



NORTH ATLANTIC TREATY ORGANIZATION

**SUPREME ALLIED COMMANDER
TRANSFORMATION**

SACT remarks at

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Général d’armée aérienne Denis Mercier



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Thank you Mr. Fred Kempe, President and CEO of the Atlantic Council for your kind welcome remarks, and for co-organizing this event with my staff, which gives me the opportunity to officially introduce the Strategic Foresight Analysis 2017.

Ambassadors, Generals, ladies and gentlemen,

Distinguished guests,

As you probably know, the first edition of the Strategic Foresight Analysis was released in 2013, but in fact its origin goes back to 2009, when one of my illustrious predecessors, the now US Secretary of Defence, James MATTIS, put forward the 'Multiple Futures Project' as a solid foundation for much of our strategic planning.

At that time the document already recognized many of the principles that have been driving the adaptation of our military posture since Wales and Warsaw.

The aim of the SFA is to provide a shared understanding of the strategic future security environment. It describes the most significant political, social, technological, economic and environmental trends, and their relevant military and security implications for the Alliance, out to the next two decades.

Supported by professional military judgment, the SFA helps to both understand today and to visualize the future, in order to establish a bridge between the two and, as such, to enable NATO to adapt.



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Naturally, each of our nations develops its own foresight documents; however, what gives the SFA its unique added value is the combination of all perspectives. Not only does it establish a shared view by our 29 Allied nations, but it is the result of a collaborative effort drawing extensively on their expertise, and integrating inputs from partner nations, other international organizations, think tanks, industry and academia. In addition, it is closely shared and coordinated with the European Union.

Furthermore, in this year's edition and for the first time, to maintain maximum objectivity, the report offers complete transparency of alternatives, where some of these views did not meet general agreement.

The SFA is the initial phase of what we call the Long-Term Military Transformation. It forms the intellectual foundation for the Framework for Future Alliance Operations - which we will deliver next year - a document that goes one step further by identifying a number of instability situations and defining their military implications.

Both the SFA and FFAO inform the first step of the NATO Defence Planning Process – which concretely defines the pool of forces the Alliance needs to execute its 3 core tasks.

The Strategic Foresight Analysis is therefore developed through a coherent iterative process designed to be updated every 4 years. Describing 20 political, social, technological, economic and environmental trends, the report builds upon the previous versions, and identifies 59 deriving implications for NATO.



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The 2013 report acknowledged the complexity of the security environment, and identified less potential for major conflicts. In comparison, the 2017 edition, while confirming that the future will remain complex, recognises that the risk for a major interstate conflict has increased.

This demonstrates that our strategic assumptions will always be challenged, and stresses the importance of setting our sights to the longer term.

But let me now get more into the document itself, and show you what we believe are the most significant evolutions in trends since the 2013 report, and try to identify their key implications for the Alliance.

I will focus on four of these trends, the first of which is,

- The redistribution of political, economic and military power, most notably towards Asia, which will pose a growing challenge to NATO and the Western dominance.

The geostrategic power transition that has been taking place over the past years in the Asia-Pacific region is now reaching a decisive turn, and clearly illustrates the resurgence of power politics in the region. China, is leveraging its economic power to increase defence spending, as the foundation of a growing global power strategy. The neighbouring India is following the same path, and could reach a comparable status in the medium term.



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At the same time, Russia is resurfacing with the will to become a major power again, challenging the established order in the former Soviet space, by taking advantage of the lack of unity and resolve of Western nations.

Finally, a wide variety of emerging non-state actors - ranging from terrorist groups to global-reaching companies – with significant resources and ambitions are increasingly influencing societies, national governments and international institutions.

This trend, together with a growing lack of trust in governments and institutions, raises a number of consequences for the Alliance.

First, the increased likelihood of power competition is putting the international rule-based order to the test, and is directly challenging the cohesion of the Alliance.

Second, the growing complexity of this environment, due to a wide variety of actors requires NATO to develop a global strategic awareness, beyond the Euro-Atlantic area.

Third, in this unprecedented range and multitude of global developments NATO will need to reinforce its cooperation with existing partners, other international organizations or relevant non-state actors; and establish an effective dialogue with the rising powers to develop confidence and security building measures.

The second trend I want to highlight is,



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- The exponentially growing rate of technologies that will continue to transform our societies at all levels.

