Ancient Military Disasters and their Lessons for Modern Strategists* (New York: St. Martin's, 1992).

more decisive than those of degree. Superiority of numbers at the right point, an asymmetry of degree, helped a Theban army overcome a Spartan one at the battle of Leuctra (371 BC), and changed the regional balance of power in ancient Greece, at least for a time. Usually, it is a combination of asymmetries—such as strategy, leadership, resources—which lead to decisive results.

As for today's threats, we actually know a great deal about them, especially two of the most significant ones, violent Islamic extremism and so-called "failed" or "failing states." The former has been under serious study for some time. Recent works by Peter Bergen, Marc Sageman, Michael Scheuer, Bruce Hoffman, and many others, have added, and continue to add, to the wealth of knowledge that already exists.<sup>21</sup> To this list, one must add the many classified reports which have also contributed to our knowledge of terrorism, and of specific terrorist groups. We know the demographics of these groups, their pathologies, the values they hold, the conditions they need for success, their sources of support, their goals, their methods, even though they continue to change, and in many cases their structures and inner-workings, even though the experts themselves are not always in agreement.<sup>22</sup> Still, an important characteristic of knowledge is that it does not necessarily consist in agreement; instead, understanding the reasons behind conflicting perspectives adds an element of quality to the quantity of our knowledge. As for the second threat, failed and failing states, we also know a fair amount about the dangers they pose.<sup>23</sup> We know which states are failing or have already failed. The conservative U.S. policy magazine, *Foreign Policy*, produces an annual index of 60 "failed" or "failing" states.<sup>24</sup> The factors it uses include mounting demographic pressures; refugees and displaced persons; groups with major grievances; chronic human flight; uneven economic development; severe economic decline; de-legitimization of the state; deterioration of public services; widespread violation of human rights; status of security

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<sup>21</sup> Peter L. Bergen, *Holy War, Inc.: Inside the Secret World of Osama bin Laden* (New York: Touchstone, 2002); Marc Sageman, *Understanding Terror Networks* (Philadelphia: University of Pennsylvania Press, 2004); Michael Scheuer, *Imperial Hubris: Why the West is Losing the War on Terror* (Washington, DC: Brassey's, 2004); and *Through Our Enemies' Eyes: Osama bin Laden, Radical Islam, and the Future of America* (Washington, DC: Potomac, 2006); Bruce Hoffman, "Combating Al Qaeda and the Militant Islamic Threat," Testimony presented to the U.S. House Armed Services Committee, Subcommittee on Terrorism, Unconventional Threats and Capabilities, February 16, 2006.

<sup>22</sup> Bob Woodward, "Secret reports Dispute White House Optimism," *Washington Post*, October 1, 2006, p. A01.

<sup>23</sup> The literature is extensive; see: Robert I. Rotberg, ed., *When States Fail: Causes and Consequences* (Princeton: Princeton University, 2004); and more recently, Francis Fukuyama, *Nation-Building: Beyond Afghanistan and Iraq* (Baltimore: Johns Hopkins University, 2006).

<sup>24</sup> [http://www.foreignpolicy.com/story/cms.php?story\\_id=3420](http://www.foreignpolicy.com/story/cms.php?story_id=3420); dated May/June 2006.

apparatus as “state within a state”; rise of factionalized elites; and interventions by other states or external actors.<sup>25</sup> To be sure, the term “failed state” itself is controversial, and is often exploited for political purposes.<sup>26</sup> We can also debate whether the factors listed above are sufficient, or even appropriate. Yet, the point is, regardless of the terms and factors we choose, we know a lot more than the rhetoric about uncertainty admits. It is not difficult to identify the world’s trouble spots, or to point out dangerous trends, which might require political, economic, and, possibly, military action. This is not to say that unexpected events will not happen: they will. Yet, that has always been true.

The argument that the level of uncertainty is higher today than during the Cold War also exaggerates how much we knew about the Soviet bloc. The intelligence community failed, for instance, to predict the economic collapse of the Soviet Union.<sup>27</sup> This oversight, as analysts have pointed out, was historical in magnitude.<sup>28</sup> Fortunately, it did not impact negatively on the West, with the exception perhaps of the confidence and credibility of intelligence community. Hindsight may be 20/20, but memory almost never is.

### 3. Mental Transformation

The third myth is that mental transformation is the most difficult part of any revolutionary change. Unfortunately, this myth gained a great deal of currency early in the dialogue about transformation, or the revolution in military affairs as it was then called.

In fact, grasping new ideas is not difficult provided one’s target audience has an incentive to do so, and the new ideas are packaged persuasively. The problem is that

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<sup>25</sup> [http://www.foreignpolicy.com/story/cms.php?story\\_id=3420](http://www.foreignpolicy.com/story/cms.php?story_id=3420); dated May/June 2006.

<sup>26</sup> One of the most controversial is Noam Chomsky, *Failed States: The Abuse of Power and the Assault on Democracy* (New York: Metropolitan Books, 2006), which argues that the United States itself is actually a failed state.

<sup>27</sup> John Lewis Gaddis, *The Cold War: A New History* (New York: Penguin, 2005).

<sup>28</sup> As former Director of Central Intelligence, Robert Gates, remarked in a speech delivered at Texas A&M University on November 19, 1999: “In the economic arena CIA, in its statistical analysis, overstated the size and growth rate of the Soviet economy and relatedly underestimated the burden of military expenditures on that economy and on that society. CIA’s statistical analysis of the Soviet economy, while the best available, East or West - and I would have to tell you, we had clandestine reporting to the effect that even Andropov regarded our reporting on the Soviet economy as the best available to him - still in absolute terms it described a stronger and larger economy than our own interpretive analysis portrayed and that existed in reality.” While in 1987 the CIA allegedly warned of impending collapse, other intelligence agencies disagreed.



transformation efforts usually communicate conflicting messages. The first message is that the effort is open to creative ideas and innovation. However, that message typically conflicts with a second one, namely, that every member of the organization needs to get on board quickly with the purpose and direction of change. The rhetoric transforming organizations often use tends to emphasize changing quickly to remain competitive. However, if organizations place emphasis on speed, they must sacrifice creative ideas, which take time to entertain and explore.

Transformations always engender a certain “battle of ideas,” wherein those with a stake in the future engage in debates about where the organization is headed and what it needs to do to get there. Such debates were clearly in evidence in the years leading up to the First World War, and again in the decades before the Second World War.<sup>29</sup> The conventional wisdom is that debates of this sort are beneficial, since they allow for ideas to emerge which otherwise might not. However, for the principal engineers of any transformation effort, the purpose of such debates is precisely the opposite: it is to squelch other ideas, and to bring the undecided into the fold. They need converts, not free-thinkers. The responsible players tend to want transformation to happen on their terms; they may have a stake in a certain theory, such as Effects-Based Operations, or a particular outcome, such as a smaller, more efficient military force. Whatever the reason, they need to build momentum, and to do that they require consensus, or at least tacit consent. So, debates which allow new ideas to emerge quickly become inconvenient; war games, experiments, and research in general soon become one-sided.<sup>30</sup> Otherwise, they might expose flaws in the overall vision, its goals, or its underlying assumptions, and impede progress.

One way to deal with such criticisms is to discredit them, to label them “backward-looking,” entrenched, or fearful of change: “they just don’t get it” is a phrase commonly heard. This tactic is obviously much cheaper, at least in the short-run, than addressing

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<sup>29</sup> Antulio J. Echevarria II, *After Clausewitz: German Military Thinkers before the Great War* (Lawrence: University Press of Kansas, 2000); Robert M. Citino, *Quest for Decisive Victory: From Stalemate to Blitzkrieg in Europe, 1899-1940* (Lawrence: University Press of Kansas, 2002).

