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Committee on Foreign Affairs
Subcommittee on Europe and Eurasia**

Hearing on

***“NATO: THE CHICAGO SUMMIT
AND U.S. POLICY”***

Prepared Statement by

Stephen J. Flanagan, Ph.D.

Henry A. Kissinger Chair in Diplomacy and National Security
Center for Strategic and International Studies (CSIS)

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2172 Rayburn House Office Building

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Chairman Burton, Ranking Member Meeks, Members of the Subcommittee, I am honored to appear before you today to discuss U.S. policy with respect to NATO's May 20–21 Chicago Summit. After considering the strategic context of this Summit, I will then offer an assessment of successful outcomes at Chicago from the perspective of U.S. interests in each of the three principal elements of the summit agenda—Afghanistan, military capabilities, and partnerships.

In brief, I would consider the Chicago Summit a success if it yields:

1. a credible NATO commitment for assisting Afghanistan in maintaining its security through the transition to an Afghan lead in 2014 and beyond;
2. long-term strategy for enhancing allied defense planning and integration, with some flagship initiatives and a detailed implementation plan, to ensure NATO has the critical military capabilities it needs for collective defense and addressing emerging security challenges; and
3. concrete steps for strengthening NATO's diverse network of partners around the world, including measures to engage key contributors to Alliance operations more effectively.

Implement Lisbon; Adapt to New Strategic Realities; Reaffirm the Transatlantic Link

When allies decided to schedule the Chicago Summit only 18 months after the landmark November 2010 Lisbon Summit, there was some sentiment that it would be an “implementation summit.” After all, Lisbon capped an inclusive, two-year process of reflection and dialogue on the core missions and purpose of the Alliance and endorsed a new Strategic Concept to guide it in an era of global security. Lisbon also articulated a number of major commitments on Afghanistan, military capabilities, and partnerships. Fortunately, given the dramatic changes in the international environment since Lisbon—including the Arab Awakening, NATO's operation in Libya, the deepening of the European sovereign debt crisis, the rebalancing of U.S. diplomatic and military engagement toward Asia, and the continuing potential that Iran will develop nuclear weapons—this is not the course that the Obama administration and other allied governments have chosen to pursue. Individually and collectively, these developments call for adjustments to many Lisbon decisions.

The vision and mission statement articulated in the 2010 Strategic Concept—Active Engagement, Modern Defense—remain valid and Chicago needs to illustrate that the Alliance is actually implementing it and delivering on other Lisbon decisions and commitments. However, allies also need to demonstrate that they are adjusting their strategy to cope with European fiscal realities and the other strategic shifts I noted. NATO's mission in Libya illustrates this challenge. Operation Unified Protector made good on several Lisbon commitments—to better integrate its political and military tools for crisis management and to contribute to cooperative security in partnership with various countries and international organizations—and was successful in protecting the Libyan people from Gadhafi's butchery. However, the Libya air campaign also revealed major shortcomings in allied military planning, intelligence sharing, command and control, and sustainment. So Libya should rightly be heralded as a success, but it was also a stark

reminder that allies need to redouble national and cooperative efforts to ensure that critical capabilities are available for future crisis response operations.

The Chicago Summit also needs to reaffirm both sides of the transatlantic commitment. Members of this subcommittee need no reminder of the simmering discontent among American political leaders with Europe's unequal sharing of burdens and risks in the maintenance of common defense and security. The corrosive consequences of this discontent for the Alliance were articulated most forcefully by former Secretary of Defense Gates in his valedictory speech in Brussels last June. American political leaders should rightfully expect their European counterparts to come to Chicago with a credible plan to redress this imbalance. The Smart Defense, Connected Forces, and other initiatives expected to be endorsed at Chicago have the potential to staunch the erosion of European military capabilities by ensuring wiser allocation of still considerable defense resources. At the same time, some European leaders are concerned that the reduction of the U.S. military presence in Europe and the Obama administration's realignment of diplomatic and military assets to East Asia and the Pacific will leave Europe to fend for itself in future crises. The U.S. decision to encourage European militaries play a leading role in the Libyan operations fed these fears. So President Obama would do well to reaffirm in Chicago what he noted on the eve of the Lisbon Summit and several times since: that the United States does not have another partner in any other region of the world that shares "such a close alignment of values, interests, capabilities and goals," such that Europe will remain Washington's partner of choice for the foreseeable future.

