

Canadian NATO
Parliamentary Association



Association parlementaire
canadienne de l'OTAN

**Report of the Canadian Parliamentary Delegation
respecting its participation at the Annual NATO PA
Economics and Security Committee's consultation with the
Organisation for Economic Co-operation and Development
(OECD) and at the Joint Meeting of the Defence and Security,
Economics and Security, and Political Committees**

Canadian NATO Parliamentary Association (NATO PA)

Paris, France and Brussels, Belgium

February 10-14, 2012

Report

Introduction

The Canadian Delegation to the North Atlantic Treaty Organization Parliamentary Assembly (NATO PA) has the honour to present its report on the Economics and Security's consultation with the Organisation for Economic Co-operation and Development (OECD) held in Paris, France 10 February, 2012, which was followed by the Joint Meeting of the Defence and Security, Economics and Security and Political Committees, including the officers of the Committee on the Civil Dimensions of Security and the Science and Technology Committee held in Brussels, Belgium, on 12-14 February 2012.

MEETINGS AT THE OECD, PARIS – FEBRUARY 10, 2012

In Paris, Canada was represented by Mrs. Cheryl Gallant, Head of the Canadian Delegation and Mr. Jack Harris, M.P.

Delegates had the opportunity to discuss issues related to the ongoing debt crisis facing much of Europe and the United States with senior OECD officials. Since these were closed meetings, most details of the *in camera* discussions cannot be made public.

The meetings were chaired by Petras Austrevivius, Chairman of the Economics and Security Committee and Yves Leterme, OECD Deputy Secretary-General (co-chair).

Presentations were made by the following people:

Paul van den Noord, Economic counselor to the Chief Economist, Economics Department (ECO) on Economic outlook, the fiscal crisis and rising inequality;

Monika Queisser, Head of the Social Policy Division, Directorate for Employment, Labour and Social Affairs (ELS) on Inequality and gender;

Andreas Schleicher, Special Advisor on Education Policy to the Secretary General, Directorate for Education (EDU), on Matching skills to jobs;

Richard Boucher, OECD Deputy Secretary General on After the Arab Spring: OECD and MENA region; and

Ken Ash, Director for Trade and Agriculture on Advancing the Global Trade Agenda.

Discussions followed each presentation.

The delegates also heard introductory remarks by the OECD Secretary General, Angel Gurría.

JOINT MEETINGS – BRUSSELS FEBRUARY 12-14, 2012

In Brussels, Canada was represented by Mrs. Cheryl Gallant, M.P., Head of the Canadian Delegation, Senator Raynell Andreychuk, Chair of the NATO PA Political Committee, Senator Joseph A. Day, Chair of the NATO PA Defence and Security Committee, Mr. Jack Harris, M.P., and Mr. Lawrence MacAulay, M.P. The Delegation was accompanied by Mr. James Murray Latimer, Secretary of Delegation, and, Ms. Melissa Radford, Association Advisor from the Library of Parliament.

These annual meetings in Brussels give delegates the opportunity to receive an update on the Alliance's activities and operations from senior bureaucrats and military officers working at NATO headquarters. The delegates also met with the NATO Secretary General, Mr. Anders Fogh Rasmussen, and were briefed by Canada's Permanent Representative to NATO, Mr. Yves Brodeur, and Canada's civilian and military staff at the Mission.

The meetings in Brussels were conducted under the Chatham House rule.

Summary of Discussion

Delegates attended six sessions. Senator Andreychuk chaired two sessions of the Political Committee, while Senator Day chaired two sessions of the Defence and Security Committee. The speakers included senior civilian officials and senior military personnel from NATO headquarters as well as various Ambassadors and Permanent Representatives to NATO.

Topics of discussion included an update on ongoing NATO operations, the current state of NATO military capabilities and Smart Defence, partnerships, NATO enlargement, and NATO headquarters transformation.

With respect to ongoing NATO operations, delegates were told that Afghanistan remains NATO's highest priority. NATO officials remain cautiously optimistic about the progress being made in the country, although they continued to urge governments to relax the caveats placed on their country's military forces. The NATO mission in Afghanistan is currently in transition; region by region, responsibility for security is being transferred from NATO's International Security Assistance Force (ISAF) to the Afghan National Security Forces (ANSF). Although this transition will be complete by 2014, continued training by and financial support from Alliance countries will be key to sustaining the ANSF into the future. NATO may also need to continue providing medical support to the ANSF, as well as assistance with logistics and command and control. Finally, the presence of ISAF in the country currently stimulates a large percentage of Afghanistan's GDP. Officials are therefore concerned about how the country's economy will cope once international military forces pull out.

Officials briefly talked about NATO's mission in Libya and Kosovo, as well as the Alliance's counter-piracy operations off the Horn of Africa. Regarding Libya, officials noted that the operation was a prime example of why NATO continues to be relevant in today's world. With respect to Kosovo, they explained that NATO's Kosovo Force (KFOR) has been reduced. Unfortunately, the European Union Rule of Law Mission (EULEX) in Kosovo, which includes a police force component, has also been reduced.

As a result, KFOR has increasingly taken on the role of first responder, which is not a traditional military task. Finally, officials noted that a political solution to the conflict in Kosovo remains necessary though unfortunately still far from being realised. NATO's relationship with Serbia, however, has improved over the last two years. Regarding counter-piracy operations, officials told delegates that instruments of hard power, such as NATO's naval operations, and of soft power, such as international assistance for strengthening governance and the judicial sector in the affected countries, are all required to combat piracy and insecurity in the region.

