



NORTH ATLANTIC TREATY ORGANIZATION

**SUPREME ALLIED COMMANDER
TRANSFORMATION**

SACT's Keynote Speech to NATO School Oberammergau

Senior Officer Policy Course

30 Jan 2018, 0800-1000 Hr

Général d'armée aérienne Denis MERCIER

Generals,

Ladies and Gentlemen,

It is a real pleasure and a privilege for me to take part in the Senior Officer Policy Course, by addressing some remarks that will focus on one of the current main efforts of NATO's adaptation, namely the NATO Command Structure Adaptation.

More broadly spoken, the Alliance is in the midst of a cycle of political, military and institutional adaptation that is primarily driven by the complex and fast moving security environment that affects us beyond the borders of the North Atlantic area.

Adaptation is not new to NATO, and changes to the strategic environment have always been one of the main drivers for our adaptation efforts.

The question is how is this time different?

The strategic security environment is complex, and it is evolving at a rapid pace. Nevertheless, several defining trends can be identified.

The presence of the same actors in different regions and the way an event in one regional crisis can impact their actions in another, has made crisis increasingly interrelated.

These actors, state and non-state, often follow a different agenda, or interact differently according to regional circumstances, interlacing the threats they pose.

The wide variety of these threats makes each situation more dangerous than before. In addition, this is reinforced by the exponentially growing rate of new technologies, and their easy access.

And finally, the transition between peace, crisis and conflict is blurred and often unclear. The difference between peacetime and conflict is clear, but crisis is in a grey zone, and in some domains we seem to be permanently in crisis (e.g. Cyber).

The 2016 Warsaw Summit was the first summit to acknowledge this complexity at the scale of the Alliance, and to give equal footing to each of its three core tasks.

Yes, the core tasks remained unchanged, but they are also more and more overlapping and we have to be able to carry them out in a more integrated way than before.

This is a huge task. A combination of “Collective Defence”, “Cooperative Security” and “Crisis Management” missions requires Forces with the appropriate combination of capabilities and new levels of readiness, and a Command and Control Structure capable of performing all the required functions and tasks up to the worst case scenario

Our Command Structure is unique, and NATO is the only organization of its kind that has one on a permanent basis.

However, the assumptions on which our NCS is based have changed.

First, it was based on the idea that Russia would be a strategic partner, and that the Alliance would have months of warning time before a conventional attack.

Second, it was also shaped by a view that crises in and outside of Europe would be small in scale, slow in development, and absent of great power intervention.

Third, it was also assumed that a stable security network to our south would remain intact, with numerous African and Middle Eastern countries helping us address terror and other challenges in these areas.

Fourth, there was the assumption that the Alliance would remain unchallenged in its military superiority and technological edge.

Today's strategic context is very different, with very different assumptions that impact the NCS.

Russia is a strategic competitor, and a threat, not a partner.

There are precious few stable governments and security contributors in Africa and Middle East. This fact makes them, and us, vulnerable to terrorism.

New technologies are developing at warp speed, and their accessibility to our potential adversaries makes that they could be used against us. In addition these disruptive technologies also put our interoperability at risk.

Across the spectrum of peacetime, crisis and conflict, our strategic assumptions have significantly changed.

SACEUR and I have recently presented our proposals for the NCS.

They are centred on supporting all Allies, all the time, for all three core Alliance tasks in today's strategic context, with Command and Control functions, tasks and activities to support missions and operations across peace, crisis and conflict, at any direction and scale. The same structure will also form the basis for a robust and expanded network with Allies and Partners that can address modern transnational threats, like terrorism.

This means that we need a NCS that is 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 environment.

Operate and adapt are the key words in this equation.

ACO will focus on the “operating” part through “Warfighting” functions.

ACT will focus on the “adapting” part through “Warfare Development” functions.

As I said earlier, our strategic assumptions have changed dramatically over the last few years, but in this environment characterized by complexity, we can affirm that they will keep being challenged. SACEUR and I both agree that the implication for NATO is that we must adapt at the speed of relevance.

Whether inside or outside the defence community, the organizations that thrive in a complex and rapidly changing environment are the ones that acknowledge the necessity to operate and adapt simultaneously. We cannot afford to address our identified deficiencies without setting our sights to the longer term. This has been and remains one of the driving principles of the recommended outline design, which led us to emphasize ACT’s focus on warfare development.

We use the term “warfare development” to describe ACT’s purpose and mission, which is not optional nor a novelty, but instead a vital function that keeps the NCS fit for purpose, now and into the future. Warfare development has informed and guided our work on the NCS adaptation, allowing us in turn to better define its implications. With this as a backdrop, let me first expand briefly on what warfare development entails.

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, bridging the gap between today and tomorrow. It supports the three core tasks of the Alliance.

Warfare development starts with examining the outlook on future threats, scenarios, and technological game-changers. It defines trends on how these evolutions could challenge NATO's superiority, but also identifies opportunities to strengthen our own forces. It guides the development of new concepts and capabilities to keep pace with the changes in our strategic environment.

Based on this necessary insight, it leads the development and integration of capabilities that are unique to the Alliance: command and control, communications, intelligence and surveillance, and ballistic missile defence, to name just a few. These capabilities must also be interoperable from the onset, and warfare development is about experimenting and testing, to ensure our capabilities will be ready when called upon.

Warfare development also contributes to the development of our forces with a focus on human capital, through the implementation of relevant doctrines, the identification of lessons from operations and exercises, and the education and training of our leaders, to ensure that they remain ready to face any challenge.