<sup>30</sup> One such example is covered in Sean D. Naylor, “War Games Rigged? General says Millennium Challenge ’02 ‘was almost entirely scripted,’” *Army Times*, August 16, 2002; Julian Borger, “War game was fixed to ensure American victory, claims general,” *The Guardian*, August 21, 2002.

whatever problems critics might raise. In truth, however brutish such tactics might appear, muting opposing ideas and crushing their champions is how the game is played. Depending on the nature of the transformation, the stakes for some players may be very high. As all academics know, debates can rage on unresolved for years, if not decades. However, policymakers rarely have the luxury of that kind of time. Due to election terms or funding cycles, changes are sometimes implemented, or rejected, before they are fully thought through. That may be one of the reasons military reforms rarely live up to expectations. Yet, because they are tied to funding cycles, it is unrealistic to expect otherwise.

#### **4. Creative Thinking and Transformation**

The fourth myth is that imaginative and creative thinking are essential in any major transformation effort. Actually, critical thinking is the most important element. Critical thinking is needed to challenge assumptions, to expose vacuous theories, and seductive but empty jargon. The desire to change an organization thoroughly, radically, and rapidly, leaves one especially vulnerable to seductive theories.

Critical thinking can help one identify signposts, and hedge one's bets about how the future will unfold. Signposts are important since they provide indicators as to whether one's assumptions are proving valid. In the case of the latter, signposts become decision points, which alert one to the need to hedge one's bets. Preparing for the future is essentially a betting game. As in roulette or other games of chance, we are wagering on the probability this or that capability will prove useful, perhaps even decisive, in the near or long-term future. Compounding the problem is deciding how much of that particular capability to buy.

#### **5. Re-fighting the Last War**

The fifth myth is that the reason militaries are slow to recognize current and future requirements is because they like to re-fight the last war, rather than preparing for the next one. Actually, many successful transformations occurred as a result of re-fighting

the last war. The German military's famed transformation after the First World War has become the model most often used to explain defence transformation in the United States. It is upheld as an example of the superiority of efficiency over mass, and of preparing for the next war, rather than the last one. Interestingly, the heart of the German transformation effort involved looking backward to 1870-71, to tried and true principles. It was, thus, about re-fighting *not* the last war, but the war *before* the last war. Moreover, the core of the so-called blitzkrieg theory, which has long been associated with this transformation, perhaps erroneously, consisted achieving a breakthrough against strong defensive positions, the single most difficult task of the Great War.<sup>31</sup> The famed panzer general, Heinz Guderian, reiterated the importance of this task in his book, *Achtung Panzer!*, published in the late 1930s.<sup>32</sup>

To be sure, at some point looking backward prevents looking ahead. Yet, to suggest militaries should not examine the lessons from the last war implies they should not learn from their pasts. History does not necessarily occur in cycles. So, failure to learn from the past does not necessarily condemn one to repeat it. Yet, an organization that cannot, or will not, learn from its experiences is not likely to prepare itself very well for the future either, except by chance. Learning from the past and preparing for the future require an ability to evaluate events as rigorously and objectively as possible. The study of history, more than any other discipline, can help develop the requisite critical thinking skills which underpin these abilities.

For this reason, military organizations should not approach history as a holy writ, but as a medium for exercising critical thinking. As military historian and theorist, Sir Basil Liddell Hart, once said, military professionals tend to regard history as a “sentimental treasure.”<sup>33</sup> Liddell Hart, of course, believed that history—if free of prejudice and equipped with powers of discernment and proportion—could get at the “Truth,” and this should always be its goal, even if that goal is not completely attainable. That belief is

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<sup>31</sup> On the dubious origins of the term, see: William J. Fanning Jr., “The Origin of the Term ‘Blitzkrieg’: Another View,” *Journal of Military History*, vol. 61 (1997): 283-302.

<sup>32</sup> Heinz Guderian, *Achtung—Panzer! The Development of Armoured Vehicles, Their Tactics and Operational Potential*, trans. Christopher Duffy, (New York: Sterling, 1992<1937>), esp. 178-191.

<sup>33</sup> B.H. Liddell Hart, *Why Don't We Learn from History?* (New York: Hawthorn, 1971), 17ff.

something of a sentimental treasure in its own right. Nonetheless, the point is that dismissing the past is as harmful as reliving it.

Moreover, future wars are not always substantially different from past ones. Between 1898 and 1914, the United States fought a number of so-called “small wars” in Cuba, Panama, Nicaragua, and Mexico.<sup>34</sup> In the course of those 16 years, though each of these “Banana wars” was obviously different, with unique circumstances and characters, none was fundamentally so. American troops did indeed do some fighting, but they mostly performed constabulary duties, such as providing security, distributing food and medicine, building schools and infrastructure, and similar tasks. These duties are clearly more relevant to those U.S. troops regularly perform in the current war on terror than contemporary military theory likes to admit. Thus, to ignore the experiences of earlier campaigns such as these is to forfeit valuable knowledge. Rather than dismissing the past (or re-fighting it), militaries need to find better ways to capture, categorize, and access the knowledge they gain from their own experiences, and that of others.

### **Conclusions and Implications**

Those embarking upon a major transformation effort would do well to remember that changing any organization is always more about the present than the future. The future prospects for any institution are invariably influenced by today’s conditions. Military transformation is ultimately political in nature. The particular ideas that take hold will depend on the personalities that take charge, and their political clout. The military “soundness” of new ideas will rarely carry more than secondary or tertiary importance.

In any case, critical thinking is far more important to a successful transformation than is creative or imaginative thinking. Yet, all of these forms of thinking are fundamentally in conflict with consensus building. Achieving consensus, or at least tacit consent, is what proponents of transformation are truly after; policy debates can rarely afford to remain

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<sup>34</sup> Max Boot, *The Savage Wars of Peace: Small Wars and the Rise of American Power* (New York: Basic, 2002), 129-55.

undecided. Funding decisions have to be made. Hence, policy debates end when budget cycles require decisions, rather than when the issues themselves are resolved.

Uncertainty is a given in any age. We will always know less than we want to know. Yet, the certainty that does exist can be considerable, and should not be overlooked. We should decide whether what do not know is a matter of quantity or quality, and act accordingly. Knowledge and power are not indisputably linked in the policy world.

Re-fighting the last war is not absolutely bad. Learning from the past is more cost-effective than ignoring it. Moving forward with a blend of old and new values and views is preferable to starting with a host of new, untested principles. The past is never exactly the same as the present or the future, but it is never absolutely different either. In any case, all three, and their significance to any transformation effort, will always remain in the eye of the beholder.

## Understanding NATO Military Transformation

*Major General Frank Hye*

### **SACTREPEUR**

My aim in this article is to demonstrate how Allied Command Transformation (ACT) delivers transformation for the Alliance, particularly in the run-up to the Riga Summit in November this year.

### **Three Fundamental Themes**

When we talk about ACT's business, I believe that three fundamental themes should be in our minds.

Firstly, Deployability and Interoperability of Alliance and Partner forces are essential. NATO Nations must be able to go where required quickly, and be better able to work together in demanding and complex environments and at all levels of engagement. We used to plan for exercises and operations in environments where reach-back and line of sight communications were not a problem. As ISAF's role expands, and ever increasing numbers of Provincial Reconstruction Teams in remote locations are being established by members of this Alliance, force integration and interoperability are not only essential but will help save lives

Secondly, Member Nations together own NATO's military transformation – ACT can orchestrate this process but it's the nations that steer its course and make it happen. This is why we must have an active partnership with each and every member of the Alliance. ACT does not have the corner on this intellectual transformation market. The lessons learned by the nations' militaries will be a significant part of how we move forward.

