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Transcript

RENEWED AMBITIONS FOR NATO

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SPEAKER:

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Transcript by Way With Words

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JAN TECHAU: Ladies and gentlemen, welcome to Carnegie Europe and welcome to this wonderful venue. It doesn't get any more Old Europe than this, I guess, and for our conversation with Ambassador Daalder. Normally, in the towns we're in around the world, in European towns around the world, there's always some American organisation ambassador, and it is a great honour when that ambassador picks your organisation to say goodbye in his final public appearance, if you will, in his old capacity, although I am sure he will talk about other things, but that's exactly why he is with us today. He approached us to say his final words after four years in Brussels, with his Europe and NATO experience. Of course we said yes and so he will share with us today.

Even though he is leaving Brussels after four years, the great thing about it is that he's not going to move from one [unclear] developed culture to another [unclear] developed culture, which is an easy thing to do, which is what most policy people do. Some move to Chicago to run Chicago Council Global Affairs, one of the pre-eminent security organisations [?] of its kind in the United States, and so that means you will hear probably even more about the future of his assessment of how United States but also [unclear] should position themselves in this changing world.

The ambassador has other farewells and goodbyes that he is undergoing at the moment, and he himself is the main act here, but I will say one thing: that this is also a different [unclear] for us. There are very few friends of the kind that he would [unclear]. He was born of course here in Europe, grew up here until he was 24, which is something I only found out today. He looked at us very closely throughout his entire career, then working at the National Security Council here in NATO, and he's always been a strong advocate of the Alliance. The Alliance that creates the common fate, if you will, for us in the West.

He has become over the last couple of years a quintessential part of the dialogue; one of the strongest ambassadors that the United States has. I was just told a few minutes ago here at the reception [unclear] and that is why it's also a little bit of a sad thing. Mostly it's a good thing because he will tell us what he's learned over the past few years and perhaps also some of the things that he thinks will get done in the future [unclear].

The last thing I do want to say is, of course, America gets one of its pre-eminent public servants back. The great thing about this is that he has not only served the people of the United States well in his capacity as ambassador, but also in his time in Europe he has also served us.

That's all I have to say here. Mr Ambassador, the floor is yours.

IVO DAALDER: Jan, thank you very much for that very kind introduction. As you said, this is my last public speech as a US ambassador to NATO, and I really cannot think of anything better than to have a speech right here in Brussels at Carnegie Europe. Carnegie's commitment to innovative thinking, about the challenges facing Europe and, indeed, the world, make it a valuable contributor to Transatlantic and European policy communities, and if I can make a small contribution to that by having my last speech here today, I am more than happy to do that.

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As my time in NATO comes to a close, I'd like to take this opportunity to reflect on the past and to look forward to what the future holds. What has been accomplished over the last few years, and what are the challenges facing NATO going forward. Overall, these four years that I've been here have seen extraordinary accomplishments for NATO. We joined together as allies to articulate a vision of a 21st century Alliance. We enshrined that vision to a new Strategic Concept, and we realised that vision with the successes in Afghanistan and Libya.

Each of these accomplishments is remarkable, and together they may confirm President Obama's view that the Alliance is, and I quote, the bedrock of our common security, of freedom and of prosperity.

I would be remiss if I were only to talk about what is going right. There are some real challenges that we face in the Alliance going forward. Recent trends in defence spending threaten NATO's ability to confidently defend and face dangers in an unpredictable future. Most European allies are hollowing out their military, jettisoning capabilities and failing to spend their existing budgets wisely. As a result, the gap between American and European contributions to the Alliance is widening, to what is now an unsustainable level. Something must be done. These trends must be reversed.

Absent of a new European commitment to investing in real defence capabilities, America's European allies will no longer be able to stand beside us as we confront security challenges of the future - challenges that are increasingly global in their reach and in their impact.

This bleak future need not and should not hinder us. We have built strong lines on a very solid foundation. Today, I want to start by highlighting all we have accomplished together so that you can understand how important it is to work together to solve the problems and challenges we face.

Ten years ago, there were those who doubted the durability and continuing relevance of NATO as a 21st century institution. Indeed, I myself wondered whether a transatlantic divorce was in the offing. NATO has proved its detractors wrong. The NATO we see today is a reinvigorated Alliance; one that is fit for purpose for the 21st century. It's an Alliance that lives up to the legacy as the strongest military coalition that the world has ever known.

Today's NATO was formed in Lisbon in November 2010, when our leaders came together to agree on a new Strategic Concept. At its core, today's NATO is a community of values, committed to collective defence and cooperative security, and able to leverage common capabilities, with common structures to achieve those ends. All the four Cs - community values, collective defence, cooperative security, and common structures and capabilities.

As you go back and reread our Treaty of 1949, the Washington Treaty, you will note in the opening sentence that this Treaty does not just create a military Alliance. It is, above all, an Alliance of likeminded states who share deep-seated values, the values of democracy, human rights, and the rule of law. And without that essential community of values as our

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foundation, NATO would not have been able to evolve in a changing strategic environment, or even to survive.

So that clearly provides the foundation of what NATO is today.

As an Alliance, NATO is of course dedicated to collective defence, as indeed is enshrined in Article 5 of the Washington Treaty. Collective defence has been the defining feature of NATO since the 12 founding members signed that Treaty in Washington in 1949, and it continues to stand at the very core of what we as allies do, whether it's in response to terrorist turning airplanes into weapons of mass destruction, in cities like New York or Washington DC, or whether it's by deploying advanced missile defence systems to protect Turkey and other members from the threat of ballistic missile attack.

