

CRS Report for Congress

Received through the CRS Web

NATO's Prague Capabilities Commitment

Carl W. Ek
Specialist in International Relations
Foreign Affairs, Defense, and Trade Division

Summary

With the end of the Cold War, NATO began to reassess its collective defense strategy and to anticipate possible new missions. The conflicts in the Balkans highlighted the need for more mobile forces, for technological equality between the United States and its allies, and for interoperability. In 1999, NATO launched the Defense Capabilities Initiative (DCI), an effort to enable the alliance to deploy troops quickly to crisis regions, to supply and protect those forces, and to equip them to engage an adversary effectively. To meet the DCI's goals, however, most allied countries needed to increase their individual defense budgets, a step many were reluctant to take. The war in Afghanistan marked a new development in modern warfare through the extensive use of precision-guided munitions, directed by ground-based special forces; many believe that this step widened the capabilities breach between the United States and its European allies. At its November 2002 summit in Prague, NATO approved a new initiative, the Prague Capabilities Commitment (PCC), touted as a slimmed-down, more focused DCI, with quantifiable goals. Analysts argue that the success of PCC, like DCI, will hinge upon increased spending and/or changed procurement priorities — particularly by the European allies. This report will be updated periodically. See also CRS Report RS21354, *The NATO Summit at Prague 2002*.

Background¹

Since the collapse of communism in the Soviet Union and Eastern Europe, the European threat environment has changed dramatically. NATO no longer needs a static, layered defense of ground forces to repel a large-scale Soviet invasion. Instead, the alliance must address new and different threats for which NATO would face far less warning time, yet more complex circumstances, than a conventional assault; these might include terrorism, weapons of mass destruction, proliferation, and ethnic strife. As the conflicts in the Balkans and Afghanistan demonstrated, the alliance must be able to

¹ For additional background information, see CRS Report RS20907, *NATO's Defense Capabilities Initiative*, by Carl Ek. Updated May 22, 2001.

prepare for security contingencies requiring the rapid deployment of lighter, more mobile forces.

During NATO's air war against Yugoslavia in the spring of 1999, U.S. aircraft flew a disproportionately large share — 60% — of the combat sorties. The Kosovo action exposed a great disparity in defense capabilities between the United States and its allies. That disparity, along with the transformation of the overall threat environment, prompted the development of two parallel and, it was hoped, complementary transatlantic security initiatives aimed at, among other things, bridging the technology gap between U.S. and European forces.

The Balkans conflicts of the 1990s motivated the European Union (EU) to accelerate the construction of a European defense arm, called the European Security and Defense Policy (ESDP), which would also be tied to NATO. One aspect of ESDP is the EU effort to create a rapid reaction force to undertake several military tasks — including humanitarian and rescue missions, peacekeeping, and crisis management — in which other countries, including the United States, might choose not to participate. To achieve this, the EU states set forth “headline goals” for creating a 60,000-strong crisis management force that would be deployable within 2 months and sustainable for 1 year.

The other significant change occurred at the NATO Washington, D.C. summit in April 1999, when the alliance launched the Defense Capabilities Initiative (DCI). The Initiative was intended not only to improve NATO's ability to fulfill NATO's traditional Article 5 (collective defense) commitments, but also to prepare the alliance to meet emerging security challenges that may require a variety of types of missions, both within and beyond NATO territory. To accomplish these tasks, the alliance must ensure that its troops have the appropriate equipment, supplies, transport, communications, and training. Accordingly, DCI aimed to improve NATO core capabilities by listing 59 “action items” in five categories: mobility and deployability; sustainability and logistics; effective engagement; survivability; and consultation, command and control.²

Before long, analysts realized that DCI was not meeting its goals because the changes that had been agreed to required most countries to increase their defense spending. Most, however, did not. In January 2001, former Defense Secretary William Cohen described progress on improving NATO defense capabilities as “less than brisk.”³ During a NATO seminar in May that year, U.S. Ambassador to NATO Alexander Vershbow concluded that “rhetoric has far outpaced action when it comes to enhancing capabilities,” and gave the alliance a “failing grade.”⁴ Finally, an August 2001 NATO Parliamentary Assembly report found that, while some progress had been made on DCI, particularly in areas in which existing armaments and technology were available, “there has been some backsliding” in areas requiring higher spending levels and/or research and

² For additional discussion, see: “NATO's Defence Capabilities Initiative: Preparing for Future Challenges.” By Frank Boland, Head, Force Planning Section of NATO's Defence Planning and Operations Division. *NATO Review*. Vol. 47, No. 2. Summer 1999. p. 26.