Finally, ACT is the Alliance's engine for military transformation – it is ACT's business to push NATO and Nations' to transform forces, processes, and organizations so that they

meet the needs of the Alliance in the 21<sup>st</sup> Century - actually it is incumbent on ACT to push hard for these fundamental changes.

But what do we understand by Transformation? For ACT, it is the continual and proactive changing of mindsets and behaviour with the aim of delivering military force in a more rapid and effective manner. In process terms, the transformational model is one in which lessons learned, innovative thinking, education and material implementation combine to promote capability improvement. In order to achieve this our constant focus needs to be on the future.

#### **Four important documents**

Four important documents are currently dealt with at the level of the Military Committee: the Bi-SC Strategic Vision, the Comprehensive Political Guidance (CPG), the MC position on an Effects Based Approach to Operations (EBAO) and Ministerial Guidance 06.

The Bi-SC “STRATEGIC VISION, The Military Challenge” was presented to the Chiefs of Defence in September 2004. It is a framework for future conceptual work and acts as a stimulus for transformational ideas. Strategic Vision consists of three parts which describe the strategic environment for the coming decades, how to plan and conduct operations in such an environment and, finally, what capabilities we need to conduct operations in this environment. It provides a vision of the way in which future Alliance operations will be planned and conducted and thereby guides the transformation of forces, concepts and capabilities in the coming decades.

ACT derived three Transformational Goals, which will allow the Alliance to conduct effects-based operations: Decision Superiority, Coherent effects and Joint Deployment & Sustainment. For these Transformational Goals, ACT has defined seven Transformational Objectives, divided over five Transformational Objective Areas: Information Superiority & NATO Network-Enabled Capability, Effective Engagement

& Joint Manoeuvre, Enhanced Civil & Military Cooperation, Expeditionary Operations, and Integrated Logistics.

The Comprehensive Political Guidance (CPG) is a concise political document approved by the Council on 21 December 2005. It provides a framework and clear political direction and sets out the priorities for NATO's continuing transformation and all Alliance capabilities issues, planning disciplines and intelligence with a view to making them more coherent. It is the starting point for the Effects Based Approach to Operations (EBAO), which aims at the coherent and comprehensive application of the various instruments of the Alliance to create effects that will achieve the desired outcome. The "Military Committee position on a Effects Based Approach to Operations" document was agreed by nations on 06 June 06. This paper, together with the non-paper on Concerted Planning and Action (CPA) offered by several Nations, could serve as a basis for developing a broad and comprehensive approach to operations that goes far beyond the purely military domain. This approach is clearly not about the military taking charge of other actors in theatre, but rather ensures that non-military efforts are combined much more effectively with our military effort.

ACT's Concepts for Alliance Future Joint Operations (CAFJO) aims "to define" a conceptual framework out to the next 15 years that will inform and shape the future development of concepts, doctrine, and capabilities in order to allow the Alliance to develop a capacity to conduct an effects-based approach to operations. Further work on CAFJO is stalled, and the document will remain in the background until the political discussion on EBAO reaches a consensus.

Ministerial Guidance 06 (MG06) approved by the Defence Planning Committee (DPC) 7 June 2006, determines the Alliance's Level of Ambition (LoA). Defining the new Minimum Military Requirements is one of the main challenges seen from ACT's perspective. This document is the starting point for ACT's Defence Planners working on the Defence Requirements Review (DRR).



**NRF as Catalyst for Transformation**

The NRF is made up of Maritime, Land, Air and SOF Components supported by key Strategic Enablers. It is a credible high readiness force (identified, trained, certified and standing-by) which is combined, joint (multi-national/multi-service) and expeditionary (rapidly deployable and sustainable), and can be mission tailored (DJTF HQ with necessary force structure).

The strategic environment NRF will find itself operating in is more one of fighting for the peace as compared to fighting the war. The lines between the various phases of the operational spectrum are less distinct than ever before. As events are showing us each day, it takes more than overwhelming force by the military to achieve security in areas of conflict. In order to be able to operate more effectively in this new strategic environment, not only do we need to transform our forces, but we must transform their capabilities as well. NRF is most relevant to ACT as a catalyst for capability development and a test-bed for future concepts. ACT has produced eighteen new Capability Packages to address key capability shortfalls, especially for the NRF.

In the area of logistics concepts in support of NRF, over twenty-six deliveries have been made, including a Logistics Support Concept for NRF Ops, Integration of Sustainment Planning Module into ACO Resources Optimization Software System (ACROSS) and the Development of Medical Support Concept for NRF Ops.

**What has ACT delivered up till now?**

Firstly, Support to operations and training. In support of ISAF, Afghanistan, Joint Warfare Centre in Stavanger (Norway) conducts Mission Rehearsal training, Joint Forces Training Centre in Bydgoszcz (Poland) has developed a new training concept for Regional Command Headquarters, and the NATO School Oberammergau is developing a one-week "ISAF Predeployment Course" targeted at Provincial Reconstruction Teams (PRT), Staffs, National Augmentees, and off-rotation HQ ISAF Staff. Also Joint Analysis & Lessons Learned Centre in Monsanto (Portugal) (JALLC) is heavily engaged

in support of ISAF with approximately 60% of their analysts currently allocated to this top priority. The JALLC has already reported on a number of studies in, among other things, PRTs with others planned including a comprehensive analysis of ISAF expansion stage 3. One of the highest priorities for ACT work is developing a comprehensive C-IED capability which includes doctrine, training and materiel. Significant ACT resources are currently devoted to this area.

In Iraq, the NATO Training Mission has the lead for training Iraqi personnel out of country. In 2005 we trained 500 Iraqi Security Force personnel at the NATO School, the JWC and in Allied national facilities. This work continues.

In support of the African Union Mission in Sudan (AMIS), we have so far been engaged in supporting the operational commander by training AU staff officers. This training was conducted in Addis Ababa and El-Fasher, and approximately 100 African Union staff officers received training in Operational Planning, Logistics Support, and Intel Coordination. ACT has now been asked to support AU capacity building by establishing an AU Lessons Learned process. This will be on top of our traditional Lessons Learned support for the NATO Mission.

In Disaster Relief operations, NRF Air Component Command assets moved Hurricane Katrina relief donations from NATO nations to the strategic air hub of Ramstein Air Base in Germany and delivered over 100 tons of emergency supplies from Europe to the United States with airlift support from partner country Ukraine. Lastly, assistance was provided during the recent earthquake in Pakistan.

Secondly, experimentation, In 2004, ACT focused on the NATO Friendly Force Tracker. In 2005, ACT had a much more comprehensive plan, and in 2006, 40 % of the programme focuses on NNEC (NATO Network Enabled Capability). ACT supported the Crisis Management Exercise 2005 (CMX 05) focusing on more informed and faster decision making, and expanded this in CMX 2006. The Steadfast Exercise series focuses

on the NRF. During Livex 06 (Steadfast Jaguar) in June 06 on and around the Cape Verde Islands, ACT conducted experiments ranging from radar perimeter security to wastewater purification.

Thirdly, there are Long Term Capability Requirements. On 5 Oct 2005, the Review of the Long Term Capability Requirements was submitted to the Military Committee. ACT is achieving closer links with the Conference of National Armament Directors (CNAD) to grow coherence between our output and the National Armament Director's work.

