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NATO'S OUT-OF-AREA OPERATIONS

DRAFT GENERAL REPORT

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* Until this document has been approved by the Defence and Security Committee, it represents only the views of the Rapporteur.

TABLE OF CONTENTS

I. INTRODUCTION

1. In 2003 NATO embarked on its first truly out-of-area mission in Afghanistan. In 2004 NATO took on an additional out of area mission training Iraqi troops in Iraq and other countries in the region. These missions raise important questions that impact on the future direction of the Alliance and its role in providing stability beyond the borders of its members.

2. The mission in Afghanistan in particular presents a test case for the Alliance's capabilities. If it can significantly add to the stabilization of that remote, war-torn country, then there are few geographic limits on where the Alliance could decide to become involved. But how effective is the mission? What is going well and what more needs to be done? This report will attempt to address some of those questions.

3. In large part this report builds on the 2004 report of the Defence and Security Committee that examined the mission in Afghanistan. We will evaluate the current situation in Afghanistan based on the progress made in addressing specific problems highlighted in that report. In particular the previous Committee report cited concerns about the narcotics traffic, the power of regional warlords relative to the central government, and the development of a "narco-state" where the drug-producers and traffickers wield the bulk of political power. Those issues are intimately connected: regional warlords often make the money they need to control their areas and private armies from the drug trade. If parliamentary elections bring significant numbers of those individuals to positions of legitimate power, then the danger of Afghanistan becoming a state beholden to narcotics producers will be greatly increased.

4. Although Afghanistan is the major focus of this report, we will also examine the role of NATO in stabilizing Iraq. It is a far smaller operation, but it too raises important questions: should NATO assume a larger role there as the challenge increasingly turns from providing security to ensuring that Iraqi forces are able to provide security in the context of an emerging democracy? Even more challenging, should NATO ever consider a role as a guarantor of an eventual Israeli-Arab peace settlement? We will attempt to extract some lessons from current out of area operations that could be generalized to possible future missions.

5. More broadly, current out of area operations and the potential future uses of the NATO Response Force (NRF) demonstrate that we need to fundamentally rethink how we organize and fund future operations. The current system of funding is "cost lie where they fall", meaning that the country supplying forces for an operation pays the costs of getting those forces into the area of operations and maintaining them for the duration of the deployment. Although this formula has worked in the past, it will be increasingly problematic because of the nature of the NRF. The NRF is composed of forces from the member countries on a rotating basis, but it will be deployed based on a decision taken by all 26 allies. Yet, the costs for this decision will fall almost entirely on the allies currently participating in NRF. This is simply not a fair system, and it will tend to discourage participation in the NRF. A better system would be to establish some form of expanded common funding for operations so that the costs of operations are spread across the full 26 members of the alliance, not just those supplying forces to the operation in question.

6. In addition, we should also focus on the issue of national caveats (restrictions placed on a national contingent participating in a NATO operation), which are also having a debilitating effect on the Alliance's current operations. Declared caveats are often a lesser problem and commanders on the ground can usually work with known and reasonable restrictions. The problem mainly lies in undeclared caveats that a commander does not discover until he tasks a national contingent and finds that they are unable to perform the assigned duty. Caveats will not be eliminated, but we should consider how they can be minimized and made more transparent so that commanders on the ground understand up front the capabilities and limits on the forces that they have at hand.

7. Therefore, your Rapporteur urges you to consider those broader issues as you read the following report. The future of the Alliance demands no less. While we should be under no illusion that one report can resolve such thorny issues, It is appropriate that we begin this discussion at the NATO Parliamentary Assembly and take the debate to our national parliaments.

II. EVENTS LEADING TO THE CURRENT NATO ROLE IN AFGHANISTAN

8. The idea of putting a UN-authorised multinational military force in Afghanistan originated at the Bonn Conference in December 2001 that brought together all of the political and ethnic factions in Afghanistan. This came immediately after the successful US intervention in Afghanistan that toppled the Taliban regime as a consequence of its support and continued protection of Osama bin Laden, the architect of the attacks of 11 September 2001. That conference set the groundwork for the partnership between the United Nations, the Afghan Transitional Authority and the International Security Assistance Force (ISAF).