Finally, in a world where no organization has the capacity to solve and prevent all crises by itself, warfare development also supports partnership initiatives in the broad framework of the Alliance's projecting stability and counter-terrorism activities.

Let me now describe briefly the implications for ACT's proposed internal structure. Our new organization is built around the three main functions of

warfare development, refocusing our three directorates on strategic plans and policy, capability development, and joint force development.

The Strategic Plans and Policy directorate will focus on strategic foresight, planning and policy advice, concepts, strategic engagements, and partnerships.

It will contribute to the development of functional and regional strategies in support of NATO's projecting stability and partnership efforts, to enhance and develop our network, and maintain a strong link with the Hub for the South, among other initiatives.

While retaining its current portfolio in terms of strategic foresight, among which are the updates of the Strategic Foresight Analysis and the Framework for Future Alliance Operations, the SPP directorate will expand its ability to provide strategic outlook by integrating functions that were previously disseminated across ACT's structure. It will allow us to analyse technological breakthroughs, in coordination with the NATO science and technology community, to identify threats that can challenge the Alliance's superiority, and to exploit opportunities emerging from potential game-changers. This analysis will allow us to develop strategic alternatives and concepts, and, consequently, will inform our defence planning.

As far as defence planning is concerned, moving the NDPP to the SPP directorate will bring more coherence between our foresight and analysis efforts and our defence planning priorities.

Mirroring the existing organization in IS and IMS, it will strengthen cross-functional coordination in a more transparent and effective way.

Our second directorate, Capability Development, will undergo significant changes in order to address the deficiencies and gaps identified in our

current capability development process. It will allow ACT to manage and integrate NATO's common funded capabilities with a through life cycle approach, giving nations clarity on capabilities that are being delivered, and optimizing resources – people, time, and money.

Informed by the work done in the SPP directorate, the Capability Development directorate will be comprised of two main pillars: capability requirements and capability programmes.

Capability requirements is a not a new role for ACT, but it will be expanded, regrouping tasks and functions that are currently scattered across the Strategic Commands and ACT. It will allow ACT to develop coherent and quality requirements, based on the user needs expressed by ACO, and informed by our foresight documents, lessons learned, and emerging technologies. It will provide an analysis of alternative options and quality insurance measures, ensuring a better coherence and accountability through the process. It will take into account interoperability aspects, which remain and will remain a critical requirement for NATO capabilities. The development of the Federated Mission Networking project is one of the key building blocks to these interoperability efforts.

The second pillar will focus on ensuring that, for every capability, all aspects of Doctrine, Organization, Training, Materiel, Leadership, Personnel, Facilities and Interoperability (DOTMLPFI) components are delivered in a holistic, through-life cycle management approach – because capabilities imply much more than the sole development of a platform.

Overall, this reorganization will address the identified deficiencies and gaps, in order to deliver the right capabilities, on time, and within the approved costs.

Lastly, the Joint Force Development directorate will support initiatives enhancing our collective force, with a clear focus on our human capital. The integration of the 3Js (Joint Force Training Centre, Joint Warfare Centre, and Joint Analysis and Lessons Learned Centre) will be instrumental to support these force development efforts, as well as plans and policy, and capability development.

The JFD directorate will conduct the education and training of our leadership at all levels, and provide recommendations for our exercises, to ensure that we prepare for future conflicts, and not past ones, using innovative tools.

It will support our capability development efforts related to doctrine, human capital, and training.

With the appropriate tasking authority, it will organize the relationship between the NCS and the NATO Centres of Excellence, allowing us to draw on their expertise, specifically in lessons learned, education and training, capability development, and doctrine.

And finally, it will manage the Alliance's lessons learned implementation, to inform our force development process.

The NCS adaptation has also led us to define ACT's role in the event of an all-out conflict. This role includes support to planning, lessons learned, and rapid capability development, while the remaining personnel will be able to augment NATO and national staffs.

Overall, this internal reorganization will require an additional 123 positions total, with a mix of approximately 60% military and 40% civilian, within ACT's structure, some of which to be stationed in ACT's Staff Element Europe. Through offsets, optimization, and efficiency measures, we have managed

to refine our initial rough order of magnitude estimate to a bare minimum, assuming that we will be able to retain our contractors.

I am convinced that this uplift is acceptable with regards to the benefits it will bring to our Command Structure.

To conclude.

ACT and ACO have worked, and will continue to do so, shoulder to shoulder in a Bi-SC approach with an unprecedented level of direct coordination.

The framework SACEUR and I have proposed is the result of very intensive and difficult work.

We started with a functional analysis to identify deficiencies, shortfalls but also overlapping in the current structures.

We then developed an outline design that took into account all three core tasks and their corresponding roles, functions and authorities, and brought clarity by realigning them between the strategic and operational levels.

Following the agreement in principle by the Defence Ministers on the outline design, we further refined and delivered a Bi-SC refinement report last December.

The refinement report with the earlier describe proposals for change are not the end but the beginning. In February, we expect the Defence Ministers to endorse the framework for an incremental, progressive and prioritized implementation.

The NCS Adaptation must be seen in the wider picture of the Alliance's modernization, one of the five major topics for the Brussels Summit in July.

There is still a lot of work to do for the actual implementation, but there is also a sense of urgency.

To win tomorrow's war, we have to prepare today. I know that the term "warfare development" is new to you in this context. But it is what Allied Command Transformation's adaptation is about. Warfare development is necessary to ensure SACEUR has the warfighting capacity he needs to face any future challenge.

I am looking forward to the questions you may have, and I wish you all a very fruitful course.

Thank you.