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NATO, strategic concept, military policies, evaluation, IBAN

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Abstract:

This paper highlights the importance for the North Atlantic Treaty Organization (NATO) of the economic factor linked to the cultural and geographical factors of the countries that underlie the organization. These factors, together with internal cohesion and external cooperation, can serve, along with other parameters, as a backdrop for understanding NATO's new strategic concept and the military policy derived from it and contained in the associated Military Committee Guidance.

On the other hand, the article aims to underline the significance of having an external controller to evaluate compliance with the objectives of the Military Committee Guide in an economical, efficient, and effective manner. This task could be carried out through evaluations within the framework of the performance audits conducted by the International Board of Auditors for NATO (IBAN) when the North Atlantic Council deems it appropriate.

Keywords:

NATO, strategic concept, military policies, evaluation, IBAN.

*NOTE: The ideas contained in the Opinion Papers shall be responsibility of their authors, without necessarily reflecting the thinking of the IEEE or the Ministry of Defense.







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Introduction

The North Atlantic Treaty Organization (NATO) is a politico-military organization composed of most of the countries of Europe and North America. The foundations of NATO were officially laid on 4 April 1949 with the signing of the North Atlantic Treaty, also known as the Washington Treaty. The Treaty derives its authority from Article 51 of the United Nations Charter, which reaffirms the inherent right of independent states to individual and collective self-defence. At the outset, NATO membership consisted of ten European countries and two across the Atlantic; today, there are thirty NATO member countries and more may be added in the future.

At the apex of NATO is the North Atlantic Council, supported by various committees, military commands, civilian organizations, and agencies, where decisions are based on the principle of consensus¹. NATO's assets come from the resources of member countries, except for a few agencies. NATO has a small number of military assets under its ownership, most of them belong to member states, as do the financial resources on which the organization relies. These resources are supported by the respective revenue generated by the economies of the member states. Consequently, NATO's human, material, financial and economic resources come primarily from its member countries.

Of the four resources mentioned above, NATO's use of the first three is provided for in the various agreements, rules and procedures that govern the organization, whereas the economic factor is not. This is because NATO is not a supranational economic entity, nor does it foresee how it will relate to the economies of member countries as this is outside the scope of the Washington Treaty.

This four-resource integration does occur in any country or in some supranational entities, for example the European Union. The integration, or at least the proper articulation of the four resources, allows any military organization to have a firmer support to carry out its tasks. As stated in mathematics, three points define a plane and are enough to keep a table in equilibrium; however, the fourth leg makes it undoubtedly more stable. Therefore, taking in proper account the economic factor in the economies of the member countries can enhance actions' effectiveness. (A factor is understood here as an element or circumstance that makes it possible to achieve something).

¹ Available at: www.nato.int/nato-welcome/index.html (access: 10.05.2021).





The need for the economic factor

Let us mention the various organizations of a political, economic, or commercial nature that exist on both sides of the North Atlantic. On the European continent, the European Union (EU) stands out. Many mechanisms have been established in the past between NATO and the EU to create and develop articulation between them on security and defence matters. Today, the report "NATO 2030: United for a New Era"², issued on 25 November 2020, again encourages NATO and the EU to seek to strengthen trust and understanding at the highest levels. One of the measures proposed in the report is to create for the two organizations an institutionalized staff link through a permanent political liaison element in NATO's International Staff (IS) and the European External Action Service (EEAS).

As for on the other side of the Atlantic, the North American Free Trade Agreement (NAFTA) between Canada, Mexico and the United States entered into force on 1 January 1994 and replaced the 1988 US-Canada Free Trade Agreement. NAFTA was subsequently replaced by the United States-Mexico-Canada Agreement (USMCA), which was ratified by the three countries in March 2020.

The USMCA is to some extent comparable to the European Free Trade Association (EFTA), as a regional trade organization and a free trade area consisting of four European states: Iceland, Liechtenstein, Norway and Switzerland. All four EFTA member states participate in the European Single Market and are part of the Schengen Area. Indeed, the European Economic Area (EEA), which was created by an international agreement, allows the EU's single market to be extended to the EFTA member states.