Of course, NATO today is more than a collective defence Alliance; it is also a cooperative security organisation. We engage in cooperative security because we recognise that security at home and security abroad are, today, inextricably intertwined. Threats now travel across borders at lightning speed, from anywhere and at any time. Our only hope of addressing these threats is through cooperation with others, as Allies and also with our Partners.

We are working within NATO to bolster the procedures for crisis management, to make sure we address these transnational threats before they become too great.

We pursue arms control and non-proliferation limits designed to reduce, contain and control the range of threats before they can reach any of our members. We recognise that even 28 strong committed allies in the North Atlantic area cannot face the global threats alone. NATO must work together in this partnership, from as far away as New Zealand and Australia, to as close by as Finland and Sweden and Switzerland. Cooperation across the globe makes all of us stronger, all of us safer, and all of us more secure - allies and partners alike.

Finally, our common structures are what made NATO such an effective organisation. It is in fact much more than the sum of its parts. The Alliance has an integrated command structure, with the ability to turn political decisions into effective action in a matter of days. Fundamentally, the NATO of today is an organisation that is able and willing to take on the major military missions that few countries, except perhaps the United States, can conduct on their own.

Even while America today may well be capable of meeting many of the security threats by itself, we greatly prefer doing so together with our allies in Europe, because together we are more effective. We are better able to secure the fate of each other. NATO is force not only for the United States but for any Member State whose security is threatened. This is the Alliance that we want to be at our side, today, tomorrow, and into the future.

Now, the Strategic Concept which encompasses this new Alliance is an impressive document, but it is more than just words on a page. Nowhere is this more evident than our

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operations in Afghanistan and Libya. Let me spend a little time on those two operations, starting with Afghanistan.

When President Obama took office in January 2009, he was committed to reorienting and renewing our efforts in Afghanistan. A war of necessity, initiated when Al Qaeda planned the 9/11 attacks from Afghan soil. At that point, in early 2009, our strategy was unfocused. Our means were clearly insufficient, and the chances of successes were waning.

The International Security Assistance, or ISAF, had been in Afghanistan for seven years, and NATO had been in command of that force for nearly six of those years. Yet, in 2009, ISAF lacked clearly strategic direction and operational coherence. We didn't have enough troops, and too many of our allies placed too many caveats on how those forces would be used. Afghan security forces were understaffed, under-resourced and under-trained. There was no plan for transitioning responsibility for Afghan security to the Afghans themselves. The war was going back as the new ISAF Commander, General Stanley, reported - momentum is clearly shifting in the favour of the insurgents.

So when I arrived here from Brussels in May 2009, Afghanistan was clearly at the very top of NATO's and America's priority list. We, the United States, and our allies and partners, had to get it right. And we did. We put together a coherent strategy. We narrowed our goal to the overriding reasons for why we were there in the first place, which was to ensure that Afghanistan would never again be a safe haven for terrorists to strike any of our countries. We focused on providing Afghanistan with the capabilities and the training necessary to ensure that it could take care of its own security and its own safety.

A critical part of the strategy was the decision by the United States, its NATO allies and partners, to surge a significant number of troops into Afghanistan in 2009/2010. The surge's aim was twofold: to stop and reverse the insurgents' momentum; and to give Afghanistan the time it needed to set up its own security forces. We set clear deadlines for the surge troops to come home, and for Afghanistan's forces to take over responsibility for their own security. In short, we started to change the strategic outputs on the ground in Afghanistan, and to enable Afghans to assume ownership of their own future.

Today, four years later, we are on the cusp of success. We succeeded in turning the momentum against the insurgents. We seized the initiative and put our adversaries on the defensive. We trained and equipped an Afghan army and police force that is stronger today than ever. Its soldiers and policemen have performed their duties bravely and in ways that make every Afghan more secure by the day.

Despite headlines outlining spectacular rate attacks, the security dynamics on the ground are encouraging. General levels of violence have dropped over the past two years, and enemy attacks are increasingly isolated from population centres. The vast majority of Afghans now experience very low levels of violence. In fact, four-fifths of the insurgent attacks occur in areas inhabited by only one-fifth of Afghanistan's population.

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Finally, and most importantly, the fight in Afghanistan is increasingly waged by Afghans for Afghans as we saw again a week ago today, when Afghan forces foiled an insurgent attack at Kabul Airport, killing all seven suicide bombers and suffering zero casualties themselves.

The progress is real. Indeed, within the next days, we will mark an important milestone - the moment at which Afghan forces will have lead responsibility for security throughout the entire country. Actors like ISAF will shift its mission from combat to support - to support the Afghans in their own efforts to secure their own country for their own people.

We still have 18 months to go until the end of the ISAF mission - 18 months during which Afghan forces can continue to grow strongly. NATO and its partners will continue to provide critical support. But, let there be no doubt: once those 18 months are over, the ISAF mission will end. Our combat troops will come home and Afghanistan will be standing on its own two feet.

Of course, NATO's own commitment to Afghanistan doesn't end there. As we agreed last May at the Chicago Summit, even when the ISAF mission ends at the end of December next year, NATO will remain a committed partner for Afghans. We will continue to train, advise and assist Afghan forces, and we will provide steadfast and long-term political and practical support through our enduring partnership with Afghanistan.

ISAF is the longest and largest combat operation in NATO history. It's being conducted more than 5,000 kilometers from its headquarters, and includes the forces of all 28 actors and another 22 partner countries. 50 countries in all. By that measure, indeed by any measure, ISAF has been a success. Our accomplishments in Afghanistan are testament to the unity of this Alliance, to its immense capacity to promote security in the 21st century, and to the common interests we share with partners around the world.