³ “Preserving History's Greatest Alliance.” By Sec. William S. Cohen. *The Washington Post*. January 8, 2001. p. A19.

⁴ U.S. Department of State. Washington File. “Vershbow Remarks on Euro-Atlantic Security and Defense.” May 15, 2001. [<http://usinfo.state.gov/admin/006/eur210.htm>]

development in new systems and technology. The easier tasks already had been completed; the more difficult — and costly — ones remained.⁵

The aftermath of September 11 further highlighted allied military limitations vis-a-vis the United States. NATO invoked Article 5 for the first time, but during the subsequent war in Afghanistan, the United States initially relied mainly on its own military resources, accepting only small contingents of special forces from a handful of other countries; allied combat and peacekeeping forces entered the fray in larger numbers only after the Taliban had been defeated. Analysts believe that the allies were not invited to contribute because they lacked many of the military capabilities — airborne refueling, air transport, precision-guided munitions (PGMs), and night vision equipment — necessary to conduct a high-tech campaign designed to achieve a swift victory with minimum civilian and U.S. casualties.⁶ Lack of interoperability reportedly was also an issue.

The 2002 Prague Summit — Enter PCC

NATO's November 2002 meeting in Prague, referred to as the "transformation summit," saw three major initiatives. First of all, NATO heads of state agreed to the creation of the NATO Response Force (NRF) a standing, expeditionary force of 20,000 troops that could be deployed quickly and sustained for 30 days.⁷ Secondly, NATO invited seven countries (Bulgaria, Estonia, Latvia, Lithuania, Romania, Slovakia, and Slovenia) to begin accession negotiations. Finally, NATO approved the Prague Capabilities Commitment (PCC).⁸

PCC and DCI — Similarities and Differences. Like DCI, PCC is aimed at improving members' operational capabilities to address evolving defense needs. Analysts describe PCC as an attempt to resuscitate DCI, which had foundered because it was too broad and diffuse. PCC is also intended to improve upon DCI in light of the security threat that emerged on September 11; the PCC capabilities list was drawn up after the attacks, and includes tools to combat terrorism, particularly air lift, secure communications, PGMs, and protection against weapons of mass destruction. In his speech before the Prague summit, President Bush made an explicit linkage between PCC and the war on terrorism when he declared that "NATO must develop new military

⁵ *NATO's Role in Defence Reform*. By Giovanni Lorenzo Forcieri, Rapporteur. NATO Parliamentary Assembly. International Secretariat. AU 199 DSC/FC (01) 6. August 7, 2001. [<http://www.nato-pa.int>] Accessed 11/3/03.

⁶ The United States reportedly has 250 long-range transport aircraft and 550 air-to-air refueling tankers; the European countries have 11 and 100, respectively. "What We Want At Prague." Nicholas Burns. *Wall Street Journal Europe*. *Washington Post*. December 7, 2002.

⁷ In Reykjavik, Iceland in May 2002, NATO foreign ministers endorsed in principle missions distant from alliance territory, a decision that gave impetus to the debate over deployability and mobility.

⁸ For additional background, see CRS. Report RS21354, *The NATO Summit at Prague, 2002*, by Paul Gallis. November 12, 2002.

capabilities,' and its forces must be 'better able to fight side-by-side.'"⁹ And like DCI, PCC will be monitored by a group of representatives at NATO headquarters on a regular basis. For the periodic evaluations, NATO's international staff will request of each country that it provide information on whether its commitments are being implemented, along with explanations of any divergence from the items it has pledged to fulfill.