The economic factor of NATO member countries is crucial for them and for NATO itself. There exist some linkages of this factor between NATO and its member countries. A manifestation of linkage is the decision taken at the 2014 Wales Summit that foresaw that at least 2% of NATO member countries' Gross Domestic Product (GDP) should be spent on defence³.

³ Available at: www.nato.int Official text: Wales Summit Declaration, para. 14 (access: 10.05.2021)



² Available at: www.nato.int NATO 2030: United for a New Era, Analysis and Recommendations of the Reflection Group Appointed by the NATO Secretary General, 25 November 2020, p. 15 (access: 10.05.2021)



However, the relationship between countries' economies and NATO is not only unidirectional. As complex military projects are approved and implemented across NATO, industrial and economic benefits are generated for the countries, as well as a transfer of skills, expertise, and innovation. NATO leverage of these activities allows for larger economic benefits across the Alliance and serves as an innovation hub further spurring economic benefits and economic activity.

Decisions to link the economy to NATO contributions could be found in various ways, considering other factors as well, such as those discussed in the next two sections.

The cultural factor and cohesion

The strengths of the thirty NATO countries are based on their respective peoples, their history, their culture, their relations with other countries and the resources they have at their disposal. Several thousand years have passed between the Western culture born around the Mediterranean Sea and its arrival in the American Far West. There is much accumulated knowledge and experience, many links have been created between nations and many trade routes have been opened.

With this millennia-long past, NATO's look to the future is especially for the long and very long term. John Maynard Keynes' well-known phrase ('In the long run we are all dead'4) does not fully apply to an organization such as NATO, which has proven its usefulness throughout its history and can continue to do so for many years to come with the adjustments that time will require.

From a security and defence point of view, the contribution that each country makes to NATO can be measured not only by military and economic factors, but also by a wide range of other factors, such as acting as an intermediary with nations with which it has close historical, cultural, and commercial ties. Examples of such links include those of France with French-speaking countries; Italy with North African countries; the Netherlands with the 'East Indies' countries; Spain and Portugal with Ibero-America; Turkey with Central Asian countries; the United Kingdom with Commonwealth countries; and so on. Of course, these countries have links with many other nations, the examples

⁴ J.M. Keynes, A Tract on Monetary Reform, 2009, p. 82. Available at: www.bnpublishing.com (access: 10.05.2021)



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given above are simply intended to convey the idea of the many historical, cultural, and commercial routes NATO countries have opened around the world.

It should also be noted that NATO countries' established relationships with non-NATO countries could give rise to perceived conflicts of interest among NATO member states. It is therefore important to have effective methods within the Alliance so that internal conflicts that may arise can be resolved as effectively and equitably as possible. In this respect, as early as 1956 the Committee of Three or "Wise Men Group" said that "peaceensuring role of NATO [...] based on solidarity and strength, can be discharged only if the political and economic relations between its members are cooperative and close"5. This point was emphasized in the Harmel Report in 1967, when it indicated that the following must be pursued: "progress towards a more stable relationship in which the underlying political issues can be solved"6.

Likewise, the NATO 2030 report states: "Divergences in threat perception cannot simply be wished away, since they are an expression of a state's own unique interests, geography, and national-political outlook [...]. The question of how NATO should go about this task of enhancing political cohesion and convergence for the challenges of a new era is the principal subject of this report"7. [...]. "Political consultation remains the most important means by which NATO can resolve disagreements, mitigate differentials in threat assessment, and reinforce political cohesion"8.

In addition, the above-mentioned report recalls that "the principle of consensus is a cornerstone of the Alliance, but NATO must be diligent in ensuring that it remains capable of reaching and implementing decisions in a timely fashion [...]. To deal with the growing frequency of single-country blockages involving external bilateral disputes, it should consider raising the threshold for such blockages to the Ministerial level"9.

In any case, the internal cohesion of the Alliance is mainly based on the provisions of the preamble to the North Atlantic Treaty, which states that NATO exists to "safeguard the freedom, common heritage and civilization of our peoples, founded on the principles of

⁹ Op. cit. Available at: www.nato.int NATO 2030: United for a New Era, p. 15.