And finally, defence planning. Another good example of our transformational agenda is the Defence Requirements Review (DRR) process. After the most comprehensive DRR ever, DRR 05, we are ready to further transform this important requirement process, moving concurrent with quantitative, service and 'hardware' focused targets, to qualitative capability-based assessments and targets.

The primary objective of DRR 07 is to derive the Strategic Commanders' Minimum Military Requirement (MMR) to meet the NATO Level of Ambition (LoA) specified in the Ministerial Guidance 06 for the predicted security environment out to 2018. The intent is to execute a even more comprehensive DRR that continues to improve harmonization of Defence Planning disciplines (Force, Logistics, Command & Control, Resources, Armaments, Civil Emergency), to establish and develop a relationship of DRR and Capability Management Framework (CMF), and enhance the link between Force Planning and Operational Planning.

### **Summary**

In summary, we need transformation to move from forces with the capabilities in the left column that fought the war, to forces with capabilities in the right column to fight for peace.

**Table 1. Capabilities to fight a war and to fight for peace**

20th CENTURY	21st CENTURY
Military Approach	Broad Approach
Static	Agile
Reactive	Proactive
Regional	Global
Mass	Effects Based
Attrition	Precision
De-confliction	Coherence
Supply Point Logistics	Integrated Logistics
National Intelligence	Fused Intelligence

The Alliance command and force structure must be expeditionary in character and design and be capable of conducting a higher number of smaller, concurrent operations over long periods of time. A greater proportion of Alliance forces will need to be deployable and usable with the flexibility to transition rapidly between war fighting and peacekeeping. Future forces must be capable of operating within a networked environment. There will be a greater call on specialist skills. Our Strategic Vision and Concept for Alliance Future Joint Operations propose the way forward for the future direction and development of capabilities for the Alliance in the next 15 years. It sets a tone for all that we do and to force change within the Alliance, moving it well into the 21st Century. To make this transformed NATO military a reality, ACT must be hand in hand with ACO and the nations through the NRF.

ACT has not been created to achieve success for itself. We wake up everyday thinking of ways to make others more successful. Our business is your success.

## Military Education as a Vehicle for Transformation

*Dr. Peter Foot*

**Director of Academics**

**Canadian Forces College, on secondment from Defence Studies Department  
King's College London at the JSCSC, Shrivenham**

Transformation has long been a deliberately ambiguous term in NATO parlance. It is still frequently used by opportunistic military leaders, government officials and politicians to describe new defence postures, policies and procurements that, by virtue of being so hopefully packaged, will be largely immune to challenge by those who, for whatever reason, resist such apparent departures. Transformation and apple pie are self-evidently on the side of the angels, its proponents imply. Professional military education (PME) is one of the areas within the security field where this implication can be seen to be well-grounded and sustainable. Gone now is the assumption that only a selected few of trained fighting men and women need exposure to strategic studies for effectiveness in high command. For one thing, strategic studies as conducted in universities during the Cold War were based on analyses of the impact of technologies on the political developments bequeathed by the end of World War II. These conditions no longer dominate global concerns – the 21<sup>st</sup> century is unlikely to be centered on either Europe or North America. For another, a wide variety of serving personnel, at all ranks and from very diverse professional traditions, are required by a process of Alliance or ad hoc *roulement* to follow each other in often extraordinarily difficult deployment conditions of political, ethnic, legal, religious and social sensitivity. In such settings, military personnel who lack a working, educated awareness of these things put far too much at risk for the international community. “I am just a simple soldier” is an unacceptable self-descriptor in the age of the Strategic Corporal.

Traditions of bravery, leadership and training remain necessary but are no longer sufficient to achieve success, to avoid failure or – most telling perhaps – to avoid even the appearance of failure. As Michael Howard reminds us, in many situations, courage, tradition, procedures and discipline will all be important but ‘only good sense and

mature judgment can save [service personnel] from making disastrous mistakes'. And that is the business of education in the profession of arms: good sense and maturity are not aspects of human behaviour that can be trained, learned by heart, repeated as a sequence of exercises, or acquired by becoming proficient with a piece of equipment. They are the consequence of education and experience. However, neither can be assumed to be the *automatic* consequence. For example, the Ugandan tyrant, Idi Amin, was trained and educated at Sandhurst – even in the darkest years of his regime he would wax nostalgically about his time there – but that experience was clearly irrelevant as he became corrupted by power, or earlier, more powerful personality traits came to the fore. This might be an extreme example but it serves to remind military organizations not to assume that the recipient of professional development has, in fact, developed professionally. Such organizations therefore need a discriminating capacity to weed out those who fail the 'good sense and maturity' test.

Ever since the Prussians created the modern form of general staff training, the expectation has been that staff and war colleges carry the responsibility to inculcate, exercise and test these important attributes in a military setting, so far as is possible in a one- or two-year course. This has led to the usually well-managed tension between two different impulses, both of which are necessary. This is nicely encapsulated in the phrase used as the title of John P Lovell's book, *Neither Athens or Sparta*.<sup>35</sup> In Table 1, the sets of contrasts are very broad brush but make the point that military education which consists of only one side of the matrix is likely to produce outcomes for military leadership that are neither flexible nor tough enough to endure the challenges facing nation states - in an international system with an unknowable but certainly dangerous future.<sup>36</sup>

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<sup>35</sup> John P Lovell, *Neither Athens Nor Sparta: The American Service Academies in Transition*, Bloomington: Indiana University Press, 1979.

<sup>36</sup> For a longer discussion of these themes, see Peter Foot, 'Military Education and the Transformation of the Canadian Forces', *Canadian Military Journal*, Vol 7, No 1, Spring 2006, also available at [http://www.journal.forces.gc.ca/engraph/Vol7/no1/04-Trans2\\_e.asp](http://www.journal.forces.gc.ca/engraph/Vol7/no1/04-Trans2_e.asp)

Table 1. A Classical Contrast in Strategic Style

Athenian qualities	Spartan qualities
Learning and high culture	Personal austerity and glory
Creative thought and debate	Discipline in everything
Liberal arts, especially philosophy	Science and technology
Cross cultural awareness	Patriotism
Post-heroic	Heroic
Challenged by 9/11	Produces 9/11

Donald Rumsfeld, in one of his more speculative moods, provides an interesting template for taking this further. During a news conference in February 2002, stimulated by a reporter's question, he famously mused:

*Reports that say that something hasn't happened are always interesting to me, because as we know, there are known knowns; there are things we know we know. We also know there are known unknowns; that is to say we know there are some things we do not know. But there are also unknown unknowns -- the ones we don't know we don't know.<sup>37</sup>*

These three categories of knowing can be cross-referenced against the Athens/Sparta matrix. The Spartan practice of training remains admirably suited to dealing with the known knowns – training relates directly to the known, the rehearsed and predictable. The known unknowns – and much of the Cold War nuclear thinking on both sides was patterned by these – require an automaticity of response tempered by an awareness of apocalyptic outcomes. Hence the Athens/Sparta mix of that period. What 9/11 made clearer than any single act is that the global system remains less fundamentally challenged by known knowns or unknown knowns than it is by Rumsfeld's third category. Unknown unknowns occur when challenges come from entirely outside ones own value system, like a leaping river salmon being gobbled by a wading bear. Insofar as these can

<sup>37</sup> US Department of Defense, news briefing, Feb. 12, 2002.

be anticipated or dissuaded in advance - or, if these fail, endured and survived – confronting them is likely to be most successfully done by those with the widest, most inclusive set of sensitivities. Appeals to patriotism may be needed, technology might assist, and confidence in a particular system could be justified – but if survival is the issue, then all options will be retained. This will not necessarily be best done by states that instinctively embrace the violent options of retaliation, seemingly to the exclusion of others.

