



**NORTH ATLANTIC TREATY ORGANIZATION**

**SUPREME ALLIED COMMANDER  
TRANSFORMATION**

**All Hands SACT**

**Norfolk, 24 Jan 2018**

**As prepared**

**Général d'armée aérienne Denis MERCIER**

Generals, Admirals,

Ladies and gentlemen,

Dear ACT teammates,

- I'm very pleased to be here with you today, at this first All Hands of 2018.
- Let me start by wishing you all a very happy new year, to you and your families, happiness at home and at work, with maximum job satisfaction; a good health and good perspectives for the future are the things I hope will accompany you throughout 2018.
- I hope you had good holidays, a welcome break after an intensive period of hard work.
- Congratulations to all the staff members who just received a medal or a commendation letter.
- My thanks also go to the whole staff all the work done in 2017, and especially for all the work done on the NCS Adaptation to deliver a Bi-SC report within very strict and narrow timelines, for some of you requiring long working hours (including sometimes during the weekends) and regular travels up and down to Brussels and Mons.
- Your work is very much appreciated, I've received very positive and good reactions during my recent engagements in Brussels, sometimes even against the expectations due to the very detailed work that was

required, and in difficult conditions, but we are now confident for the Defence Ministers to endorse the proposed plan next month.

- Thank you for your motivation, persistency, dedication and tenacity to accomplish this work in difficult conditions.
- As you know it was not the end, but the beginning of a next phase towards the implementation of the NCS Adaptation.

➔ Before giving feedback from these recent engagements (the last 3 weeks) with the NAC (10 Jan), and at the MC/CS (16-17 Jan) and several bilateral engagements with our nations, let me first go back to the beginning of this huge work – following the decisions taken at the 2016 Warsaw Summit.

- Since 2014 our strategic security environment has dramatically changed from a complicated to a complex environment.
- Overlapping of the core tasks.
- Our strategic assumptions have changed, and they will continue being challenged.
- It is the complexity and the rapid change of our strategic environment that is one of the main drivers of the Alliance's adaptation, to ensure our military capacity with especially our command structure remains fit for purpose.
- NATO is the only organization of its kind that has a permanent command and control structure, and the level of ambition defines the maximum level of effort NATO wants to be able to execute, in other

words, it is the worst case scenario of a major conflict with a massive commitment of military forces.

- What does this mean for NATO's core tasks, and inherently the Alliance's future structures?
- First, future structures and capabilities must be robust enough to cope with the requirements of a major all-out conflict, and at the same time flexible enough to better adapt to the rapidly changing security environment. *(the deficiencies wrt Operations – ACO – and in the NCS – were mentioned by SACT, but cannot be published here – you will find them in the Bi-SC report)*
- Second, a bigger focus is put on the responsiveness, and the transition from peacetime (Baseline Activities and Current Operations) to crisis, and to the Maximum Level of Effort = war
- We worked and continue to do so, shoulder to shoulder with ACO in a Bi-SC approach, with an unprecedented level of direct coordination.
- First we conducted a functional analysis and identified a number of deficiencies, shortfalls but also overlapping of functions and tasks.
- We then developed an outline design that takes into account all three core tasks and the corresponding responsibilities, within the strategic complexity I described earlier.
- To do so, we followed 6 agreed principles: strategic awareness, flexibility, operate and adapt simultaneously, persistence, interconnectedness and compliance with NATO's military culture.
- The main focus is on the functions, tasks and requirements that the NCS must fulfil to be fit for purpose.

- We looked at which Strategic Command was doing what parts of these functions and tasks, and we clarified the non-exhaustive list of Roles/Responsibilities/Authorities and brought clarity by realignment of the R/R/A between the strategic and the operational levels.
- Our main focus: address the identified shortfalls and deficiencies, minimize duplications, optimize manpower, free resources within ACO for warfighting, and formalize new and improved relationships with non-NCS entities, the NFS, national structures, agencies and COEs.
- Our Bi-SC recommendation (Outline Design and options for implementation, 30 Aug 2017): agreement in principle by the DEFMIN 08 Nov 2017.
  - Not gold-plated
  - Outline design : “form follows function”
  - ACO = Warfighting Command
  - ACT = Warfare Development Command
- Our Bi-SC Report on the refinement of the outline adapted NCS, 15 Dec 2017
  - Huge and very detailed work (not a plan, but a framework) – if fact we never had developed this level of detail before!
  - LoA : from BACO to MLE
  - Operate and adapt simultaneously
  - 3 core tasks
  - Transition Peacetime – Crisis – Conflict
  - Augmentation of resources and manpower
  - Bigger reliance on NFS and Nations

I recommend everybody in the staff to read this report – at the minimum the first part to understand and also to capture the way ahead for the work that must now follow.