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⁷ Op. cit. Available at: <u>www.nato.int</u> NATO 2030: United for a New Era, p. 10.

⁵ Available at: www.nato.int Official text: Report of the Committee of Three on Non-Military Cooperation in NATO, 13th December 1956 (access: 10.05.2021)

⁶ Available at: www.nato.int Topic: Harmel Report (access: 10.05.2021)

⁸ Op. cit. Available at: www.nato.int NATO 2030: United for a New Era, p. 53.



democracy, individual liberty and the rule of law"10.

The geographical factor and cooperation

Economic and cultural factors are closely linked to the geographic location of NATO countries. The centre of NATO's sphere of influence is in the northern part of the Atlantic Ocean, which means North America and the European continent along with the Mediterranean Sea and the Arctic Ocean. In addition to this Euro-Atlantic region, NATO added in its Strategic Concept 2010 other areas of importance¹¹.

The Strategic Concept is an official document that outlines NATO's enduring purpose and nature, and its fundamental security tasks. It also identifies the central features of the new security environment, specifies the elements of the Alliance's approach to security and provides guidelines for the adaptation of its military forces¹². NATO has issued seven Strategic Concepts in its seventy-year history, the last three in 1991, 1999 and 2010. The current Strategic Concept was issued at the Lisbon Summit in November 2010 and is further complemented by the "Military Committee Guidance MC400/3" of March 2012.

The Strategic Concept 2010 describes NATO as "a unique community of values committed to the principles of individual liberty, democracy, human rights and the rule of law". It presents NATO's three essential core tasks-collective defence, crisis management and cooperative security. It also emphasizes Alliance solidarity, the importance of transatlantic consultation and the need to engage in a continuous process of reform¹³.

Of the three essential core tasks, I would like to highlight the third, which focuses on promoting international security through cooperation. A fundamental component of its cooperative approach to security is partnership, understood between NATO and non-NATO countries, as well as with other international organizations and actors. The Strategic Concept 2010 depicts an inclusive, flexible and open relationship with the Alliance's partners across the globe and stresses its desire to strengthen cooperation with

¹³ Op. cit. www.nato.int NATO - Topic: Strategic Concepts, p. 2.



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¹⁰ Available at: www.nato.int NATO - Official text: The North Atlantic Treaty (access: 10.05.2021)

¹¹ Available at: www.nato.int NATO: Strategic Concept 2010, 19-Nov.-2010, PDF (para. 7-15) (access: 10.05.2021)

¹² Available at: www.nato.int NATO - Topic: Strategic Concepts, p. 1 (access: 10.05.2021)



the United Nations and the European Union. It also reiterates its commitment to developing relations with countries of the Mediterranean and the Gulf region¹⁴.

NATO's current partnerships are as follows:

- Euro-Atlantic Partnership Council, which brings together twenty European and Asian countries
- NATO's Mediterranean Dialogue, with six countries from the southern and eastern
 Mediterranean basins plus Mauritania
- Istanbul Cooperation Initiative, with four countries from the Arabian Peninsula facing the Indian Ocean
- Partners across the globe, which includes seven Asian countries, one Latin American country (Colombia), and Australia and New Zealand.

Consequently, of the total number of NATO partnerships, only one Ibero-American country belongs to them and only six countries have a coastline in the Indian Ocean and five in the Pacific Ocean.

The New Strategic Concept

The challenge of deepening the articulation of the economic, cultural, and geographical factors with NATO's politico-military factor is not an easy one. In this regard, one may recall the Chinese war master Sun Tsu saying: "Leadership is a matter of intelligence, trustworthiness, humaneness, courage, and sternness".

Around the above-mentioned geographical areas and in the short, medium, and long term, new defence and security issues may arise. In regard of the new trade route that climate change is helping open up in the Arctic Ocean, it is worth noting both the Decree ("Ukaz") of the President of the Russian Federation of 5 March 2020, No. 164, "On the Bases of the State Policy of the Russian Federation in the Arctic for the period up to 2035", and the Decree ("Ukaz") of the President of the Russian Federation of 26 October 2020, No. 645, "On the Strategy of Development of the Arctic zone of the Russian Federation and ensuring National Security in the period up to 2035".