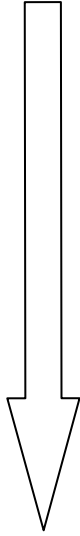
Staff and war colleges cannot carry out their national and alliance functions if their course design and delivery methods, and student assessment systems, do not reflect these considerations.<sup>38</sup> In a theoretically ordered world, national authorities have the clarity of concept, policy and decision to best serve the long run needs of the state. Direction comes from the top. Actually, in the real world of PME in most countries, the designated national authorities tend to be consumed by the pressure of the current budgetary crisis, bureaucratic inertia, advancement or rivalry, as well as remoteness from larger foreign policy questions – or they become the temporary plaything of large egos peddling a particular enthusiasm to the marginalization of much else. Similarly, individual Services in most places have yet to be trusted wholeheartedly with Joint concepts and practice as to be relied upon not to suggest training and education priorities that benefit one or other of the fighting arms. So, although there must be top down influence in order to keep some sense of accountability, there is also a need for national authorities to leave a great deal to those institutions of the state that have the expertise to deliver PME – and which exist for that task.

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<sup>38</sup> The author is grateful for discussions with, and suggestions by, academic and military colleagues at the UK's Joint Services Command and Staff College in developing the ideas and suggestion in this and the next paragraph.



**Table 2. Design, Delivery and Assessment Flows in PME**

	<p><i>Determine</i> Allied and National strategic needs in complex and ambiguous environment – unlikely to be defined adequately in a parochial, national setting alone.</p> <p><i>Define</i> national officer attributes needed to operate successfully in the wider setting – the criteria will include the capacities for cultural intelligence, conceptual thought and sophisticated understanding.</p> <p><i>Design</i> courses that produce <i>and test</i> these professional attributes – ones that emphasize combined operations and expose students to international experience and practice.</p> <p><i>Appoint</i> staff to teach, guide, develop, confront and challenge – likely to be a military-civilian academic mix.</p> <p><i>Assess</i> students against the attributes and link to further, long-term career progress – upwards or otherwise.</p>
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The most important elements of Table 2 are the appointment of the right staff and student assessment. It is here that the emphasis shifts from inputs to maximizing and ensuring high quality outputs. All kinds of good ideas can be contained in directives to improve a course for such-and-such reasons but this carries no guarantee that the desired outcome can be achieved in the way envisaged. Large efforts might be expended to ensure professional ‘relevance’ of course content and international comparability. Money can be invested on the latest war gaming and simulation methods. But staff calibre and student assessment are central to everything. A superb course badly delivered is a less-than mediocre option. Students, even on a poorly designed course, will perform better for Directing Staff who are clearly well educated, broadly experienced and good leaders than for staff selected on other, narrower criteria, such as the most recent operational experience. Students respond best to academics who are similarly not too narrowly focused, have good, general teaching skills and who, where possible, develop their careers within the expectations normal to a university. It is self-defeating to have, as is more common than admitted, a selection process for the very best mid-career officers to attend war and staff colleges but equip those institutions with personnel who are not necessarily good products of the staff college and university systems.

Outputs need to be evaluated and tracked over time. There are many techniques for doing this - two that are enduring need particular attention if 'quality' is to be 'assured'. The first is the ongoing cooperative partnership between directing staff and academic faculty in assessing the professional and intellectual potential of each of the students on course. Taken in aggregate, the results derived from this are the surest guide about the extent that the course is fulfilling its mandate and intent in the national interest. The point of this assessment partnership is that neither element has a monopoly on truth. It is the way the professional assessment of the officer *is coupled with* the evaluation of conceptual and analytical skills that provides the most reliable predictor of effectiveness - as a senior staff member within a major command, or actual performance on operations in conditions of considerable military stress, demanding leadership skills of a high order. Where that ability mix is not apparent then, regardless of the process of earlier selection by the parent Service, the career managers and appointing system need to be informed so as to minimise risk. Students so evaluated can then be channelled into the path that ensures the very best from them for the rest of their careers.

Both senior staff work and leadership in the field need to be underpinned by an assured ability to apply sophisticated political, social, legal, religious and historical discernment within allied and national rules of engagement. One implication of this is that staff and war colleges need to avoid the siren call of 'relevance', - where, as is too frequently the case, this is interpreted narrowly and applied only over the shorter-term elements of an officer's subsequent career. For that reason, the second quality assurance mechanism particularly helpful over time is the regular sampling of key officers' progress following graduation. Asking both the former student - at intervals of, say, every 5 years about the retrospective utility of the course, and sampling those s/he works for about skills and abilities to meet the higher command and staff demands encountered since graduation, enables the college to track the extent to which the various course components are seen to be useful of the longer term. Incidentally, it is with this kind of upward flowing information that staff colleges can be particularly useful to higher

authorities by showing how curricula, or emphases within them, remain ‘relevant’ or require change – as defined by the users of the courses and the ‘customers’ of those courses. Organizations outside that group are rarely competent to give such reliable reassurance or indications of direction or necessary change.

Such a set of suggestions about PME in the context of transformational pressures rests on a wealth of diverse experience. However, precisely because the biggest challenges may be the ‘unknown unknowns’, it would be illogical to suggest that other methods and structures may not have to be adapted in due course. After all, as we look forward, society *as a whole* maybe at risk. Counter-terrorism, homeland security and national resilience can only be achieved co-operatively and internationally. Defending and strengthening societies is obviously to go well beyond just the military, requiring the actual practice of ‘joined-up’ government as a minimum. As part of that, military institutions need to show modesty as to their contributions. This will be a challenge to those who find the Athenian outlook uncongenial. Conversely, civil society may itself have to become more Spartan in its expectations. It is not at all clear that democracies are ready to recognise this or have leaderships able to share that recognition within consumerist populations, not least because the media setting places ratings and profit above anything else. Nor is it clear that developing an Armageddon constituency would be other than counterproductive.

Being optimistic in that setting is perhaps always going to be hard. Sparta, after all, does defeat Athens in the end – because it finds a substantial external ally that enables it to be decisive in the confrontation. The task for PME is to help provide government and people with the best chance to avoid an Athenian fate. That, if it can be managed, would be the most worthwhile ‘transformation’ PME can achieve.

**Third Session**  
**ROAD TO RIGA SUMMIT**



## A View from Berlin

*Colonel Hans-Werner Wiermann*

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Politico-Military Affairs and Arms Control  
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Germany has a very special relation to NATO, very much different from most other members. Well, when NATO was founded, it was “to keep the Americans in, the Russians out, and the Germans down”. It is traded that Lord Ismay, the first NATO Secretary General said so, although he never acknowledged. Well, the situation has changed a lot hasn't it? Could you imagine a NATO without the US? Russia became a partner! Not an easy one, but a partner! And Germany? Germany is not an issue any more, which is much.

When the Federal Republic of Germany became NATO's 15th member in the Alliance's second round of enlargement on 6 of May 1955 this was an important step in the country's post-war rehabilitation, and it brought back some sovereignty. Moreover, former occupying powers turned into allies and friends, and we are still and truly grateful for the enormous trust and solidarity offered. This friendship grew ever closer as the free and democratic Germany could secure its role among European equals. From the very outset, until today, Germany's foreign policy has been guided by two constant factors: its commitment to transatlantic bonds and to fostering European integration. This was one of our most important “lessons learned”. And believe me, they were not just observed, but learnt the hard way.

