

Edgar Buckley & Kurt Volker

NATO Reform and Decision-Making

How can an organization of 28 sovereign countries act together efficiently to agree policies, invest in common capabilities, manage crises and conduct military operations based on consensus? Obviously, not at all – unless it is founded on strong fundamental principles and shared values, agreed strategies and a tradition of mutual trust. That has always been the assumption underlying NATO’s constitutional approach.

But when the underlying consensus is placed under great strain, as was the case with the war in Iraq – and remains the case in dealing with Afghanistan and new threats and challenges – decision-making in NATO will inevitably become ensnared, to the point of jeopardizing solidarity and in extreme cases calling into question the Alliance’s ability to act. “We have been holed above the water-line,” was how then-Secretary General Lord Robertson characterized the effect on the Alliance of the dispute in NATO in 2003 over the deployment of Patriot missiles to Turkey. Many thought that the damage could easily have been much more serious.

The cause was not the decision-making process itself, but the breakdown in the underlying transatlantic strategic consensus. **Get that right - and provide the necessary resources - and decisions should emerge reasonably quickly, even with the procedures and structures in NATO today.**

Dr. Edgar Buckley is a Senior Vice President for the Thales Group and a former Assistant Secretary General of NATO.

Ambassador Kurt Volker is a Senior Advisor to the Atlantic Council and Managing Director of the Center for Transatlantic Relations at Johns Hopkins University’s School of Advanced International Studies. He served as U.S. Ambassador to NATO from 2008-2009.

Both authors serve on the Atlantic Council Strategic Advisors Group. The views expressed do not necessarily represent the views of the Atlantic Council.

The Strategic Advisors Group

To tackle the tough issues facing NATO and the transatlantic community, the Atlantic Council created the Strategic Advisors Group (SAG). Co-chaired by Atlantic Council Chairman Senator Chuck Hagel and Airbus CEO Tom Enders, the SAG is comprised of North American and European preeminent defense experts. Founded in 2007 by then-Atlantic Council Chairman General James L. Jones, General Brent Scowcroft, and former Norwegian Minister of Defense Kristin Krohn Devold, the SAG provides timely insights and analysis to policymakers and the public on strategic issues in the transatlantic security partnership through issuing policy briefs and reports, hosting strategy sessions for senior civilian and military officials, and providing informal expert advice to decision-makers.

The SAG and its activities are generously sponsored by the Scowcroft Group, EADS North America, and Airbus.

But that is not to say NATO decision procedures cannot be improved. Clearly they can and should be, in four main areas:

(1) Conduct of Business in the North Atlantic Council (NAC)

In a relatively static Cold War, with 15 or 16 Allies at the table, it was possible for NATO to have a relatively leisurely approach to discussion and decision-making.

But with 28 allies, a rapidly changing, globalized world, and with NATO running several military operations simultaneously, the same procedures do not work well. Heads of State and Government, as well as Foreign and Defense Ministers and Ambassadors, are often deeply frustrated by the practice of sitting for hours listening to prepared remarks, rather than engaging in meaningful discussion or nailing down solutions.

Several steps can be taken to improve the use of time within NATO – some of which have already begun to be implemented under Secretary General Rasmussen.

- **The Secretary General should focus NAC discussion on strategic consultations and decision-making.** Routine oversight and implementation of policy decisions should be delegated to subcommittees;
- **Draft decision sheets should be prepared and circulated in advance,** in time for Permanent Representatives to get national guidance – with a view toward using NAC meetings to debate and agree a final decision. Routine briefings should also be circulated to nations in advance.
- At Summit and Ministerial meetings, **intervention texts should be circulated in advance and not read at the meeting.** Rather, the Secretary General should lead discussion with a view toward debating, modifying and ultimately agreeing proposed decisions. All-encompassing communiqués should be replaced on most occasions with narrowly focused decision sheets.
- **The NAC agenda should be planned on a one-year calendar basis** to ensure the NAC covers the full NATO strategic agenda, without getting mired in repetitive operational oversight.