### **This brings me to ACT's future role and organization.**

- All decisions of the Warsaw Summit support the core tasks but they are mostly short-term oriented. To remain relevant in the future, we must integrate a medium and longer-term perspective.
- Adaptation is of course the centre-piece of ACT. Transformation is not an end in itself, we do not provide transformation.
- It is about the transformation of the military capacity of NATO's posture, now and in the foreseeable future.
- US Sec. Def. Mattis = "Stay dominant and relevant at the same time": we must look at the future.
- Our main focus is future **warfare development**. Of course, we must do this hand in hand with NATO's other strategic command, Allied Command Operations (Mons, Belgium) that is focused on warfighting.
- Warfare Development is the actions we take to adapt our military capacity to the security environment and to improve responsiveness, now and in the foreseeable future. It supports the 3 core tasks.
- How :
  - It starts with strategic foresight – future trends, threats, scenarios, and technological game-changers (SFA)

- How these trends could change NATO's superiority – and the military implications to guide the development of new concepts and capabilities (FFAO)
- Development of the capabilities that are unique to the Alliance ( C2, BMD, CIS, ISR, etc.) - ensure interoperability from the onset (testing and experimentation)
- Contribution to the development of our forces : focus on human capital, doctrines, LL, education and training of our leaders, and partnerships
- What does this mean for ACT's proposed future

Our new structure will be built around the three main functions of Warfare Development, with three directorates:

- Strategic Plans and Policy
- Capability Development
- Joint Force Development
- Strategic Plans and Policy (SPP) : to provide military advice to the development of strategies and policies in support of NATO HQ, and to contribute to development of functional and regional approaches in the area of PS, Partnerships and CT.
  - retaining the SFA and FFAO portfolios, but expand to technological breakthroughs and future technologies;
  - in coordination with NATO science and technology office, identify threats and opportunities allowing us to analyse and

- develop strategic alternatives and concepts to inform defence planning;
- with NDPP moving to SPP to bring more coherence between our foresight and analysis and our defence planning priorities.
- Capability Development (CD): as the capability requirements authority, all capability development tasks across the full life cycle (from the initial identification of the requirement, the fielding to the disposal of the capability).
    - Capability Requirements: not a new role for ACT, but will be expanded to include all functions and tasks scattered across de SC's and ACT – to develop coherent and quality requirements, to include alternative solutions and with a new Branch to ensure joint interoperability (from the onset – with FMN as one of the main building blocks)
    - Capability Programmes: to comprise all tasks and activities beyond the requirements, across all DOTMLPFI components – to deliver the right capabilities – on time – within approved costs.
  - Joint Force Development (JFD): focus on education and individual training, and support to exercises, to ensure all personnel are ready to fulfil their responsibilities and prepare for current and future operations.
    - This includes functions, tasks and requirements to develop our Human Capital and to remain interoperable through doctrine, incorporation of innovation and operational experimentation with new concepts in exercises.

- It will also include the appropriate tasking authority relationship with the COEs.
- JJJ's (JWC, JFTC and JALLC): essential to maintain/integrate within our structure to support Joint Force Development, Capability Development and Plans and Policy – a clear focus on our human capital.

### **ACT's internal reorganization (~ PE Review)**

- The internal reorganization will require an augmentation of 123 posts in total (approx. 60% military and 40% civilian positions).
- A Detailed Implementation Plan (DIP) will be used.
- It is a complex plan: PE Development and Implementation Plan (or Phase 4)
  - Considerable effort has been done to get us where we are now – we must keep this momentum! Excellent work from our team!
  - The framework of the adapted structure must now be turned into statement of functions that reflect the new R/R/A by the Directorates, Divisions and Branches.
  - At the same time new JDs need to be produced, old JDs need to be renewed so that Nations can send the most appropriate personnel to future assignments in ACT.
  - 2018 will be a year of detailed preparation for change: a PE Implementation Team (cross-directorate) will be put in place.