If Afghanistan, as I said, is testament of NATO's ability to achieve long-term goals, our operation in 2011 in Libya shows the speed and decisiveness with which this Alliance can respond to pressing threats. Libya demonstrated NATO's capacity to take on unanticipated missions and to execute them quickly and ably.

It took three years for NATO to agree to act in Bosnia. It took one year for NATO to act in Kosovo. It took only ten days for NATO to decide to act in Libya. Four days after agreeing to take on the mission of policing the Arms Embargo, patrolling the no-fly zone, protecting civilians against brutal attacks of the Gaddafi regime, NATO was able to take complete command and control of all military operations in Libya. NATO could do so because of integrated command structure, because its forces are interoperable, and because the infrastructure exists to support collective operations.

Libya illustrated just how effective these common capabilities really are. The command structure guided a complex set of missions at sea and in the air. Italian, Greek and Spanish air bases posted aircraft from many countries. Naval and air forces of 18 countries operated in a seamless way, and our partners from Sweden, Jordan and Qatar, the UAE and Morocco, integrated smoothly into the very different operations that we have.

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Libya also illustrated the power of possibility, of burden share. Yes, American leadership was essential to NATO action in Libya. Yes, the American military had made the Alliance successful and possible. But the American contribution to Operation Unified Protector enabled an Alliance-wide effort, of which European and Canadian allies did their fair share. And indeed that's 14 allies and four partners providing naval and air forces necessary for the operations in Libya. Together with partners, they flew over 26,000 sorties; more than one third of these were bombing raids. Their bombs destroyed nearly 6,000 targets, from command and control bunkers to tanks, from surface to air missile sites and scud launchers, to ammunition dumps.

In Kosovo, 12 years earlier, the United States accounted for 90% of all targets that were struck, and the allies for the remaining 10%. In Libya, the percentages were exactly reversed. France and the United Kingdom led the way, together accounting for more than 40% of all strikes. But they were hardly alone. Denmark, Norway, Belgium together destroyed as many targets as France did. Italy not only flew a great number of sorties and bombed many targets, but it also provided the bulk of the air bases from which combat aircraft were flown. America's NATO allies executed these tasks with great precision and virtually no collateral damage.

Nevertheless, NATO's operation in Libya also revealed some deeply worrisome shortcomings in the Alliance. To be successful, the Alliance required capabilities that only the United States could provide in sufficient quantities, like aerial refuelling, precision targeting, and intelligence surveillance and reconnaissance support, ISR. Washington provided more than 75% of the ISR data needed to protect Libyan civilians and to enforce the arms embargo and the no-fly zone. The United States also contributed three quarters of the refuelling planes that allowed strike aircraft to respond to hostile forces at short notice. US commanders had to despatch hundreds of additional military personnel, when it became clear that the allies lacked the expertise to provide their own aircraft with the critical targeting information necessary to do their job.

While Libya was a banner success for NATO and a model example, it also highlighted the costs of a decade of European under-investment in defence.

Indeed, looking to the future, two interrelated issues confront the Alliance. The first is a European concern; namely, that the United States is abandoning Europe and turning to Asia instead. The second is an American concern. A concern that Europe is not investing enough in defence to remain a viable military partner.

Let me begin with the rebalancing, the so-called pivot to Asia. Contrary to suspicions on this side of the Atlantic, the United States, does not intend to pivot away from Europe. Instead, we continue to look to Europe as an essential partner in facing all security challenges from wherever they may come.

Let me be clear on this point. The United States is not abandoning NATO. Our commitment to security, to the North Atlantic Community is deep and enduring, but, we also see threats

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looming on the horizon, including from far beyond Europe. North Korean missiles are an Article 5 threat to the United States and Canada, just as Syrian missiles are an Article 5 threat to Turkey and Europe, and we want to make sure that we face these threats collectively, as true partners.

The question is not whether Washington will choose Asia or Europe. My former boss, Secretary Hilary Clinton, used to say, Americans don't know how to walk and chew gum at the same time. The question rather is whether our NATO allies will make the commitments necessary to face the 21st century challenges together. Our Alliance depends on a collective ability to stand up to threats against any member, no matter what their geographic origin.

Today, Europe's ability to serve as America's partner of first resort is diminishing. Europe is slashing defence budgets at the same time that emerging powers [?] in Asia and elsewhere are making unprecedented investments in their defence. If NATO wants to continue as a strong and capable Alliance, a stabilising and secure world, as a beacon of democratic values, we need to maintain capabilities on a par with our level of ambition, and on par with the truly global threats that we face.

If we want NATO to bring us success in missions like those in Afghanistan and Libya, to live up to the vision articulated in the Strategic Concepts, all of that which comes under theegis of our Article 5 commitments, and to serve as a guarantor of security when allies need it most, then we must invest in the capabilities that make sure that these promises will be a reality, whenever and wherever needed.

Unfortunately, NATO's capabilities - or let me be more precise, Europe's capabilities - are dwindling, and they are dwindling for one simple reason. European investment in defence has been on a prolonged period of decline. To fund the cost of operations, European defence ministries have slashed investment in new equipment, even as the overall effort devoted to defence has gone down in most European countries.

The trend isn't new, and it isn't just because of the recent financial crisis. In the year 2000, NATO allies, aside from the United States, spent almost 2% of their combined GDP on defence. By 2007 - that's well before the financial crisis hit - the non-US defence effort in NATO had already been cut by a quarter. And today these allies spend less than 1.4% of their combined GDP on defence; nearly a one-third reduction in spending compared to what European allies devoted to defence at the start of this century.