However, NATO officials point out that PCC differs from DCI in several important ways: PCC is focused on a smaller number of goals, emphasizes multinational cooperation and specialization, requires specific — not general — commitments from member states, and was designed with a specific force in mind.¹⁰

As noted above, DCI aimed to improve NATO core capabilities in five general areas. Countries were expected to make improvements on 59 action items. PCC is much more explicitly and narrowly drawn. It calls for alliance members to make commitments to bolster their capabilities in eight *specific* areas:

- Chemical, biological, radiological, and nuclear defense;
- Intelligence, surveillance, and target acquisition;
- Air-to-ground surveillance;
- Command, control, and communications;
- Combat effectiveness, including PGMs and suppression of enemy air defenses;
- Strategic air and sea lift;
- Air-to-air refueling; and
- Deployable combat support and combat service support units.

PCC also places greater emphasis on multinational commitments and pooling of funds than did DCI; this enables smaller countries to combine resources to purchase hardware that would be unaffordable for each alone. The Netherlands, for example, is leading a group of countries that will buy conversion kits to transform conventional bombs into PGMs. Germany is managing a consortium that will acquire strategic air transport capabilities, while Spain is heading another group that will lease tanker aircraft. Norway and Denmark are coordinating procurement of sealift assets. The Czech Republic will concentrate on countering biological, chemical, nuclear and radiological weapons.¹¹ PCC also recognizes the value of role specialization, or niche capabilities. This concept is especially important to the new member states; Karel Kovanda, the Czech Republic's ambassador to NATO, has argued that "[n]iche contributions are what's going to make or break this organization. ... [they provide] what you might call self-respect to the smaller

⁹ On Iraq Action, U.S. Is Keeping NATO Sidelined. By Bradley Graham and Robert G. Kaiser. *Washington Post*. September 24, 2002. p. A14. "Ahead of NATO's Summit, Bush Speaks of 'New Capabilities.'" *RFE/RL*. November 21, 2002.

¹⁰ Prague Capabilities Commitment Explained. Interview with Dr. Edgar Buckley, NATO Assistant Secretary General for Defence and Planning Operations. December 6, 2002. NATO web site: [<http://www.nato.int/docu/speech/2002/s021206a.htm>] Accessed 11/3/03.

¹¹ *NATO: Building New Capabilities For New Challenges*. Fact Sheet. White House Office of the Press Secretary. November 21, 2002. "NATO To Adopt Capabilities Plan." By Nicholas Firoenza. *Defense News*. November 18, 2002.

nations.”¹² Romania, for example, can offer alpine troops, Hungary has a skilled engineering corps on call, and the Czech and Slovak Republics have units trained in countering chemical and biological weapons.

PCC is also much more specific in its requirements of commitments than was DCI. Defense officials argue that DCI was loaded down with too many vague requirements and that many countries contented themselves by picking the low-hanging fruit, acquiring the less costly materiel — an approach that frustrated U.S. officials. In May 2003, U.S. Defense Undersecretary for Policy Douglas Feith declared that DCI “never was as successful as it should have been Now, it’s time to set deadlines.” PCC is drafted to extract specific, quantifiable commitments from member states. At Prague, the alliance approved a package of proposals from individual countries obliging them to acquire specific equipment; 40% of these proposals are short-term, to be completed by 2004; an additional 30% are due in 2008.¹³

Finally, the Prague Capabilities Commitment was introduced in tandem with the NATO Response Force, leading some defense officials to argue that the success of NRF is linked to the fulfillment of PCC. Representative Doug Bereuter, President of the NATO Parliamentary Assembly, has stated that “if nations refuse to equip their forces to conduct alliance missions, the Response Force will fail as well.” And U.S. Assistant Defense Secretary J.D. Crouch contended that “[m]any of our allies have consistently failed to meet agreed upon NATO defense obligations. Failure by Allies to fulfill the Prague Capabilities Commitment would jeopardize the future success of the NRF.”¹⁴

Defense Spending and a Preliminary Assessment. To meet the goals of PCC, the Europeans will need to restructure and modernize their militaries and address deficiencies in equipment procurement and in their research and development programs. All these activities, however, imply increased defense spending, which would require a reversal of the trend of the past decade: between 1992 and 1999, defense expenditures by European NATO countries fell 22%. Although the United States also cut back on defense during that period, it still spends a significantly higher share of GDP on defense (3.4% in 2002) than the non-U.S. NATO countries (1.9%), and has boosted defense spending significantly in recent years. On the other hand, Germany, which has the second-largest military in the alliance, has drastically reduced its military budget.¹⁵

¹² “NATO Looking Ahead To A Mission Makeover.” By Robert G. Kaiser and Keith B. Richburg. *Washington Post*. November 5, 2002.