- This team will prepare the transition plans for military and civilians with a minimum of disruption based on Bi-SC agreed principles included in our DIP, due in Brussels by 30 Apr.
  - DPPC meetings and Bi-SC workshops to refine the plan and to propose a prioritized implementation (so, the first step will be to agree on the principles) – with ACT and ACO participation.
  - For military personnel (as in previous PE reviews), we will ask Nations to leave their personnel in place through the end of their current assignment – we will work with the NLRs to ensure military rotation dates with minimum gapping of posts and maximum levels of continuity – both for the individuals as for the organization.
  - For the civilian staff, we will work on a Civilian reorganization plan to place our civilian staff in the adapted structure – it is a tried and tested method of transitioning and you will be kept informed.
  - Bottom line: ACT will need more people than it currently has to fulfil its mission: **on this basis there will be plenty of work for all.**
- Adaptation requires flexibility: there will be changes to job-descriptions, and new job-descriptions to include the right skill-sets, there will be moves cross-directorate and there will be transfers of roles and responsibilities within our Command, as well as between ACT and ACO (e.g. TREX, Capability Requirements, and Partnerships).

- Future JDs will also take into account the Augmentees role of ACT in a MLE.
- There is a clear supporting/supportive role between the two Commands: Allied Command Operations is in charge of current operations supported by Allied Command Transformation, and Allied Command Transformation of future operations supported by Allied Command Operations.

**“operate and adapt”** are key words in this equation.

➔ Feedback from my recent engagements on the NCS-AD

- Different engagements took place :
  - 9 Jan : SEG
  - 10 Jan : NAC
  - 16-17 Jan : MC in CHODs session (MC/CS)
  - Several bilateral engagements with nations (here I want to mention my visit together with SACEUR to France, to my knowledge it is the first time that both SC visit a country at the same time)
- **There is still a lot of work to do, but :**
  - **Very positive engagements with many Ambassadors.**
  - **I have not seen one nation negative about the work that has been done for the NCS adaptation.**
  - **Same appreciation from SACEUR’s engagements.**

- **I have a good understanding of nations' concerns after these meetings.**

**Ambassadors had previously said they were doubting the adaptation could be endorsed in February but now they are confident it is possible.**

**Overall: good support for ACT and good support to warfare development, both from the PermReps and from the CHODs.**

- ➔ A lot to do – and we need everybody to work on this together!
- ➔ DEFMINs 14-15 Feb : endorsement on Framework for incremental – progressive and prioritized implementation planning.
- To conclude, to be successful in this adaption – it will require a change of mind set to do things differently, we must all (every member of the staff, at all levels, regardless of your job description and responsibilities) feel concerned.
- We still need a better “burden sharing” within our Staff.
- Every one of us must feel empowered to engage, all valid ideas must find their way to the senior leadership, in our environment it cannot be acceptable that organizational or structural (and hierarchic) barriers stand in the way of innovative thinkers to exploit valid and feasible good ideas that support our objectives.
- There will always be resistance, because it's a natural thing – people fear change. Do not let yourself be hampered by it, and move forward with determination and good sense.

- However, **to be fully concerned and to conceive innovative ideas it is important you also fully understand the work that has to be done.** If you don't understand, if it is not fully clear, you must come out and ask questions. If not, you will not be able to fully support.
- That is what I expect from you, not for me, not for ACT, but for our Alliance. I'm sure I can count on you – you are the main asset – our human capital, and other than we, ACT, there's no other staff or organization within NATO that has the full time task to prepare for the future, nobody else will do it if we don't get the job done.

“ INNOVATION HAS NOTHING TO DO WITH HOW MANY R&D DOLLARS YOU HAVE. IT'S ABOUT THE PEOPLE YOU HAVE, HOW YOU'RE LED, AND HOW MUCH YOU GET IT” Steve Jobs

**Let's do it all together, as one team.**

Thank you for your attention.