The Afghanistan Commitment

The most contentious items on the Chicago Summit agenda are reaffirming the Alliance's commitment to Afghanistan during the transition to an Afghan lead in security and defining the scope of NATO's post-2014 support. Despite differing signals earlier in the year about the exact timetable of the transition, allied defense and foreign ministers, along with representatives from 22 International Security Assistance Force (ISAF) partners, reaffirmed last week their commitment to the current strategy and the 2014 timeline. Following the ministerial, it was reported that 23 nations had so far signed on to a "coalition of committed contributors" to fund the Afghan security forces after 2014, but for force levels considerable smaller than previously envisioned—230,000 in 2014 down from its expected peak of 352,000 this year. The total cost of supporting the smaller force is expected to be \$4 billion a year. It appears the United States is seeking \$1.3 billion a year from allies and a contribution of \$500,000 from the Afghan government. President Karzai is reportedly asking for a \$2 billion annual commitment from the U.S. as part of the U.S.-Afghan Strategic Partnership agreement initialed earlier this week.

It remains unclear whether all allied governments will hold to the 2014 transition date. François Hollande has already declared that he will pull French forces out of Afghanistan before 2014 if he is elected President next month. The scope of the NATO training and assistance programs in Afghanistan after 2014 is also uncertain. While the United States has declared a willingness to retain a military presence in country until 2024, the positions of other allies are less clear. Most allies have not met their pledges to the NATO Training Mission in Afghanistan over the past four years, so their willingness to do so after ISAF withdrawal, when they will be even more dependent of Afghan forces for their security, seems dubious. There are good reasons to question

the effectiveness and sustainability of the Afghan security forces now envisioned, particularly the police. Nevertheless, it remains in the U.S. interest to secure allied financial and training commitments for those forces after 2014.

Safeguarding Critical Capabilities: NATO Force 2020 and Smart Defense

The Chicago Summit must come to grips with the continuing decline in European defense budgets and capabilities exacerbated by the prolongation of the sovereign debt crisis. Absent some politically difficult and costly course corrections, the tight fiscal circumstances over the next five years will further erode overall European military capabilities already suffering from two decades of under investment. Among 37 European countries studied by CSIS, total defense spending adjusted for inflation declined by a compound annual average of 1.8 percent between 2001 and 2009 (€251 to €218 billion). During the early stages of the financial crisis, the 26 European Union countries participating in the EU's Common Security and Defense Policy reduced their aggregate defense expenditures by 4 percent. According to the latest NATO data, only two European countries (the UK and Greece), spent more than 2 percent of GDP on defense in 2011. These spending trends will continue to produce serious shortfalls in European military capabilities, particularly if implemented with little coordination.

A 2011 CSIS study which I led concluded that NATO Europe will be able to make only marginal improvements in capabilities to undertake various missions absent significant restructuring and defense integration. Most European allies will probably be able to contribute no more than a battalion to future expeditionary operations. In the naval domain, allies will be able to contribute surface combatants for modest counter-piracy and sea control task forces, but reduced force levels will limit operational flexibility and global presence missions. Air Forces will suffer from aging aircraft and declining readiness due to limited training. While recent operations, particularly Afghanistan, have advanced the transformation of European forces and made them more expeditionary, the readiness, equipment, and training of forces not involved in those operations are likely to continue to erode. Moreover, the political will to undertake demanding expeditionary operations is being undermined by economic constraints and operational fatigue.

Given these fiscal realities, allies agreed at Lisbon to achieve more efficient use of defense resources through enhanced defense planning, multinational development of capabilities, and broad reforms of NATO structures including downsizing its military commands and civilian agencies. Last year, NATO Secretary General Rasmussen began a campaign for "Smart Defense" to get more value and effect from available resources through better prioritization, multinational cooperation, and specialization. Following an intensive study of opportunities for multinational cooperation in 2011, NATO's Allied Command Transformation (ACT) has recommended an initial package of projects as candidates for greater pooling and sharing, each with an assigned lead nation and grouped according to the critical capability shortfalls they address.

In February, Secretary of Defense Panetta called for a long term plan to achieve the forces that the Alliance should have by the end of the decade—NATO Force 2020. The Obama administration encouraged allies to integrate the reforms agreed to at Lisbon, the Smart Defense initiative, proposed improvements in training and exercises (Connected Forces initiative),

enhancements to the NATO defense planning process—to include greater transparency in national defense budget decisions, and investments in critical capabilities. A successful Summit would also secure allied endorsement of:

1. a package of multinational projects that address critical capability shortfalls;
2. several longer-term multinational projects to include missile defense, Alliance Ground Surveillance, and air policing;
3. and strategic projects for 2020 to enhance Joint Intelligence, Surveillance, and Reconnaissance and air-to-air refueling.