¹³ “NATO Foreign Ministers To Hammer Out Accord With Russia.” *AFP*. May 10, 2003. “Czechs Offer Three units to New NATO Strike Force. *BBC Monitoring*.” November 21, 2002.

¹⁴ “NATO Governments Must Fulfill Force Pledges.” By Doug Bereuter. *Defense News*. June 16, 2003. House International Relations Subcommittee on Europe. Hearing. *The U.S. and Europe: The Bush Administration and Transatlantic Relations*. Statement of Dr. J.D. Crouch. March 13, 2002.

¹⁵ NATO Parliamentary Assembly. *Defence Budget Trends Within the Alliance*. By Paul Helminger, Rapporteur. International Secretariat. AT 254 EC (00) 10. September 25, 2000. “Germany’s Military Sinking to ‘Basket Case’ Status.” By Craig Smight. *New York Times*. March 18, 2003.

At the Prague summit, NATO Secretary General Robertson announced that several countries, including France, Portugal, Norway, the Czech Republic, Hungary and Poland had all committed to higher defense spending. The U.K., Italy, Turkey and Canada have also stated that they will increase their military budgets. But the Europeans are being urged not only to spend more, but to spend more wisely. Several countries maintain armed forces that have a significant number of conscripts and/or civilian employees; such countries must budget more on manpower — at the expense of equipment and R&D. In one view, “the U.S. spends 36% of its defense budget on pay and benefits, [while] most NATO members in Europe earmark an average of nearly 65%.”¹⁶

An October 2003 NATO Parliamentary Assembly study reported that Secretary General Robertson in June 2003 had drawn up a “report card” that graded progress on the first six months of PCC. According to the report, Robertson “gave a score of 10 (out of 10) to the progress on PGMs, a 9 on Alliance-wide efforts to develop strategic sealift, and an 8 on efforts to develop strategic airlift. On the low end of the scale, however, the Secretary General identified Alliance Ground Surveillance and Combat Support as areas needing considerably more effort with a grade of 3 for both.”¹⁷

A Range of Views

Some observers have questioned the need for DCI and PCC, arguing that NATO already enjoys vastly superior technological prowess vis-à-vis countries other than the United States, and that the alliance’s military capabilities — whatever their shortcomings — are more than sufficient to meet any threat.¹⁸ Others are skeptical of the possible motives behind the push for capabilities; they contend that massive defense spending increases are unnecessary and wasteful, and that DCI and PCC merely serve to boost sales for high-technology arms and equipment manufacturers. Supporters, meanwhile, express reservations over two major issues. The first concerns whether member states, particularly the Europeans, will approve sufficient funding in their defense budgets to make the changes, some of them costly, that are required. The second question is whether PCC will complement or conflict with ESDP. It has also been suggested that the capabilities requirements effectively raise the bar for new members of the alliance. Finally, some analysts insist that DCI and PCC need to be viewed in the context of the traditional debate over NATO burdensharing. Shortly after the Prague summit, Jiri Sedivy, director of Prague’s Institute of International Relations noted that “[p]eople talk about new members like the Czech Republic not contributing enough to NATO, but what they don’t realize is that the Western Europeans have failed to keep their promises since the 1950s.”¹⁹

¹⁶ “How Europe’s Armies Let Their Guard Down.” By Philip Shishkin. *Wall Street Journal*. February 13, 2003.

¹⁷ NATO Parliamentary Assembly. *Reform of NATO Command Structure and the NATO Response Force*. Julio Miranda Calha, Rapporteur. International Secretariat. 147 DSCTC 03E. October 8, 2003. [<http://www.nato-pa.int>] Accessed 11/3/03.

¹⁸ “It Ain’t Broke After All.” *Los Angeles Times*. By William Arkin. April 27, 2003.

¹⁹ “Ready to Pay.” By Dinah Spritzer. *Prague Post*. November 27, 2002.