¹⁵ Available at: https://everydaypower.com/sun-tzu-quotes/52 (access: 10.05.2021)



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¹⁴ Op. cit. Available at: www.nato.int NATO - Topic: Strategic Concepts, p. 3.



As for China, the 'Belt and Road Initiative' (BRI) was launched in 2013 and is building trade support points in Asia, Africa and Europe. In addition to the BRI, it is also developing the Polar Silk Road and the Cyber Silk Road. With the help of these initiatives, it aims to be the world leader in artificial intelligence by 2030 and in technology by 2049. China has realized that the country that achieves technological superiority will determine the global future, as it will have control over the tools that provide the decisive edge. On both pillars, commercial and technological, rests China's growing military power.

Alongside these elements that could be considered in NATO's next Strategic Concept, the "NATO 2030 Report" considers a number of others, including the following: Emerging and Disruptive Technology, Terrorism, The South, Arms Control and Nuclear Deterrence, Energy Security, Climate and Green Defence, Human Security and Women, Pandemics and Natural Disasters, Hybrid and Cyber Threats, Outer Space, etc. ¹⁶.

Assessment, monitoring and evaluation

It is to be expected that this New Strategic Concept to be approved soon may be complemented by a corresponding Military Committee (MC) Guidance, which will provide an interpretation of the military objectives as well as the methods for achieving them. This may be the context where to develop specific, measurable, achievable, relevant, and results-oriented, and time-bound (SMART) security and defence objectives. Furthermore, "having detailed objectives and tasks combined with an assessment, monitoring, and evaluation (AME) regime can make an organization robust, stable and stronger thanks to the lessons it learns during the continuous process of implementing its policies"¹⁷.

A key issue in the AME regime is the application of responsibility and accountability. Under a results-based system, senior-level responsibility and accountability are not placed on tasks or outputs but on the achievement of results based on performance indicators. This means that management have more liberty to modify tasks or actions to ensure achievement of results and underlying objectives. Responsibility and accountability are a critical part to achieving objectives economically, efficiently, and

¹⁷ Cfr. Rand Corporation. Developing an Assessment, Monitoring and Evaluation Framework for U.S. Department of Defense Security Cooperation, 2016, pp. 10-11.



¹⁶ Op. cit. Available at: www.nato.int NATO 2030: United for a New Era, pp. 27-47.



effectively.

The three concepts mentioned above (assessment, monitoring, and evaluation) are defined differently depending on the field in which they are used. The terminology used in the civilian and military domains sometimes does not coincide. The civilian world places a heavy emphasis on evaluation while the military prefers to enhance the "assessment" aspect, which usually consists of a self-assessment. In short, the military call the whole of AME "assessment", while nonmilitary institutions often use "evaluation" as a catchall term¹⁸.

NATO attaches as much relevance to the assessment as indicated by the fact that it is considering the creation of "a new net assessment office, composed of both military and civilian staff and reporting directly to the Secretary General, with the mission of examining NATO's strategic environment on the basis of agreed threats and challenges across the whole spectrum of military and non-military tools" 19.

In the general AME construct:

- (A). Assessment refers to the criteria defined in the baseline²⁰. "Ideally, assessments would be conducted using a combination of internal and external sources"21.
- (M). Monitoring checks that the planned inputs are translated into the expected outputs and outcomes²². "Monitoring is designed to maintain accountability and identify where course corrections may be needed. Monitoring activities should occur at every level, at all times"23. "Generally, monitoring is conducted with internal resources"24.
- (E). Evaluation examines the outcomes²⁵. "Generally, evaluations have a longterm focus: two, three, or more years"26. "Evaluations usually take place at the completion of a program or plan, but they may also take place at a specified midpoint in implementation or well after completion. Evaluations analyse progress

²⁶ Op. cit. Rand Corporation, p. 83.



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¹⁸ Op. cit. Cfr. Rand Corporation, pp. 32-33

¹⁹ Op. cit. Available at: www.nato.int NATO 2030: United for a New Era, p. 24.