Officials discussed NATO's current capability gaps and how Smart Defence initiatives could help strengthen NATO's military capabilities to ensure that the Alliance will be able to counter future threats in an era of fiscal restraint. NATO officials expressed concern with respect to the Alliance's lack of resources. They noted that capability gaps are worsening and that the Alliance's overdependence on American military assets serves to highlight Europe's shortcomings. During the Libya operation, the U.S. conducted 75% of all the air to air refuelling missions. Specifically, U.S. capacity included one tanker aircraft to every five combat aircraft whereas the other allies had one tanker aircraft for every 23 combat aircraft. Financially, the U.S. currently contributes 77% of the Alliance's budget. As a number of NATO member-states continue to deal with economic crises, measures need to be taken to ensure the Alliance's ability to combat future threats. At the same time, the cost of security continues to rise as more advanced technology and weapons systems are developed and as the Alliance adapts to emerging threat environments such as cyber security. Further, a number of member states are making reductions to defence spending in order to balance their national budgets. NATO officials are concerned that uncoordinated cuts in defence spending across the Alliance may lead to irreversible losses in certain military capabilities.

Smart Defence and its initiatives are meant to counter these challenges. The goal is not to spend more but to spend better by having member states prioritise and specialise their capabilities. Joint air policing over the Baltic states is considered a practical example of Smart Defence. NATO's ballistic missile defence program is another example. This program was agreed to at the Lisbon Summit in 2010, and further implementation was discussed at the Chicago Summit in May 2012. There are, however, challenges to Smart Defence, as national interests often trump integration and cooperation among allies. If military assets are to be shared among multiple states, there are questions as to how these assets will be made available to the rest of the Alliance, who will have the authority to make decisions on deployment, and whether the Alliance will be guaranteed access to these assets. In addition, governments often see defence procurement as a means to stimulate their own defence industries. While some countries, such as Portugal, appear to be moving away from industrial offsets with respect to defence procurement, it remains to be seen if other countries will follow suit. When it comes to taking into account both the procurement costs and operational costs of military equipment, states may choose to share the burden of these costs particularly at a time when they cannot afford to go it alone. NATO officials noted that common funding for military operations must also be further discussed among allies. There are concerns that this may encourage some member states to just provide funding towards

military operations instead of troops. For these reasons, the evolution of this concept must be continually assessed.

NATO has also had the opportunity to work with non-Alliance states such as Australia, New Zealand, Qatar and the United Arab Emirates, to name a few, in operations in Afghanistan and Libya. This has helped with burden sharing, and the Alliance is looking to strengthen these partnerships. According to officials, NATO has partnerships with approximately 40 countries and has cooperated with these partners on about 1600 tasks. The challenge for NATO is maintaining the spirit of trust and interoperability that has developed between the Alliance and its partners as NATO's main missions draw down. New mechanisms such as the 28+N dialogues are being established to bring non-Alliance states to the decision making table with NATO member states particularly on issues that require increased global cooperation such as cyber security and counter-piracy. NATO is also reaching out to other possible partners. For example, Afghanistan and Iraq have gone from theatres of operation to partnerships; and NATO remains available to assist the Libyan state during its current transition.

Officials stated that the Alliance also remains open to new member states within Europe who meet its criteria, but noted that the Chicago Summit will not be an enlargement summit.

NATO officials discussed the ongoing changes occurring at Alliance headquarters, as the organization makes its own spending reductions and streamlines its internal operations. The organization has gone from 11 command headquarters down to seven. Delegates were also told that operational and personnel costs were being reduced by 20%.

Conclusion

The annual joint committee meetings in Brussels and Paris offer Canada's delegates the opportunity to have in-depth discussions with senior officials at NATO and the OECD and with parliamentarians from NATO member countries on current defence and economic priorities pertinent to the Alliance. Topics covered by the presentations included ongoing NATO operations, the current state of NATO military capabilities and Smart Defence, partnerships, NATO enlargement and NATO headquarters transformation.

Canada continues to have important interests in all these issues.

Respectfully submitted,

Mrs. Cheryl Gallant, M.P.

Chair

Canadian NATO Parliamentary Association (NATO PA)

Travel Costs

ASSOCIATION	Canadian NATO Parliamentary Association (NATO PA)
ACTIVITY	Annual NATO PA Economics and Security Committee's consultation with the Organisation for Economic Co-operation and Development (OECD) and Joint Meeting of the Defence and Security, Economics and Security, and Political Committees
DESTINATION	Paris, France and Brussels, Belgium
DATES	February 10-14, 2012
DELEGATION	
SENATE	Senator Raynell Andreychuk, Senator Joseph A. Day
HOUSE OF COMMONS	Mrs. Cheryl Gallant, M.P, Mr. Jack Harris, M.P. and Mr. Lawrence MacAulay, M.P.
STAFF	Mr. James Murray Latimer, Executive Secretary and. Ms. Melissa Radford, Analyst
TRANSPORTATION	\$36,569.53
ACCOMMODATION	\$5,968.82
HOSPITALITY	\$0.00
PER DIEMS	\$3,496.67
OFFICIAL GIFTS	\$0.00
MISCELLANEOUS / REGISTRATION FEES	\$9.79
TOTAL	\$46,044.81