This is undoubtedly the fastest growing and evolving trend, and it has already literally transformed our daily lives and the societies we live in.

The surge in computing power, together with Artificial intelligence and autonomous systems, amongst other evolutions, will continue to accelerate the pace of technological progress. The development of global networks eases the access to new technologies and information, as well as their dissemination down to individuals.

In addition, it is expected that governments will continue to lose their driving role in the development of cutting-edge technologies, leading to an over-dependency on the commercial sector, including in sovereignty areas such as defence and security.

For NATO, the first consequence of this easier access to disruptive technologies is the threat posed by their exploitation by our potential adversaries.

Therefore, the Alliance will have to keep up with the tempo of these evolutions, and adapt at the speed of relevance. A change in paradigm in our acquisition processes will be needed, to allow quicker insertion of innovative solutions in our capabilities.

Furthermore, the disproportionate rate of technological development amongst Alliance nations could lead to compatibility issues. Divergent ethical and legal interpretations, and acceptance of the evolutions in



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technologies will create different levels of adoption and a reluctance to partner with nations that employ them in operations.

This will require adaptive mind-sets, technological awareness and appropriate policies and legal frameworks to facilitate the adoption of new technologies, as well as to ensure the highest level of interoperability for capabilities that will be increasingly connected.

The Information Environment is developing into a new battlefield with data as a main strategic resource. As potential adversaries will increasingly use global networks to disseminate false or misleading information to influence public opinion and decision-making, NATO needs to develop capacities to detect changes in the information environment and adopt an agile approach to strategic communications.

The third trend I want to highlight touches on the human theme. It concerns

- Asymmetric demographic change, aging populations, and increasing urbanization, combined with the polarization of our societies.

Increased urbanization will lead to more resource competition and even to scarcity. Ownership and control of critical infrastructure could become contested, which will create additional vulnerabilities for the distribution of available resources.



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In addition, aging populations will continue to challenge medical and social welfare policies, potentially restraining the necessary budgets for defence and security.

Furthermore, the polarization of societies is world spread, but affects more the Western developed nations, fuelled by the increased empowerment of individuals.

For NATO, all these factors will increase instability and the risk of large-scale migration, civil unrest and even civil war. It implies that we must be prepared to operate in heavily concentrated urban environments. The understanding of civil preparedness and interdependence between services will be an essential factor to improve Allies' sustainment and to build resilience.

The fourth and last trend I want to highlight is the

- Raise of environmental issues that are dominated by climate change, drawing unprecedented international attention.

Climate change impacts nearly all domains, and comprises technical, legal and political challenges. The increases in frequency and severity of natural disasters will continue to shape the security environment.



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The scientific understanding of climate change is growing and will have to be taken into account in the Alliance's long-term planning and risk assessments.

The following implications must be addressed.

First, the easier accessibility of the Arctic region will cut distances between Europe and Asia by a third, and will also allow increased military use of the High North and Arctic regions.

This will both impact the Alliance's threat assessment of these regions, and also offer greater opportunities for our strategic lines of communications.

Second, there is a need to build resilience against deficiencies in primary resources and infrastructures while planning for military operations. Extreme weather events, water and food security issues and other climate and environmental stressors must be included in Allies' situational awareness and planning processes.

Third, natural disasters will increase requirements for humanitarian support. The unavailability of military assets required for this support, must also be taken into account in operational plans.

I've presented some of the trends that could lead to crises, but let me stress that the greatest danger is the confluence of these trends, and of the many



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others described in the SFA, building up to trigger strategic shocks of a yet unseen magnitude.

To conclude.

The most important added value of the SFA is its shared perspective, at 29, that helps to reinforce cohesion.

It is important to have a common understanding of the future trends and their military implications. It will enable us to better coordinate our national defence plans to face future challenges, and to grasp new opportunities.

The SFA is also the major document to inform national security reviews, and defence and security strategies.

The Alliance is in the midst of a cycle of political, military and institutional adaptation. Our decisions focus on the short or medium term, but there is an urgency to also include future perspectives in our adaptation, in order to, as Peter Drucker said, not prepare future decisions, but assess the future of our present decisions.

The SFA 2017 will help Allied nations and partners to include these future perspectives in today's decisions, and enable the Alliance to permanently adapt at the speed of relevance.

Thank you for your attention.