²⁰ Op. cit. Cfr. Rand Corporation, p. x.

²¹ Op. cit. Rand Corporation, p. 81.

²² Op. cit. Cfr. Rand Corporation, p. x.

²³ Op. cit. Rand Corporation, p. 92.

²⁴ Op. cit. Rand Corporation, p. 82.

²⁵ Op. cit. Cfr. Rand Corporation, p. x.



toward key objectives or the sustainability of those objectives using indicators determined during planning or program design"²⁷. "Where monitoring is a continuous activity, evaluations should be conducted on a periodic basis by those with sufficient expertise and independence"²⁸.

As part of the AME framework, the M&E process should contain a standard table of performance indicators that may be reported on by operating unit's department-wide in a standardized reporting template²⁹. A document linking intermediate and final objectives to program goals could be developed to complete the framework³⁰.

The principles for evaluation used by security sector experts are based on those established by the Organization for Economic Co-operation and Development (OECD) as a forum for discussing how to implement these principles and share good practices³¹. The general principles by which good evaluation works to do this are:

- Impartiality and independence: The evaluation process should be impartial and independent in its function from the process concerned with the policy making, the delivery and the management of development assistance.
- Credibility: The credibility of evaluation depends on the expertise and independence of the evaluators and the degree of transparency of the evaluation process.
- Usefulness: To have an impact on decision-making, evaluation findings must be perceived as relevant and useful and be presented concisely. They should fully reflect the different interests and needs of the many parties involved in development co-operation. Easy accessibility is also crucial for usefulness. The evaluation process itself promotes a further clarification of objectives, improves communication, increases learning, and lays the groundwork for follow-up action. Evaluations must be timely in the sense that they should be available at a time, which is appropriate for the decision-making process.

Available at: www.oecd.org Principles for Evaluation of Development Assistance, Development Assistance Committee, Paris, 1991, pp. 6-11 (access: 10.05.2021)



²⁷ Op. cit. Rand Corporation, p. 93.

²⁸ Op. cit. Rand Corporation, p. 110.

²⁹ Op. cit. Cfr. Rand Corporation, p. 55.

³⁰ Op. cit. Cfr. Rand Corporation, p. 58.



- Evaluation programming: An overall plan must be developed for the evaluation of development assistance activities. In elaborating such a plan, the various activities to be evaluated should be organized into appropriate categories. Priorities should then be set for the evaluation of the categories and a timetable drawn up in order to define the purpose and scope of the evaluation; describe the methods to be used during the evaluation; identify the standards against which project/program performance are to be assessed; determine the resources and time required to complete the evaluation.
- Reporting, dissemination, and feedback: Evaluation reporting should be clear, as free as possible of technical language and include the following elements: an executive summary; a profile of the activity evaluated; a description of the evaluation methods used; the main findings; lessons learned; conclusions and recommendations. Feedback is an essential part of the evaluation process as it provides the link between past and future activities.
- There are also two other principles that do not apply to the issue we are dealing with: 1) Participation of donors and recipients: Both donors and recipients should be involved in the evaluation process. Involving all parties concerned gives an opportunity for learning. 2) Donor co-operation: Collaboration between donors is essential in order to learn from each other and to avoid duplication of effort.

Finally, when objectives follow the SMART criteria and are combined with the AME framework, the foundation is laid to ensure that the objectives are achieved economically, efficiently, and effectively, if responsibility and accountability reflect this.

Public policy evaluation

For a better understanding of the origins of public policy evaluation, it is necessary to go back to the International Organization of Supreme Audit Institutions (INTOSAI) working group on program evaluation (Evaluation Working Group (EWG)) that was created in 1992. "The transition from program evaluation to policy evaluation occurred during discussions among the EWG. A public policy evaluation is an examination aiming at assessing the utility of this policy. It analyses its objectives, implementation, outputs, outcomes, and impacts as systematically as possible, measures its performance in order to assess its utility.





"The purpose of the EWG was to help the Supreme Audit Institutions (SAIs), which practice evaluation or wish to do so by providing them with doctrinal texts, methodological tools and practical recommendations to implement this specific approach, which is usually considered to be different from other forms of control and audit. The group succeeded in achieving in 2010 a first document on program evaluation.