(2) Implementing NATO Decisions

Once strategic decisions are taken by the NAC, by consensus, everything should be done to strengthen efficiency and effectiveness in implementation by the NATO civilian and military staffs.

- **The Secretary General should be given full “CEO” authority to run the NATO organization.** Within an overall budget level approved by nations, the Secretary General needs to have the authority to assign NATO’s limited resources in order to carry out the Alliance’s agreed policy agenda. He needs to be able to structure the international staff, and assign and re-assign personnel within it, in order to get the job done. Basic principles of balance and fairness could be agreed, but within that, nations must let go of national “holds” on positions or budget pots and let the Secretary General manage the organization on behalf of the common good. Contingency arrangements should be put in place, as is the case in most nations, to manage additional funding required for operations such as Afghanistan, which otherwise (as can already be seen) will “crowd out” essential longer term investments.
- **Once strategic decisions are taken by the NAC on military operations, the NATO chain of command, from the Secretary General through the Strategic Commanders to the Operational Commanders, should carry out the necessary implementation** – reporting upward, and seeking and responding to new guidance as appropriate – without micromanagement by nations.
- **Allies should recognize that all NATO military operations, whether or not undertaken under Article 5, engage the credibility and solidarity of the Alliance** and must therefore be supported, individually and collectively, by them all as required.
- **The Secretary General should have the power to manage NATO budgets** once authorized, and (within each of the three major budgets) move funds internally as needed in-year. He should be authorized to draw from a contingency fund or to request supplementary funding where unforeseen expenditure arises as a result of operational commitments.

(3) Streamlining NATO's Military Structures

To overcome frustrations over perceived blockages in the Military Committee (MC), NATO needs to more rigorously police the division of labor between the NAC and MC. The key is to ensure that the Military Committee performs only military advice functions, and does not extend its mandate to tackling political issues that need discussion among Allies in the NAC. NATO should also re-examine whether it needs two separate staffs for military and non-military issues, and readdress its command structure.

- **The Chairman of the Military Committee should decide if certain issues are out of bounds of Military Committee consideration** and, where necessary, forward military advice to the Secretary General and NAC including dissenting views.
- **Combining the International Staff and International Military Staff** could help improve efficiency and facilitate the proper division of labor between the NAC and Military Committee. In addition to providing greater insight to staff members in both directions, a combined staff could help provide assurance that issues not deemed within the Military Committee's remit will in fact be aired on the political side of the Alliance.
- **The NATO Command Structure needs to be radically re-ordered and streamlined** to reflect the operational requirements of leading NATO training, capacity development, contingency planning, exercises and operations. A special, high-level body representing senior Defense officials from capitals should conduct this review. Strengthening the role of Allied Command Transformation (ACT) as force developer and trainer should be an important aspect of any such reform.
- **The Defense Planning process, which has recently been reformed with a view to unifying previously separate elements in a more integrated process, still remains too fragmented**, in particular as regards the separation of force planning (of capabilities) from force generation (for actual operations). We need a much closer link between these two aspects, so that force generation (e.g., for the NATO Response Force or Afghanistan) can take account of wider national capabilities and preparedness and nations' deployment capabilities (or lack of them) can be taken fully into account in defense planning.

- **Increased common funding of common or rotationally deployed elements such as the NATO Response Force (including the principle of reimbursement) remains a key goal** to spread the cost of deployments equitably while different nations provide the bulk of the forces at different times.

(4) Streamlining NATO Procurement

Currently, NATO procurement is managed by several different agencies on behalf of nations and/or the military user community represented by SHAPE/ACT. Funding is provided from a variety of sources (e.g., the Security Investment Program budget; the Military budget; ad hoc budgets provided by groups of nations for specific projects) and overseen by several different NATO committees representing the nations. This arrangement may have worked satisfactorily in the past, but, under the pressure of real operations, it no longer does so. Agencies compete with one another. Military commanders are driven to choose between short term support of soldiers in the front line and longer term necessary investments. Nations vie for national industrial advantage leading to long decision delays. Coordination is weak. Industry is frustrated. Projects run beyond their planned timescales. NATO commanders do not get what they need in the timeframe they need it.