9. The first ISAF was established by a UN Security Council resolution and was designed to support the Afghan Transitional Authority in maintaining security around Kabul. ISAF I was led by the United Kingdom (December 2001-June 2002) but included forces from 18 countries, 14 of which were NATO members (Belgium, Bulgaria, the Czech Republic, Denmark, France, Germany, Greece, Italy, the Netherlands, Norway, Portugal, Romania, Spain and Turkey). The second six-month rotation (ISAF II) was led by Turkey (June 2002-February 2003) and ISAF III was led by Germany and the Netherlands (February 2003-August 2003). The size of the force continued to grow both in numbers of troops and participating countries. Canada has played a large role and supplied the largest force for many of the later rotations.

10. ISAF evolved into a three-part structure: ISAF Headquarters, the airport task force, and the Kabul multinational brigade. ISAF quickly forged ties with the US-led Operation *Enduring Freedom* and US *Central Command* (CENTCOM). This allowed the two missions, ISAF and *Enduring Freedom*, to co-ordinate logistics and flights in and out of the region while maintaining their separate identities and missions.

11. NATO took on a progressively larger role in assisting ISAF during the first 18 months of the operation. Germany and the Netherlands received planning assistance from NATO in 2002, and NATO provided valuable help in force generation, communications, and intelligence. SHAPE posted officers with the German command. ISAF headquarters was granted access to NATO intelligence and communication systems. This involvement sparked a close working relationship between NATO and the European Airlift Co-ordination Cell (EACC) at Eindhoven, the Netherlands, to arrange the airlift needs of ISAF.

12. At the same time that NATO was providing this valuable assistance to ISAF, some involved in the mission were concerned that changing the lead nation every six months was hindering its effectiveness and weakening its credibility as a guarantor of a modicum of stability in Afghanistan. As a result, the North Atlantic Council decided in April 2003 to take on command and planning of ISAF as of 11 August 2003. In October 2003, the UN approved an expansion of ISAF and authorised it to deploy outside of Kabul and the immediate surrounding area.

III. ISAF UNDER NATO COMMAND

13. ISAF falls under the responsibility of Joint Forces Command North (JFC North) in Brunssum, the Netherlands. Although NATO and the commander of JFC North have overall authority, command on the ground in Kabul still rotates between lead nations. The EUROCORPS took over from Canada in August 2004, Turkey took over for the next rotation, and Italy most recently assumed command of the operation.

14. The NATO assumption of command opened the door to discussions about expanding the role of ISAF. Both the UN and the Government of Afghanistan favour such a move. In October 2003, NATO endorsed a plan to increase ISAF to 10,000 troops and expand to cover additional cities beyond Kabul, a decision also endorsed by the UN.

15. Assuming control over ISAF is a major step forward for the Alliance, but it also leads to new questions that must be answered if its mission is to be successful. First and most critically, there is the question of how and if the members of the Alliance can supply the troops and military equipment required. Many pledges of troops and equipment were made, but members have been slow to fulfil those pledges. After much pressure from the Secretary General of NATO was applied to national defence ministers in December 2003, NATO received a commitment of three helicopters from Turkey and three from the Netherlands. It took several additional months of discussion to actually get the much-needed transport helicopters to Afghanistan. The Supreme Allied Commander Europe (SACEUR) Jones has also spoken out regarding the need for the Allies to meet their commitments in terms of personnel and materiel in Afghanistan. The force generation conference held at NATO headquarters in March 2004 appears to have improved the situation. The conference was to generate forces for the Provincial Reconstruction Teams (PRT) in Kunduz and two others in Feyzabad and Maimana. The helicopter issue was resolved with the Netherlands providing six combat helicopters and Turkey providing three transport helicopters. Ongoing emphasis on this issue by the Secretary General, military commanders and the NATO Parliamentary Assembly has helped to alleviate the transportation shortage, but there are still remaining shortfalls that need to be addressed.

16. Another question is the relationship between the various operations in Afghanistan. ISAF and *Enduring Freedom* are separate operations**,** although they are gradually merging under NATO command. Those operations are dynamic, changing somewhat to fit the shifting circumstances, although both are ultimately directed at ensuring the increasing stability of the country and the ability of Afghanistan to provide for its own security.