In these times, German contribution to Alliance defence efforts and deterrence were indispensable, but above corps level, we had no own command and control capability, since we were fully integrated. Only after reunification and fully regaining of national sovereignty we were to establish all national command and control capacities and we are not completely done yet.

We have just celebrated the 50th anniversary of Germany's NATO membership a few months ago. We remain fully convinced that only the deeply anchored solidarity amongst allies allowed Germany to become what it is today, to successfully stand through and end the cold war and eventually to peacefully reunite Germany. Thus, Germany owes the Alliance. This is the reason, why to us the Alliance remains the cornerstone of our collective security, and no other organization can assume this task or better serve as an excellent and highly-effective instrument for cooperation and crisis management.

NATO is respected worldwide as a professional, effective and credible organisation, respecting international law and human rights, but able to get serious and not only to talk. We must therefore strive to make the Alliance even more effective also in a rapidly changing and more and more complex strategic environment. The ongoing transformation process of the Alliance is therefore not a matter of concern or proceeding too fast, it is matter of urgent need, but we need to take the right direction and we will continue to actively participate in this process. Therefore, from our perspective, some fundamental conditions must be met even during such radical processes. You need lighthouses to guide the way even in stormiest conditions. What kept us together in cold war times was solidarity and determination, knowing the threat and risks, what to defend and, most of the time, a sound understanding of what the adequate ways were to cope with them. And we were successful.

But what are the lighthouses today? Where do we stand with respect to solidarity, determination and a common understanding of our aims. Are these still the values to look for? Or is it just common interest, which may be heavily determined by economic aspects? What separates an Alliance from a mere Coalition? Diverging views on the role and effect of Common Funding, Burden Sharing and difficulties in Generation of Forces for ongoing operations as well as the NRF add a unfavourable flavour to current discussions. We talk a lot about burden sharing, while we should talk about risk sharing.

And even though the US stepped in with an additional force contribution, concerning the NRF Full Operational Capability, we are not out of the woods, yet. In fact, we just avoided a political bankruptcy declaration in the very last moment. And also on the political level of transformation, we strongly plead and still strive for political, strategic dialogue in NATO, since this should be the first and may be only choice to identify and agree on common aims and interests. Only a policy will lead to success, which is actively supported by all nations concerned and implemented in a solid framework that embraces all of these nations to enable them to contribute to long-lasting crisis responses.

I was asked to present “a view from Berlin” on the path towards the Riga summit. The year 2006 marks an important milestone for the Alliance, since we are not only dealing with NATO’s transformation but we are now concerned with the future orientation of the Alliance. The informal meeting of the NATO Defence Ministers in Taormina was already an important step on the way to the NATO summit in Riga. We made significant progress in questions that are of vital importance to the Alliance. The most important result of the Taormina meeting was the agreement to develop solutions for a better sustainable force generation. This will make it possible to defuse the problem of the short-term force assignments. But, so far, however, we have heard very little success stories in the debate about a sustainable long-term force generation through rotation.

Germany fully supports the NRF concept and its task spectrum, as has been documented by the strong contributions that Germany has made. As a catalyst of the Transformation, the NRF is highly important not only for the future of the Alliance but also for the success of the current and future operations.

Talking about operations, we most recently observe a tangible trend to stronger emphasise on operations, which is more than adequate. With the commitment taken over in Afghanistan, assuming full responsibility for the whole territory in 2006, NATO has entered a new operational and risk dimension, which may rather sooner than later create a serious requirement for a NRF at full operational capability and readiness.

The NRF concept, force strength and task spectrum are logical and consequential. Therefore, we should not make any changes in this regard. Closely related to this issue is the question of common funding. I touched upon this already. On this, our proposal for the NRF is as follows: For a limited testing phase, we will accept - as a compromise - another extension of the common funding to reimburse short notice strategic deployment costs of the NRF; however, this extension has to be limited to operations only.

We want to achieve a full operational capability of the NRF by October 2006, and that is the only reason why we are prepared to talk about a conditional common funding, which is solely intended to better encourage nations to contribute to the NRF. The German position was made quite clear at several occasions. It includes the following key points: Germany has a very strong interest in a vital and functional Alliance. For us, NATO is the primary forum for trans-Atlantic talks. Therefore, the political dialogue must include all of the topics that are relevant to security policy issues, including those that are the subject of potentially controversial debates.

In view of the fact that the Comprehensive Political Guidance and the related Management Mechanism have been approved, we now see the transformation of the Alliance's capabilities as being well on its way. However, such a directive alone does not yet create new capacities. During the months ahead, it will therefore be important, both for the Alliance bodies and for the nations, to fill these provisions with life. In particular, by the next formal meeting of the Defence Ministers, which is just a few days ahead of us, a new Ministerial Guidance will be endorsed by defence ministers, which comprises a new Level of Ambition adjusted to the new challenges as they are described in the CPG.

From our point of view, this Level of Ambition has not been reduced. On the contrary, in the areas of command and control and operational support, it leads clearly to even more ambitious requirements. But the following is also clear: Within the framework of



NATO, we Europeans want to be capable of participating successfully in high intensity operations, and not just in stabilisation operations.

In accordance with our foreign policy, aiming at strong transatlantic bonds and European integration, Germany has, like many other nations, a very strong interest in significantly improving the quality of cooperation between NATO and the EU, since the present situation is a source of great worry for us. The strategic partnership between NATO and the EU must therefore become ever closer and more effective. In Taormina, we urged that the Ministers of Defence should personally take this matter into their hands and take effective improvement measures. Why shouldn't NATO and EU Ministers of Defence for example have regular meetings?

All nations are looking forward to the NATO summit in Riga with great expectations, whilst the world is closely watching our Alliance – and these extend far beyond the topic of Transformation.

There is the issue of enlargement, which must not be underestimated in its huge importance and effect. NATO will continue to keep the door open for the accession of other European democracies. We support this, since we took benefit from this principle some time ago. Stability transfer continues to be part of the political philosophy of the Alliance. However, we have reached a size of the Alliance that calls us to strike the balance between the wish to extend our political umbrella and the effectiveness and cohesion of the Alliance. Since enlargement is not an aim by itself for aspirants like Croatia, Albania and Macedonia and nations that have declared their intention, such as Georgia and Ukraine, but also will at least influence their way towards the EU, the following principle must apply: Only nations that fulfil the agreed criteria can join. We will grant support in and for that process, but the states aspiring to become NATO members themselves must do their utmost to ensure that they will succeed in this process.

May be, that meeting the aspiration of possible future members and extending NATO's security reach is outweighing the relative loss of internal effectiveness through the grown number of members. May also be that other non-NATO nations can eventually live with an enlarged NATO in its perceived area of influence –I'm talking obviously about Russia-. There is just one issue which is of utmost importance for Germany we would like to have consequently maintained. It's the matter of self established principles. NATO has such principles and nations wishing to join should unconditionally fulfil defined requirements, in other words, NATO should remain open just for those who meet NATO's thresholds. That does, on the other hand, not imply that we could invite other nations by offering them the Membership Action Plan (MAP), but granting membership must then be a matter of performance and not political opportunity. But the fact that still many nations wish to join the Alliance proves that the Alliance is still attractive. It will remain that way if we ensure that the Alliance remains a strong and vivid one.

Directly related to this conclusion is the aspect of partnership and dialogue. NATO offers various formats. Tools applied resemble a lot and - except for distinctive partnerships - basically derive from the PfP tool set. Many partners have achieved an amazing degree of interoperability and support NATO significantly in operations and in its endeavour to promote peace, security and stability.