Now, it's almost too obvious to point out that you cannot have significant military capabilities without significant military expenditure. Yet, aside from the United States, today only three allies - Estonia, Greece and the United Kingdom - actually meet the NATO target of spending 2% of GDP on defence. Fully 19 allies, 19 out of 28, spend less than 1.5%.

The danger is not just for today; the danger is for tomorrow. A lack of investment today means less capability tomorrow, and less capability to contribute to collective defence and collective security.

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Let me be clear: if spending cuts continue along their present trajectory, I am not confident that ten, or even five years from now NATO, will be able to replicate its success in Libya. Let's also remember that Libya was a very modest operation - only one-fifth the size of Kosovo in terms of the number of sorties and aircraft flown.

What's more, NATO does not operate in a vacuum. If we put European defence trends in a global context, you'll see that, for the first time last year in modern history, Asia outspent NATO in Europe on defence. China is doubling its military spending every five years. Russia plans to raise its defence budget to 6% of GDP within a decade.

Therefore, as NATO draws down in Afghanistan, it is vital that the allies use the dividends of our joint success there to reinvest in their defences here at home. This is an opportunity for European capitalists to make up for years of neglect in procurement and R&D. This is an opportunity for Europe to show the United States, to show the world that it's serious about ensuring its own defence and its own security into the future.

After years of slashed European defence budgets, the United States now accounts for nearly 75% of the overall Alliance defence spending total, almost three-quarters. In 2000, the percentages were much closer, were nearly a 50/50 split. This disparity in effort is unsustainable.

As Secretary Gates warned in this city exactly two years ago, the ability and willingness of the United States to fill the growing gaps left by European under-spending on defence, is coming to an end. As Washington grapples with the fallout from sequestration, a growing force on Capitol Hill is demanding that America's allies pay a larger share of the costs.

In the end, an Alliance that treats every member as an equal, where every voice carries equal weight, every country has a seat at the table, and where we reach every decision by consensus, that kind of Alliance is unsustainable when the collective burden is distributed so unevenly.

Of course, there are fiscal commitments that are impossible to ignore. There are limits to what all of us can spend on defence in this age of austerity. But, as former Secretary Clinton just recently said, even in these difficult economic times, we cannot afford to let the greatest Alliance in history slide into military irrelevance. Cuts made for absolute economic necessity must not become a new normal for NATO. When it comes to defence, current spending floors must not become new political ceilings.

In time, we can reverse this troubling trajectory that I've described here today. The economic crisis will give way to renewed prosperity, and when it does, we must reinvest in NATO. In the interim, the paramount objective is to maintain the strong foundation we have today; the strong foundation upon which we can build with future reinvestment.

Now, I recognise that this challenge is really difficult to overcome, but let's recognise that these challenges pale in comparison to the adversity that NATO has confronted, and over which NATO has triumphed during its 64 year history. As an Alliance, we know that in a

dangerous world we are safer together. The United States remains committed to NATO. We've made important steps towards addressing our common challenges over the past four years. Yet the Alliance needs to do more.

This will require continued American leadership but, more than anything, it will require European leadership. The United States has made no secret of what we expect from our allies going forward. I am confident that, with renewed focus, priority and determination, NATO will unite behind the right decision.

As President Obama stated in Strasbourg, in his first speech in Europe as President in April of 2009, NATO's shared history gives us hope, but it must not give us rest. This generation cannot stand still. We cannot be content merrily to facilitate the achievements of the 20th century or enjoy the comforts of the 21st century. We must learn from the past to build on its success.

Based on my wonderful four years here in Brussels, I share Barack Obama's confidence, and I quote, that we can meet any challenge as long as we meet it together.

Thank you.

JAN TECHAU: Thank you very much, Mr Ambassador. A welcome reminder to Europeans.

You became ambassador to NATO in 2009. Some people say that your real tenure started in 2006 and you published an article in Foreign Affairs that was entitled Global NATO. Ever since then you have had a big influence on the role Europe, and that is not about territorial defence in Europe, but protecting global security interests.

It seems to me, and it also came up in your speech that the answer to that Global NATO debate is that, both in America and in Europe, a true NATO is a profoundly regional Alliance. Americans, possibly can't abandon Europe, but feel more interest in other regions. Europeans are treating their own region in a way that it seems that their own defence security is a given [?], the Balkans is not new, and Russia is not really all that much of a security threat anymore.

In that gap between 2006 and the main allies treating NATO very much as a regional base, that seems to be in decline. What has happened during this time that makes us so timid and so under-ambitious?

IVO DAALDER: Well, let me just challenge the premise. Someone said, if you don't like a question, ask a different one.

I don't actually think that the 28 members of NATO are solely focused on the region. I think what we did is we laid a foundation for an Alliance that is able and willing to have partners across the globe. What we are accomplishing 5,000 kilometres from home is a regional operation. We have every country in this Alliance, and 22 others, in the largest coalition since World War II, united in trying to bring safety to Afghanistan in order to be safe at

home. The fundamental understanding where it matters, when it comes to our troops and the money that we're investing, that, to be secure at home, we need to engage abroad.

In the day to day debate that I participate in, the issue isn't Europe versus the rest of the world. The debate is, how does what happens in the rest of the world affect what happens in Europe and, indeed, in the North Atlantic area.