17. ISAF is primarily designed to provide basic security, enabling the NGOs to perform their work and the central Afghan government to deepen its hold on the country. ISAF is made up of approximately 10,000 troops and was limited by its size and capabilities to an area around Kabul and some areas in northern Afghanistan where it runs the PRTs. ISAF is now expanding the number of PRTs to the western part of the country. An Italian team took over the PRT in Herat early in 2005.

18. The expansion established a permanent ISAF presence in the form of four PRTs and one Forward Support Base (FSB). Two existing US-led PRTs at Herat and Farah in western Afghanistan came under NATO command this year and two new ISAF PRTs were established with Lithuania in the lead at Chaghcharan, capital of Ghor province, and Spain in the lead at Qal'eh-ye Now, capital of Baghdis province. Italy and Spain are providing the Forward Support Base (a logistics hub at Herat) with substantial support from other contributors. The extended ISAF mission will provide security assistance in 50% of Afghanistan's territory. ISAF will continue to expand to the southern provinces of Afghanistan in the first half of 2006.

19. Operation *Enduring Freedom* is led by the United States. The United States and a group of coalition partners conduct this operation mainly in southern and eastern Afghanistan and along the border with Pakistan. Approximately 20,000 (mostly US) troops are involved in this operation directed by US Central Command (CENTCOM). *Enduring Freedom* is targeted both at eliminating remnants of the Taliban and Al-Qaida and at building the conditions for stable Afghanistan. The PRT concept was born in the context of *Enduring Freedom* and most PRTs are under US command.

20. Some in NATO and in national capitals have argued that it would be a natural progression for NATO to eventually assume control of all operations in Afghanistan. Centralised control under NATO would help reduce the overlapping authorities and operations in Afghanistan. According to those involved, there is a high level of co-ordination between all of the military commands, but the overall effort would benefit from a higher level of centralisation. NATO as the premier international military organisation would be the obvious candidate as the institution to centralise all military operations in Afghanistan.

21. At the Defence and Security Committee (DSC) meeting in Washington DC in January, several US officials noted that it was time to reconsider this option. Some allies have been reluctant because of the more combat-oriented aspects of Operation *Enduring Freedom* and were concerned that a merger could further blur the line between combat forces and those involved in reconstruction and development. In February 2005, NATO defence ministers agreed that the operations should be merged at some point in the near future. No date was set but the objections of France and Germany that had ended discussion of a merger as recently as October 2004 appeared to have been overcome by the improved security situation. At the September defence ministers' meeting, however, several national representatives insisted that the missions remain separate with separate chains of command and that NATO forces not engage in counter-terrorist missions. This casts some doubt on when or if a merger will take place, even if they are moving ever more closely together.

22. The issue of national caveats has affected relations between the two operations. Some members of NATO have restricted their participation in operations to exclude combat roles. But as we have seen in the past few months, the security situation is fluid in several parts of the country. Although there are many improvements, violence will continue to flare up periodically and forces on the ground must be prepared to cope with a range of contingencies and perform a number of roles. Even those troops assigned to PRTs in a primarily humanitarian capacity may need to return occasionally to a more traditional military role. Restricting a national contingent's participation to avoid combat roles may lead to that contingent being assigned to relatively secure parts of Afghanistan, but it is no guarantee that it will avoid combat situations. In fact such a caveat may provoke confrontations if extremist elements in Afghanistan learn that certain units are relatively unprepared for combat situations.

23. In September NATO Parliamentarians met with NATO military and civilian officials in Kabul, who were very frank about the difficulties caused by national caveats. For example, they noted that some troops stationed at Kabul International Airport are restricted by national caveats from leaving the airport. Another national contingent that has command of a PRT is prevented from staying outside their base overnight. In effect this restricts them to an 80-kilometer radius from their base, allowing them to be present in only a small part of the province in which they are based.

24. The officials who met with the delegation were particularly concerned about the caveats that some members have regarding the use of their forces in counter-terrorist operations. They emphasized that counter-terrorist operations are a critical part of the mission and will become even more significant as NATO takes over the provinces with relatively high amounts of terrorist activity.