"Another outcome of the EWG was the issuing of a "Guidelines on the Evaluation of Public Policies" (INTOSAI GOV 9400). These guidelines aim at defining the main characteristics of the evaluation of public policies. It addresses the issues of publication of evaluation as well as the boundaries between evaluation of public policies and political interference, which should not be crossed by an evaluator under any circumstances. The guidelines should encourage the community of auditors and other entities to enter the field of evaluation of public policies in order to help them to conduct evaluation properly, scientifically and independently for the benefit of both citizens and decision-makers"32.

"Whereas the core of performance audit is the assessment of the economy, the efficiency or the effectiveness, the core of public policy evaluation is the assessment of the global-, short- and long-term impact of a policy (which often requires to consider other policies having effects in the same field), and the assessment on the utility of this policy"33.

"The SAIs are not the only actors that can conduct public policies evaluations. They can also be conducted:

- By independent university organizations either, on their own initiative or at the request of a public decision-maker, such as the Parliament.
- By private consulting firms, only at the request of a public decision maker.
- Administrative organization, such as audit and inspection entities, can conduct evaluations on public policies at the request of government authorities to which they report.
- Finally, actors responsible for the implementation of a public policy can also decide to have it evaluated by a third party.

"Nonetheless, the SAIs are natural actors in public policies evaluation, since they have the necessary independence, can develop or access evaluation methodological

³³ Op. cit. INTOSAI GOV 9400, para. 1.3.



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³² Available at: www.intosai.org INTOSAI GOV 9400, Guidelines on the Evaluation on Public Policies, para. 1.2 (Access: 10.05.2021)



knowledge, and above all have knowledge of public policies acquired from their other missions. Unlike administrative institutions or private organizations, they do not have to prove their objectivity and to ensure their independence from the government or from private interests"34.

At NATO, the SAI is the International Board of Auditors for NATO (IBAN). It conducts the following types of audits: financial audits, performance audits, and NSIP audits in accordance with the Charter approved by the NATO North Atlantic Council. As part of its performance audit activity, IBAN has already carried out audits of this kind, such as the one concerning how NATO efficiently, economically, and effectively managed the evaluation system of NATO declared forces³⁵.

Conclusions

NATO is a politico-military organization whose human, material and financial resources are primarily provided by its member countries. Since NATO is not an economic supranational organization, the economic factor or element must also come from the countries that constitute the organization. It is crucial to ensure that this factor is integrated with the three other resources to make the organization more robust and stable.

In addition, the economic element is related to cultural and geographic factors, which, in turn, point to the importance of internal cohesion among NATO countries and cooperation with other countries and organizations outside NATO. The economic and cultural strength of these countries is the basis of NATO, whose purpose is to "safeguard the freedom, common heritage and civilization of our peoples, founded on the principles of democracy, individual liberty and the rule of law".

The above-mentioned factors could serve, along with other parameters, as a backdrop to NATO's new strategic concept and military policy. The SMART (specific, measurable, achievable, relevant, and results-oriented, and time-bound) criteria in combination with the AME (assessment, monitoring, and evaluation) framework ensures that its objectives are met economically, efficiently and effectively.

³⁵ Available at: www.nato.int-iban_report_2017-2018-e.pdf para. 4.9 (Access: 10.05.2021)



³⁴ Op. cit. INTOSAI GOV 9400, para. 3.1





To carry out the military policy evaluation process, Supreme Audit Institutions (SAIs) are not the only one that can do so. Nonetheless, SAIs are natural actors in public policies evaluation, since they have the necessary independence, can develop or access evaluation methodological knowledge, and above all have knowledge of public policies acquired from their other missions.

At NATO, the SAI is the International Board of Auditors for NATO (IBAN). It conducts financial audits, performance audits, and NSIP audits in accordance with the Charter approved by the North Atlantic Council and, under its performance auditing activity, could be tasked by the Council to carry out the evaluation of the NATO's military policy attached to the new Strategic Concept.

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