It is worthwhile therefore to praise partnerships and not to underestimate their value. We therefore also fully support efforts to further develop partnerships. But, all partners are different, have different willingness and options to cooperate with NATO, have quite different expectations and have in some cases, even within a forum, great difficulties to peacefully coexist. NATO has achieved a lot in these areas by very cautiously proceeding and encouraging nations, leaving development of "ownership" with the nations concerned and carefully maintaining the "exclusiveness" rule as in the Mediterranean Dialogue and the Istanbul Cooperation Initiative. PfP is the most successful program of the last decades, although requiring readjustment due to the fact

that many PfP-nations became NATO members. We also realise the need to step into a deeper dialogue with those nations worldwide that share our values and interests and became indispensable global partners in operations.

This wide spread bundle of initiatives and programs could indeed benefit from streamlining and some cases a reorientation. It is our intention to support these efforts. But let me add a word of caution. Security is fragile and nations are very sensitive. We must ensure that the careful balanced approaches we have chosen in the past are maintained and that nations together with their particularities are well respected. NATO must remain the credible, trustworthy but principle driven partner as it was in the past. Otherwise the fragile construct and success, even if sometimes small, is put at risk.

The high expectations for the summit are reflected in the already known wide array of topics:

- Strategic dialogue in the Alliance;
- NATO expansion;
- Global partnerships;
- Comprehensive Political Guidance;
- Transformation: This includes the Enabling Capabilities, the Level of Ambition, the Effects-Based Approach to Operations, and the Concerted Planning and Action as elements of a Comprehensive Approach to Security;
- Operations: At the end of 2006 it will be necessary to act in order to establish our course in Afghanistan, in the Balkans, and possibly also in Africa;
- There must be full operational readiness and common funding of the NRF;

### **NATO Training Mission.**

If successful, taken together, these items will give the summit a comprehensive substance and stress the Alliance's role in its cooperation with other institutions and partners. It will also determine the orientation of the Alliance for the years to come may be including the mandate to develop a new Strategic Concept for the Alliance.

For Germany, 2006 will also be an important year with respect to the European Union, not least because of the fact that Germany is now preparing itself for the Presidency of the EU Council in the first half of 2007. We want to identify, at an early stage, those projects that are suited for strengthening the cooperation in Europe and for promoting European integration. Good prospects for this exist in the area of the European Security and Defence Policy. What we are primarily thinking about is a constructive extension of the strategic partnership of NATO and the EU, the strengthening of international security through implementation of the European security strategy, improvements in the civil-military coordination, and that the EU will assume a greater responsibility in Kosovo.

I would like to express our expectations regarding this difficult but also so important relationship between NATO and the EU a little more clearly. We will emphasise that NATO and the EU are equally indispensable for the security of Europe and its member states. Both have different identities and competencies, with strengths and weaknesses. Hence, they should not compete but should mutually complement each other.

NATO is, and will remain, the foundation of the collective defence of Europe and our common security. No other organisation is as comprehensively capable of assuming this core task in the foreseeable future. It is the forum for transatlantic consultation and provides the instruments for all military operations involving the European and American allies.

With regard to complex military crisis control operations, which require robust and established political and military structures, procedures, forces and capabilities for combat and stabilisation tasks, NATO has unique political and military assets, mainly because of the strategic capabilities and force contributions provided by the United States. In this respect, the EU's capability for military action, full implementation of the Headline Goal assumed, will have a all mission capable set of forces at its disposal, but simply because of sheer number not merely matching that of NATO.

On the other hand, the EU, as opposed to NATO, has a far broader spectrum of non-military instruments, resources and capabilities at its disposal. It can depend on its steadily increasing experience, particularly with regard to prevention, long-term stabilisation, reconstruction aid and humanitarian missions. In addition, it will be capable of autonomous planning and command and control of ESDP operations. In view of the extremely tight resources in all member nations, this intention should not tempt us to unnecessarily duplicate structures, instead of closing the long standing capability gaps in Europe.

It will therefore be necessary to use the EU's and NATO's different competencies and strengths as efficiently as possible, with better coordination and without institutional rivalry. This assumes that both organisations should find consensus on how to jointly fostering the transatlantic security architecture. Germany will strive for the fundamental improvement of relations between both organisations so that closer cooperation and greater efficiency is achieved and that European and transatlantic security is generally strengthened. In this connection, we are thinking of intensifying cooperation in areas such as:

- Early political consultation in crisis management,
- International fight against terrorism,
- Civil defence,
- Prevention of proliferation,
- Civil-military cooperation,
- Extension of the Berlin-Plus instruments,
- Capability development and Armed Forces planning,
- Training, exercises, and certification,
- Identical military standards.

The dialogue between the European Union and NATO must therefore be improved at all levels. This involves working towards more effective cooperation between the established joint bodies, assigning them the necessary limited decision making

competencies, and removing the existing barriers with regard to practical cooperation activities.

The reciprocal participation of the High Representative of the European Union and the NATO Secretary General at the respective Council meetings should be institutionalised, just as there should also be appropriate possibilities for the Chairs of both military committees or their representatives. Today, there are already 19 states that are members of both organisations. The number of dual memberships will increase in the years to come. For reasons of mutual interest, this will also require the closest coordination and pragmatic cooperation. In light of this, the term Strategic Partnership between the EU and NATO, coined at the Istanbul NATO summit in 2004, must be developed further. The crucial point remains: A strong EU benefits the Alliance and a strong NATO guarantees Europe's security, and thus it best serves European unity.

This concludes the journey through German security policy aspects, positions and look towards Riga.

**A View from the NATO Partner Country  
and Holder of the EU Presidency in the Second Half of 2006**

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For a start, let's look first how the bible of our defence policy, The Finnish White Book on Defence "Finnish Security and Defence Policy 2004" which defines our position on NATO:

1. Finland continues to advance its cooperation with the North Atlantic Treaty Organization by actively participating in NATO's Partnership for Peace programme and EU-NATO cooperation. (page 81)
2. Finland will endeavour to ensure that the development of the Partnership for Peace activities takes into account Finland's viewpoint and need for cooperation. (page 81)
3. Finland is continuously monitoring the changes occurring in NATO, the development of its capability and the organization's international significance. Applying for membership in the alliance will remain a possibility in Finland's security and defence policy also in the future. (page 82). In daily language, the politicians call it a "NATO-option".

Finland is, in other words, capable, willing and ready to cooperate with NATO, while retaining an option to join the Alliance. Therefore, it was no surprise that the first reaction to the US-British concept of Global Partnership, Enhanced Partnership, or however we want to call it, among the Finnish political leadership was cautiously positive. From the Government, Prime Minister Matti Vanhanen, Foreign Minister Erkki Tuomioja and Defence Minister Seppo Kääriäinen spoke on how important it would be for Finland to be able to be in a position of getting earlier and better information on the planning and conducting of NATO-led crisis management

operations, where Finland is a contributor. The same positive signals came also from the chairpersons of the main parliamentary committees.

What explains this reaction? First, it is recognized in Finland that although the Partnership for Peace (and the Euro-Atlantic Partnership Council, EAPC, where the NATO members and the Partners could exchange experiences and work on common issues) was a major reason contributing to NATO's positive role in the political-military changes in Europe in the 1990's, its role has – perhaps paradoxically - diminished as a result of its success. Many former EAPC countries became members of NATO. The rest of the countries remaining in the PfP were diverse, with few or no areas of real common interest. To be honest, we feel a little bit strange in the group of “stan-states”. I mean Uzbekistan, Kyrgyzstan and others. So, a proposal giving more political visibility for those partners who could have a solid contribution to NATO's crisis management operations was welcomed warmly in Helsinki and was seen as a step into a right direction.