When I arrived at NATO, our partners did not have a seat at our table. They were not part of the decision shaping that we did each and every day. I arrived a month after there had been a summit, which discussed Afghanistan, in which our partners had not been invited. Today, it is unthinkable. It is literally unthinkable that when we deal with any operation in which partners are contributing, or are willing to contribute, that they don't have a seat at the table on day one.

Those partners include, as I said, countries as far away as Australia and New Zealand, and as close by as Finland and Sweden and Austria and Switzerland, and their countries in between, like Jordan and Qatar and the UAE. They are an essential part of our day to day decision making.

I saw in the audience two of the colleagues from Indonesia, and we were talking about the fact that we had a meeting at NATO to talk about counter piracy, which is a global problem that affects all of us. It affects consumers around the world, it affects the shipping industry around the world. It affects all of us.

We had a meeting in which the most eloquent speech, in my view, was given by the Indonesian Ambassador, at NATO, to talk about counter piracy. That's the NATO that I've been living in. It's not a global NATO in the way that Jim Goldgeier and I wrote about it in Foreign Affairs. I'm often reminded of that. It is, nevertheless, a NATO that is an actor in a global world, and there is a complete understanding; whether there is a willingness to invest is a different issue but there is an understanding that that is the essential need of NATO today as well as tomorrow.

JAN TECHAU: In those four years, when you talk about these global tasks and a rapidly changing global security environment and the role that NATO and the Europeans have to play in it, what is your experience? What gets the European interested in that kind of strategic discourse? We're often blamed for not having a strategic culture, a strategic debate, or an ambition to really play and think at that level, so what is it that gets the Europeans engaged?

IVO DAALDER: What gets Europeans and, indeed, Americans engaged is the practical reality of what we confront. We are engaged in an initial but ongoing discussion on Cyber because we are understanding, day in and day out, that we live in a world in which our security, our safety, our prosperity is tied to the security of our networks, and that those networks are under daily attack.

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It's very hard not to notice this. It's on every front page of every newspaper. It's on every news broadcast around the world, and we recognise that, as an Alliance, we need to start talking about these issues directly and concretely. So, what gets countries interested is not the theory of global versus regional; it's the practice of how what happens abroad, how what happens wherever it takes place, has an impact on what happens at home.

I'll give you another example. The NAK [?] recently travelled to Norway, way up north, to Tromsø, the most northern, largest populated city in the world. All of a sudden, you understand that, as the icecap melts, transportation routes open, there is a new set of issues, a new set of challenges that affects all of us, even if we're not arctic nations. What happens there has a direct impact on our security and prosperity.

I'm not saying that NATO should take care of the arctic. We want to keep the arctic a place for cooperation among all arctic nations, but you understand that what happens on the top of the world can have direct, profound implications for where you live, even if that's not on the top of the world.

JAN TECHAU: Let me get quickly to the Libya example, which you also mentioned in your speech, and how that was a success but, at the same time, a reminder of what's wrong with the Alliance at the moment.

One of the factors in the success of NATO and Libya, which you didn't mention, was that the internal rules were handled so very flexibly in the Libya case that, even though the Alliance as a whole provided the means to run the mission, it was really only seven or eight nations that participated actively. The rest let it go, let it happen, and let NATO and the Command Structure and its assets be used.

Now, that flexibility was maybe a one-off, or is that the kind of flexibility that you think NATO can portray again and again? Because that seems to be a key to the future of the Alliance, in a way.

IVO DAALDER: Well, let me stress on the flexibility, which I fully agree with, is important. It's the essence of having a consensus based organisation; that there is a responsibility for countries that, even if they don't necessarily agree with a particular course of action, when others think it is important to act, that they don't stand in the way.

Decision makers ought to study this - NATO is an institution where we have learned how to agree to disagree. It's very easy to learn to disagree. It's very hard to agree to disagree. Then, how to move that forward. And we've done that for a long time. We've long had the footnote, in which a nation will make a particular point through that footnote. We've had that since the 1960s.

We had one Alliance member that was not integrated in the Military Command Structure for 40 years, and yet it was an active, important Alliance member. So we have found different ways. This, by the way, was not the first operation in which not everybody participated. Many of NATO's operations allies did not participate. In the Kosovo operation,

one government opposed the operation; said its territory could not be used, but would not stand in the way of NATO conducting that operation. That's how it works.

Now, with the specifics on Libya, Libya was a high intensity combat operation. To participate, you needed one of three things. A navy; advanced aircraft; or to be sufficiently closely located to the area that you could provide bases.

Most of the NATO allies, or actually, not most, but nearly half of the NATO allies did not have those three things. It would be very hard for Luxembourg to participate in a naval blockade or in an active no-fly zone, or a bombing mission, when it has neither ships in a navy nor aircraft in an air force. That's true for a whole range of countries.

So, the oft-cited figure of 14 countries, 14 NATO allies, seven participating in strike missions, not participating ignores the fact that, in order to participate in this operation, you needed to have certain capabilities. If you didn't have it, the only way you could participate is in the way they did participate - by having NATO take on this operation and, by the way, funding that part of the operation that had to be funded in common, which was the increased cost for AWACS aircraft, for the infrastructure and the command structure, to participate.

Even the country that didn't want to participate in the operation - Germany - participated in the operation by joining consensus; by having its military, that are part of the integrated military command, participate in the operation; by enabling AWACS crews, non-German AWACS crews, to fly the missions, by taking over more responsibility in Afghanistan. That's the way. It's not just flexibility. It's the way a consensus organisation must be able to operate to succeed.