- **NATO should reform its acquisition process** with the aim of creating a single procurement agency under an Acquisition Director with decision-making powers, overseen by an Acquisition Board.
- **NATO should establish an Industry Board** to provide top-level contacts between the Secretary General and NATO Commanders, on the one hand, and transatlantic industrial leaders on the other.

Summary

NATO is often seen to be too slow, lumbering and under-performing. Mainly, the problems reflect underlying political disagreement and under-investment rather than inefficiencies in the decision processes. But some aspects of the way NATO does business are badly out-of-date and should be reformed. We should not allow organizational failings to provide an excuse for weak support of NATO policies.

February 2010



Strategic Advisors Group

Senator Chuck Hagel – U.S. SAG Co-Chairman

*Chairman, Atlantic Council
Co-Chair, President's Intelligence Advisory Board*

Thomas Enders – European SAG Co-Chairman

President and CEO, Airbus S.A.S.

Frederick Kempe – President and CEO

Atlantic Council

General Brent Scowcroft – Chairman, Atlantic Council International Advisory Board

President and Founder, The Scowcroft Group

Damon Wilson – Vice President and Program Director

Atlantic Council

Ian Brzezinski – Rapporteur

Booz Allen Hamilton

Neyla Arnas – Rapporteur

National Defense University

STRATCON 2010

The Strategic Advisors Group's STRATCON 2010 project seeks to shape and inform the transatlantic debate over NATO's new Strategic Concept. STRATCON 2010 will issue publications to define the critical issues NATO must confront in drafting a new Strategic Concept. For more information about the SAG or STRATCON 2010, please contact Damon Wilson at dwilson@acus.org or Jeff Lightfoot at jlighfoot@acus.org.

Paul Gebhard - Rapporteur

The Cohen Group

Mike Durkee – Rapporteur

Former Special Advisor to SACEUR

Jeff Lightfoot – Secretariat

Atlantic Council

Rafael L. Bardají

Strategic Studies Group

Marshall Billingslea

Deloitte

Hans Binnendijk

CTNSP

Sven Biscop

The Royal Institute for International Relations

Charles Boyd

Business Executives for National Security

Yves Boyer

Ecole Polytechnique

Edgar Buckley

Thales

Richard Burt

McLarty Associates

Ralph Crosby

EADS North America

Brian Dailey

Atlantic Council Board Director

Chris Donnelly

UK Defence Academy

Conrado Dornier

Dornier Aircraft

Julian Lindley-French

Netherlands Defence Academy

Ashraf Ghani

Institute for State Effectiveness

Edmund Giambastiani

Former Vice Chairman of the Joint Chiefs of Staff

Sebastian L. Gorka

National Defense University

Marc Grossman

The Cohen Group

Annette Heuser

Bertelsmann Stiftung

Robert Hunter

RAND Corporaton

Robert Hutchings

Woodrow Wilson School

Josef Janning

Bertelsmann Stiftung

Karl Heinz Kamp

NATO Defense College

Arnold Kanter

The Scowcroft Group

Franklin D. Kramer

Atlantic Council Vice Chair

Harald Kujat

Former Chairman of NATO Military Committee

Fabrizio W. Luciulli

Atlantic Council of Italy

Alexander Mirtchev

Krull Corporation

Boyko Noev

Center for the Study of Democracy

Ioan Mircea Pascu

Member of the European Parliament

Jean-Paul Perruche

Former Director-General, EU Military Staff

Thomas R. Pickering

Hills & Company

Norman Ray

The Spectrum Group

Tomas Ries

Swedish National Defense College

Walter Slocombe

Caplin & Drysdale

Harlan K. Ullman

Atlantic Council

Kurt Volker

Atlantic Council/Center for Transatlantic Relations

Chuck Wald

Deloitte

Rob de Wijk

Hague Centre for Strategic Studies