Secondly, it was seen increasingly awkward in Helsinki to be in a position of “second-rate citizens” in the on-going operations. Often it was also a question of physical security of Finnish soldiers in these operations. They did not have the same ready access to information, for example on intelligence matters, as the NATO members' soldiers had, and at the same time the Finnish soldiers carried the same risks as the NATO soldiers. Neither had Finnish authorities the same say in the planning stage of the operations as NATO countries had. For the practical military implications, therefore, the US-British proposal was welcome news in Helsinki.

As we all know, the jury is still out on the US-British proposal. The majority of the European members of NATO, so we understand, are critical of the Global Partnership. There are several open questions also from the point of view of Finland. For example, one can raise the question concerning the selection of future global partners. What are the selection criteria; who is in, who is out? Second, how are the “European Five” –



Sweden, Finland, Austria, Ireland, and Switzerland - to be considered? Are they included as a group, or are they to be included on the basis of their concrete contributions to the crisis management operations? This does not exhaust the open questions. We in Helsinki hope that the questions will be answered before the Riga Summit. Perhaps it would not be a bad idea to include the potential “special partners” in the NATO Council debates on the matter.

In one Baltic-Scandinavian meeting last March we were discussing problems between EU’s Defence Policy and NATO. Then one of our today’s hosts, Sven Sakkov, said that he had a solution to the problem: Sweden and Finland join NATO. One may ask why don’t we do it? The answer is very simple: Finnish people do not want to join NATO. In the latest poll, only 28 % backed the membership and 63 % were against it. The support of membership fluctuated in last years between 16 and 34 %, depending upon the security situation in the world. The trend of support has been slowly rising, but different crises, like Kosovo, Afghanistan or Iraq have pulled down the support levels. Once again the support is creeping slowly upwards.

And why do the Finnish people want to stay outside the Alliance? Actually for too many of us NATO is still the western part of the Cold War confrontation. And they remember that during that time president Urho Kekkonen told us that our policy was to keep us outside of international conflicts. After the collapse of the Soviet Union, people were afraid of the possible Russian reaction if we go to NATO. But when the NATO membership of our Baltic friends didn’t raise any Russian negative reaction, the Russian reaction as an argument vanished. But once again our people are afraid another “Big one”. And this time the big one is the United States. The Finnish man on the street has difficulty agreeing with everything in Washington’s foreign policy. He or, actually, more she is afraid that we must send our boys and girls with Yankees to foreign wars like in Iraq. He or she is afraid that we must receive our kids back in body bags or zinc coffins, which is the Finnish phrase for body bags.

The problem is that there is too much wrong information what membership of NATO means and, on the other hand, there is no authority which considers that it is its duty to correct the wrong information. But although people don't like the membership of NATO, are they very positive to the Partnership for Peace cooperation with NATO? Some 70 % on Finns support it and only 20 % are against it.

But the situation may change some day. A couple years ago in one paper of the Swedish Defence Research Institute FOI the situation concerning NATO membership was compared in Sweden and Finland. It was concluded that in Sweden there will be a very long discussion. But if in Finland the political leaders propose the membership, people will follow them. I must admit that the Swedes know their neighbours. Quite soon after that paper the Finnish people once again were asked their opinion about NATO. And once again, only some 30 % supported membership. But the next question and answer were interesting. The question was something like this: "If the political leadership of the state says that it is in the interest of Finland's security to join NATO, would you support their decision? And surprise, surprise: 47% answered YES.

In the latest discussion, the representatives on the main political parties, even the conservatives, who are the strongest supporter of NATO membership (53 %) said that if we go to NATO it must happen after a referendum. But anyhow, referendum or not, we must still wait, and I don't know how long. We have general elections in next March. One could imagine that NATO membership should be one of the main items in campaigning. But quite probably and also unfortunately I guess that it will not happen. First, the general experience tells that you cannot get elected to the Finnish Parliament on the basis of your suggestions with regard to security policy. And, secondly, it is a suicide to campaign an issue, like in this case NATO membership, which two thirds of Finnish people oppose.

The Finnish EU Presidency begins on July 1, 2006. This is the second time we have the presidency of the Union. But especially from the point of view of the Ministry of

Defence, it will be very different comparing to 1999 presidency. The main reason is that then, 7 years ago, the role of defence administration was almost next to nothing, because very little of Union cooperation concerned us. But the development went on, and during our first presidency the structures of ESDP were created.

The European Security and Defence Policy (ESDP) issues will be high on the Finnish agenda. Of course, many of the agenda items are inherited from the previous presidencies, and they will be then handed over to the next presidency. But there is also room for trying to advance agenda items that are important from the Finnish point of view.

The key issues of the ESDP agenda of the Finnish Presidency are interlinked. In the field of operations, it is important to manage effectively ongoing missions and operations such as Operation Althea in Bosnia, or to be ready to launch the new operation in Congo to support the UN in the monitoring of the Congolese elections, to support the transition of the African Union operation in Sudan/Darfur to a UN operation, and to prepare for the future challenges. Close cooperation needs to be ensured between the EU and NATO as both organizations are engaged in Western Balkans and Sudan.

The second key issue will be the ongoing capabilities work in order to develop and produce proper military capabilities for future operations. Within the Headline Goal of 2010, we need to finalize the Force Catalogue and further develop the capability assessment procedures. Another important area of capabilities development is the preparation of the first of two Battle Groups (BG) for the full operational capability (FOC) for the first semester of 2007. Those two BGs will be the German-Dutch-Finnish BG and the French-Belgian BG. The FOC on 1 January will be an historic milestone for the EU.

Yet another area of intense work will be the area of civil-military coordination (CMCO). Based on the joint initiative of the UK, Austrian and Finnish Presidencies, Finland will continue to enhance CMCO related to EU crisis management activities. Further work would aim at “mainstreaming” civil military co-ordination and it could include such issues as planning for operations, conduct of operations, mission support, security of EU personnel in the field activities, as well as a more effective use of “lessons identified” and “lessons learned” processes.

Finally, the Finnish EU Presidency will stress the importance of ensuring EU’s role as a credible and coherent global actor. In this respect, Finland will place great value on good relations and seamless cooperation with the “third parties”, such as the UN, the African Union, the OSCE, and last but not least, NATO. It is clear to us that especially the EU and NATO will have to work well together in order to guarantee success in crisis management operations, were they of civilian or military kinds.

It might be slightly surprising for some of you to hear that one of the Finnish Presidency’s key areas will be EU-NATO cooperation. But this emphasis is already visible in the Finnish Defence White Paper of 2004, where it is pointed out that in order to enhance European crisis management, “the development and functioning of the EU-NATO cooperation is essential”.

The main effort of the Ministry of Defence during the presidency is the organizing of unofficial Defence minister meeting 2-3 October 2006. Besides the ministers of 25 member states, also the observer countries Bulgaria and Romania as well as Turkey, Croatia, Macedonia, Island and Norway are invited. The main issues on the agenda are civil-military coordination (CMCO), capabilities work and EU crises management operations. Also the meeting of Defence Policy Directors in July and ESDP Seminar in October both in Helsinki will keep our people busy during the next months. But no worry, we are getting some reinforcement. They are not only Finnish ones. One Swedish

and one Estonian civil servants as well as one German officer will work with us during the presidency.

The EU presidency is a big challenge to Finnish administration, not least to the Ministry of Defence, but we'll do our best. I'm pretty sure that we'll meet quite many of you during the next half a year in Finland. You are all welcome!