Given the political and fiscal constraints confronting European governments, such a package strikes me as about the best that can be achieved, and would encourage all allies to work in a more integrated fashion to maintain NATO's current level of ambition.

Partnerships

The Lisbon Strategic Concept concluded that in today's complex global security environment, partnerships with other nations, regional and international organizations, and many non-governmental organizations have become essential to NATO's success. It called for developing more flexible ways to work with various regional partners. In April 2011, allied foreign ministers approved the "Berlin partnership package" to allow NATO "to work on more issues, with more partners, in more ways." The goal is to make more of the "partnership toolkit" available to all partners depending on mutual interest and capacity.

This appears to be the least developed part of the Chicago agenda. Advancement of NATO's partnership with Russia has been hampered by lack of progress on the missile defense dialogue, even as cooperation on Afghanistan has continued. There will not be a NATO-Russia Council meeting in Chicago, but Russia has reportedly been encouraged to participate in the meeting with contributors to ISAF.

One concept under consideration is to find ways to work with the "core partners" who have made sustained contributions to allied operations. However, there are also opportunities to leverage the success of NATO's cooperation with Arab partners in Libya and decade-long continuing cooperation with many Mediterranean littoral states on maritime security under Operation Active Endeavor, to find ways to deepen these partnerships and coordinate transatlantic support to security sector reforms in the transitioning states of the Middle East and North Africa.

Conclusion

There are a several carryover issues from Lisbon for which there remains insufficient political consensus among allies to move ahead on major decisions in Chicago including the deterrence and defense posture review and further enlargement.

The Lisbon Summit called for a comprehensive review of NATO's overall military posture to include consideration of the appropriate mix of conventional, nuclear, and missile defense forces required to deter and defend against the full range of threats to the Alliance. It also reaffirmed

NATO's commitment to existing arms control agreements support for further arms control, disarmament, and non-proliferation efforts. Much attention was given in this review to the future role of tactical nuclear weapons in Alliance strategy. Various official and non-official proposals to reduce or consolidate these weapons or change declaratory policy have not gained broad political support among allies. There is no question that NATO needs to complete this review to ensure that the political and resource support for an appropriate mix of forces can be sustained over the coming decade. At the same time, allies should commit to pursue various transparency and confidence building measures with the Russians to enhance stability and security throughout the Euro-Atlantic region.

The Lisbon Summit reaffirmed that NATO's door will remain open to "all European democracies that share the values of our Alliance, which are willing and able to assume the responsibilities and obligations of membership, which are in a position to further the principles of the Treaty, and whose inclusion can contribute to the security of the North Atlantic area." Allies recognized the strategic importance of the Western Balkans, and the contributions that Euro-Atlantic integration could provide to the consolidation of democratic values, peace, and stability in that region. Allies reiterated their 2008 Bucharest invitation to welcome Macedonia into the Alliance as soon as a mutually acceptable solution on the name issue is reached with Greece. They also reaffirmed their support for the aspirations of Montenegro and Bosnia and Herzegovina to become a member of the Alliance and Serbia's interest in developing cooperation with NATO. NATO also reaffirmed its commitment to deepening its partnerships with Georgia and Ukraine and 2008 pledge that Georgia will become a member. Given the lack of the progress on the Macedonian name issue and of political consensus on extending membership offers to the three other recognized aspirant countries, this will not be an enlargement summit. However, I expect allies to affirm all these commitments in Chicago and to set the stage for decisions on further enlargement at the 2014 Summit.

The Chicago Summit will provide allied leaders an opportunity to demonstrate that the transatlantic relationship remains vibrant in the face of economic constraints and that the Alliance is implementing a sustainable strategy for transition in Afghanistan and addressing emerging threats. European governments could answer U.S. concerns about diminishing military capabilities by making a sustained commitment to Smart Defense and other initiatives needed to realize a credible and effective NATO military posture for 2020. The Summit should also set in motion additional steps to deepen NATO's partnerships with countries around the globe and reaffirm NATO's Open Door policy.

Thank you Mr. Chairman, Mr. Meeks, and members of the subcommittee for this opportunity to present these views.

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