JAN TECHAU: You just mentioned in the answer that you gave before that you were up in Norway looking at some of the new developments up there. That northern part of Europe is specifically worried about the strategic behaviour of one bigger eastern partner of ours that behaves often in ways that makes people very nervous. You've mentioned partners like Sweden and Finland, and polls from these countries indicate that the sympathy ratings for NATO have gone up because they actually feel threatened.

Do you feel that one part of the future of NATO is in the north?

IVO DAALDER: I think the most important reason why Sweden and Finland opinion polls have gone up is because it's not scary anymore to be part of NATO in the same way it used to be, because they've cooperated in it. Their troops are deployed in Afghanistan in a NATO mission. Swedish airplanes were flying in the Libyan operation. Swedish and Finnish airplanes are going to be part of an air defence effort in and around Iceland. As a result, being part of this scary organisation, that was scary in a Cold War sense, is becoming less scary.

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That's true for our many of our partners as well. There's an understanding that this is an organisation that benefits all, and that's quite apart from whether this is an organisation that might be there to deal with threats. It's just a reality that exists.

Clearly, one reason why NATO membership has increased is because many countries feel that they want to be part of this western club. They feel safer to be part of this western club, in part because of their own history; in part because of the strategic environment in which they live, the geography, etc. In that sense, countries in the north have a particular perspective that is widely shared among allies. Countries in the south have a perspective that is increasingly widely shared among allies.

Going back to my first question, part of the understanding that you can't just be a regional organisation. You have to be an organisation that has regional focus within a much more global environment.

JAN TECHAU: Before I open this to the audience, I have one more question, and I want you to get your questions ready so that we can immediately delve into a debate here with the audience as well. You mentioned the fact that 19 of 28 allies are spending less than 1.5%, I think, of GDP on defence. Now, there're quite a number of analysts out there who say that this trend is going to continue and that we're actually facing an era a couple of years down the road where the figures will be closer to 1%. What kind of world is that going to be, in which the bulk of NATO allies only spend 1% on defence?

IVO DAALDER: I learned a long time ago, at least four years ago, that I don't do hypotheticals as ambassador. I will do it three weeks from now when I'm back in Chicago. I think the message that I wanted to leave is clear: I don't find it helpful for the United States for senior, or even not so senior, American officials to come to Europe and say, if you don't do more on defence, we're leaving. Because we're not. We're going to be here.

We're here because it's in our interests to be here. We're not doing anybody a favour. We are doing this because it's important to us. That's why we're here. But - and this is the but - our ability to sustain the political consensus behind that at home is weakened, is threatened by the degree to which our very real interest in being here means we have to fill the gaps that are left by others.

The Libya example is one of those cases where - and this isn't a question of a glass half full or half empty because in my case it's a very full glass - but if you are a congressman or a senator and you're looking at where you need to spend your defence spending, you then also say, well, where is the European defence level? Why is it that we have to do, in an operation that's 139 kilometres from European territory - Libya was 139 kilometres from Europe - we have to do 75% of the area we're fuelling.

This is not high technology. This is a big plane, filled with petrol, and it has a tube coming out of it. The high technology is where the tube meets the other aeroplane. That's about it. Why is it that Europe is unable to do so? The answer is, Europe and the EU has decided that it wants to increase its ability to have the tanker capability for refuelling aircraft. That's

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great, but if the money isn't there to buy these aircraft then it makes the job for the next ambassador to NATO, the US ambassador to NATO, that much harder in selling the importance of NATO back at home.

Again, it isn't about we're leaving. Our pivot isn't, you don't do enough on the fence; therefore we go somewhere else. It is about, our ability to work together with our partners is undermined, and therefore our security is undermined. This is about us just as much as it is about Europe. I think that's a message that Europeans need to take to heart.

JAN TECHAU: Thank you. Now, I'm sure you will have questions for the Ambassador. I see a number of arms coming up. Please keep them up for a moment so that I can register, and there are also microphones on both sides. Theresa Fallon will be number one, and then there is a gentleman right next to her. The third one will be the gentleman here in the front. We'll take those three and then we'll take the first round of answers.

THERESA FALLON: Thank you very much. [Inaudible]. The second question is in regard to partnerships. For example, Japan is a huge contributor and the Secretary General [unclear] clearly [unclear]. So Japan being a partner to NATO, at the same time, NATO says [unclear]. How does that work in the future for partnerships? Are there second tier partnerships, or how will that work? Thank you.

JAN TECHAU: Very good. Now the young gentleman.

UNIDENTIFIED SPEAKER: [Inaudible]. Pressure in Germany to get rid of these atomic bombs in [unclear] for years. [Inaudible]. My question is how do the majority of states [unclear].

JAN TECHAU: Thank you - a very clear question. Then up here in the front.

UNIDENTIFIED SPEAKER: Thank you very much. You spoke about [unclear] but you say very little about challenges. What if the regime has a [unclear] in [unclear]? I'm not talking here about delivering weapons [inaudible]. I am looking for an answer more, which safety organisation should deal with the issue of humanitarian and political violence [?] that already can be a force now and can be very serious indeed. Would it be NATO? Would it be another organisation? Or would it be a cooperation?

JAN TECHAU: Thank you very much. We have NATO and its partners in Asia; the question of Japan versus or not versus China; technical nuclear weapons; and humanitarian aid, the Libya case. Ambassador?

IVO DAALDOR: Let me start on the Japan partner issue. Yes, of course, Japan is an extremely important partner. It's a financial contributor to Afghanistan and has been for many years. It has been paying the salaries of the police in Afghanistan for a long time. It has contributed in many other ways. We, in NATO, we in the United States value that greatly.

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Japan's contribution to this is because it believes it's important for its own security to contribute in this manner. Japan is not contributing this as a quid pro quo, where we'll give you aid to Afghanistan if you - whoever you is - do something for us. It's because it's in its interests. Therefore, you can't expect a quid pro quo. In order to get a quid pro quo, you have to be a member of the Alliance. And there is a difference between partners and members. When you are a member, you take on an obligation. You take on the most important obligation, which is to come to the defence of a fellow member, and others will give that obligation to you.

In the case of Japan, of course it faces a security challenge, or it sees security challenges, which are, in my view, a proper subject for discussion with, and frankly at, NATO. I think NATO should go to the Shangri-La Dialogue. I think NATO should be an active participant in the dialogue that is happening every year in Singapore, in order to be part of this more global vision and view that we have. I think we should do that.

That doesn't mean that NATO therefore is going to send its ships and airplanes to Japan, or to South Korea, or to Australia or to New Zealand, because it may or may not see a threat. Japan has other Alliances, including one with the United States, which is not particularly unimportant. That Alliance is rock solid, and we have discussions about the security situation in there.

So let's have a dialogue. I think the Secretary General going to Japan was a very important step in that dialogue, as was his visit to South Korea in the same trip, and before that to Australia and New Zealand. Let's continue that dialogue as much as we have, without necessarily creating the expectation that, because we're talking to each other, we will not only understand each other's security threats but then be willing to deal with them in a collective manner. That's a step that belongs to members, not to partners, and it is the difference between being a partner and an ally.

With regard to the tactical nuclear question, let me say two things. First, it is well to remember that, over the past 20 years, the number of nuclear weapons in Europe has been - drastic is not even the right word - has been reduced to a very, very low level from, frankly, a very, very high level.

We have reached a plateau and, as part of our discussions which we had before Lisbon and before Chicago, and we had very intense discussions in this Alliance on tactical nuclear weapons, we came to two profound conclusions. Number one: we are interested in continuing to further reduce our reliance on tactical... on any nuclear weapons, including those that are deployed in Europe. Number two: that such reductions require reciprocity from the country that deploys larger larger numbers, far larger numbers, of these weapons than we do. That is Russia.

United States, as the country that actually owns these weapons, has made very clear, and will continue to make very clear to Russia that we are prepared to sit down with Russia, anywhere, any time, any place, to discuss how we can reduce these weapons. That, I think, is as much as, at this point, we are able to do within the Alliance.

On the question of Syria. Interesting that it was only the third question. I would have expected it to have been the first. Maybe it's because who we asked the questions from. Let me just answer the question you asked, which is a slightly different question than I usually get. How do we deal with the humanitarian consequence, and who is going to be responsible for that as they arrive? That responsibility lies, first and foremost, with the United Nations. It has the capacity, it has the institutional mechanisms for organising it, and it has already been engaged in one of the largest operations, on the humanitarian side, but particularly for refugees, but broader than we've had in some time.

We, individually, as countries that are members of the United Nations, are responsible to provide it with the means necessary to relieve the humanitarian suffering and to prepare for, should there be worse humanitarian consequences. So it really is up to the United Nations. It's not up to NATO. NATO is a military organisation that isn't well suited for this. On the other hand, if the UN were to come to a conclusion that it needed assistance, perhaps by airlifting stuff or whatever, from a military organisation like NATO, then that is certainly something that the 28 allies would take very seriously, and might well agree to provide. Provided that the request was coming from the United Nations.

It's not something it would do on its own, in part because we have a clear set of criteria for when and how we would get involved in these kinds of situations. One of those is the requirement for a sound legal basis, and that requires, in most cases and for most countries, it requires a UN Security Council Resolution, or a direct request that is fully supported by the members of the UN. Until such time, I don't see NATO taking on that particular role, in part because there are others who are well capable of doing so.

JAN TECHAU: Let me add a quick follow on to the Asia question that was asked. I was part of a debate recently that Carnegie, at the Beijing Centre in China, had with NATO. A videoconference debate. On the Chinese side, we had three or four of the leading Europe scholars in the academic circles, which we all know are very close to the decision makers in China. For them, NATO is a very strange creature, and they have different interpretations of what it is, but they are all basically in agreement that it is part of a plan to encircle China. We've tried to explain that that was not the case. They see that as part of a brick in that construction. They see the Secretary General going to Japan, and for them that's all a pretty clear picture.

Now, should we be bothered about that misperception? Or should we just say that if they prefer to live in a fantasy world concerning NATO, that's more their problem than ours?

IVO DAALDER: Clearly, if there is a strong perception that that is the case, it is in our interests to disabuse them of that perception, because the perception has nothing to do with reality. The way to disabuse people of misinformation or misunderstanding is to have a dialogue with them. So, the very dialogue that you mention, the dialogue that you had yourself when you were in Beijing with the Chinese on what NATO is for, how NATO operates, what it does, is the kind of thing we should be encouraging. At an unofficial, official or whatever level.

The more we talk to each other, the more we can disabuse each other of what our misperceptions may be, and I think our partnership policy is proof of that pudding. We have partners in NATO today who, ten years ago, did not take this organisation seriously, who didn't understand what it was. Didn't understand why it mattered. And, to the extent that they did, they didn't like it. Today, that is no longer the case. Today there is a real demand for NATO involvement, for NATO participation, for NATO discussions, to be part of what it is that they're doing.

That came because we worked very hard over the past 20 years to have these kinds of relationships, with our partners in the South, with our partners in the East, with our partners across the globe. We've had it all over the place. I would argue that the more we have that dialogue, including with China, not because this is an adversarial relationship, but because we need to understand each other, the better off we all are.

JAN TECHAU: With that, I'd like to launch a second round of questions. The gentleman in the white shirt here, then on the far end on the left, and then the gentleman with the glasses up here. Those three, and then we go for the second round.

UNIDENTIFIED SPEAKER: [Inaudible].

JAN TECHAU: Thank you very much.

UNIDENTIFIED SPEAKER: [Inaudible]. Is the no-fly zone or any other intervention in Syria [unclear]?

JAN TECHAU: Then the gentleman over there.

UNIDENTIFIED SPEAKER: You described the past four years as a time of tremendous progress, but it strikes me that the past four years also contained a lot of turbulence with military relations inside the Alliances. You have spoken about General McChrystal's efforts to get the Afghanistan campaign back on track, but McChrystal was eventually relieved from command, as was his predecessor. In fact, it seems that the challenge to reconcile political guidance with operational planning seems to be permanent. What is the cause of this particular problem?

JAN TECHAU: Thank you very much. We have the Macedonian question, Syria and chemical weapons, and civil military relations in NATO.

IVO DAALDER: On the issue of Macedonia, I don't think I need to say much more than what you already know, which is a decision was taken in 2008 that an invitation to Macedonia would be forthcoming as soon as the name issue was resolved in a mutually acceptable manner. We are an Alliance that operates on one basic principle; it's the principle of consensus. If you don't have consensus, you can't move forward. When it comes to the issue of enlarging our membership, you need the members of NATO to agree that this is a good idea. If you can't agree to that, it won't happen. If you can agree to it, it will happen.

It's not a question of 27 allies trying to convince one other ally to change its views or whatever, it's about 28 allies agreeing to move forward. We have a path for moving forward. You ask what have we done on that path. You're well aware that the United States has engaged in extraordinary diplomatic efforts, including at the highest level, with the Greek Government and the government of Macedonia. They have not yet succeeded. We can have long discussions about why they haven't, but let me just say they have not yet succeeded.

Ultimately, that is what we have done, and we will continue to do. Macedonia needs to continue, at the same time, to make sure that it continues to develop in a way that makes it a valuable NATO member. Domestically, when it comes to its own politics; abroad, when it comes to its contributions to security, as it is doing by participating in ISAF and other operations. The door to NATO remains open, but it's a door that requires all members to agree to let the country that wants to come in, come in.

Today, we don't have an agreement among all members. We're working towards a day in which we will have an agreement of all members, and at that point the number of members will increase from 28 to whatever that number at that point will be.

On the Reuter question, with regard to the no-fly zone, you heard what the administration itself said with regard to the no-fly zone. As a result, we are not pushing for a no-fly zone at NATO, and at today the issue of a no-fly zone is not on the table at NATO. Whether it will be tomorrow or some other day, I don't know, but it isn't there yet. It isn't, as far as I know, on the table of any NATO member, including, so far, the United States.

With regard to an exceedingly well informed question on civil military relations, let me just say that General McChrystal resigned for reasons that have nothing to do with NATO civil military relations or Afghanistan. I think we all know why he resigned. Since then, and indeed since his appointment, commanders of ISAF have come and gone without, in any way, clashing with civilian authorities or that being reason for them leaving.

There are different views within the Alliance about what needs to be done, and between militaries and civilians. That is normal, and that's why we are an Alliance of democracies. It's because we have differences that out of those discussions about differences we come up with a better policy. There is always a healthy degree of discussion, again, between allies, among militaries and between military and civilian parts of an institution. That's a good thing. At the end of the day, we will come up with a better policy. You heard what I said about Afghanistan. That was a policy that was hashed out in very intensive discussions between civilians and the military in the United States, between the military authorities in NATO and the civilian authorities of NATO. Among the civilian authorities of NATO and among the military authorities of NATO. And we came out with a policy that, in my view, and I think in the view of most, has been extraordinarily successful.

JAN TECHAU: We have about two minutes left, and I would like to ask a final question before you have to run for your next farewell appointment tonight. You were on Jon

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Stewart's Tonight Show last year and you were asked by Jon Stewart what country is NATO attacking next. The answer to that question was Norway, only he gave the answer, not you. So my question to you is, what are you attacking next? Give us two lines about what you'll be doing in Chicago.

IVO DAALDER: Not attacking Norway. And I didn't blink, by the way, so go and look at this show and you'll see what that was about.

JAN TECHAU: Canada is not too far away.

IVO DAALDER: The most important thing I'm going to spend time on is to look at the strategic consequences of the changing energy market. I think one of the things that is happening with the Shale Oil revolution in North America in particular, the energy possibilities up in the North, is that, in five to ten years' time, the energy market that you and I grew up with will be completely and utterly different. Today, natural gas prices in the United States are one quarter the price of what they are here. They are one quarter of the price of what they can be almost anywhere in the world. The strategic consequences of that changing energy market is, I think, one of the big strategic questions facing us in the next five to ten years, and it's one of the things I'm going to be spending time on.

JAN TECHAU: Great. Thank you very much. We all know the old joke about diplomacy - that it is the art of telling somebody to go to hell so that he actually likes the way there. For us, tonight, it is about saying farewell to you so that you, in the end, actually want to come back any time. Please come back to Brussels, also in your new capacity. Thank you very much, Ambassador Daalder.

IVO DAALDER: Thank you.