Caveats, such as one member's ban on allowing its forces to patrol at night, will seriously hinder NATO's ability to provide the secure environment needed in those regions with terrorist activity.

25. A merger of the two operations will also require more of a common understanding of the mission in Afghanistan and the role of the PRTs. The overall mission is complex and requires military forces to play a variety of roles. It is clear that not all members of the alliance are comfortable with the implications of this situation. But there are few clear dividing lines in Afghanistan that allow us to separate the humanitarian aspects of the mission from the military aspects. They are fundamentally interrelated. Only by providing security can humanitarian work begin, and providing security may involve the use of force to target those who would spoil the progress made so far and prevent additional progress.

26. The allies must arrive at a better common understanding of what the operations plan should be in Afghanistan. This is of the utmost importance as ISAF takes over operations in the southern and eastern regions of the country where terrorist activity is concentrated. This point was forcefully made by the Secretary General of the United Nations who noted in his 12 August 2005 report to the Security Council that, "As the expansion of ISAF continues, NATO troop-contributing countries are strongly encouraged to adopt common and robust rules of engagement which will make possible the optimum utilization of resources and enhance ability to respond to situations as they arise. This capability is vital."

27. It is also important, however, to understand how much improvement there has been over the past year and whether the progress in ensuring Afghanistan's security is sufficient to put it on the road to self-sufficiency. The goal of this entire exercise is to create a functioning Afghan state, capable of preventing itself from being overwhelmed by internal divisions. Therefore, the following section will evaluate progress on specific areas of concern underlined in the 2004 Defence and Security Committee General Report [(158 DSC 04 E) Operations in Afghanistan and the Expanding NATO Role, Pierre Lellouche].

IV. PROGRESS ON SPECIFIC AREAS OF CONCERN

28. The 2004 Defence and Security Committee General Report noted several interrelated issues that were of particular concern to the committee. First was narcotics production and trafficking and its effects on the political and economic development of Afghanistan. Second was the power of the warlords and the ability of the central government to break their power before the parliamentary elections in September 2005. Third was the development of the Afghan National Army and its capabilities relative to the regional warlords.

29. We will briefly recap the findings of the 2004 report in each of those areas and then evaluate progress based on recent reports and the findings of the NATO Parliamentary Assembly delegations that travelled to Afghanistan in March and September 2005.

A. NARCOTICS PRODUCTION

30. The committee noted in 2004 that narcotics production was a major, and growing problem in Afghanistan. President Hamid Karzai has underlined the need to attack this problem on numerous occasions. In his inauguration speech in December 2004, he called on his countrymen to engage in a jihad against narcotics production and trafficking. That same month he pledged to destroy the country's opium-production centres by the end of 2006.

31. The Committee's 2004 report found that the UN and national authorities in co-operation with the government of Afghanistan were working to cut opium poppy production but that their efforts

thus far had failed. Some plans to curtail the production of opium actually had the exact opposite effect. An attempt to prevent the poppy seeds from being turned into heroin by buying the poppy crop from farmers in 2002 only succeeded in encouraging farmers to plant more poppies the following year. Efforts to destroy opium crops were also unsuccessful. Only a tiny fraction of the opium harvest was interrupted and it was difficult to find the forces that might perform such operations. Local police and officials were under-funded and therefore easily bribed, and international forces were either specifically prohibited from addressing the issue or were reluctant to do so.

32. The problem also appeared to be growing. In November 2004 the UN Office for Drug Control and Crime Prevention (UNODC) found a 17% increase in the opium crop in 2004 compared to 2003. 131,000 hectares of land were used for opium production compared to only 80,000 hectares in 2003.

33. In 2005, however, there are some indications of a marked reduction in opium cultivation. A March 2005 UN assessment found significant declines in opium poppy production. The report found that many farmers who grew opium poppies last year have stopped and are instead growing wheat. In the three provinces that account for half of Afghanistan's opium production (Nangahar, Helmand and Badakhshan), poppy cultivation appears to have declined by as much as 70%. Five provinces show an increase in poppy production but the increases in those provinces are outweighed by the decreases in the others. A subsequent UNODC report released in September confirmed this trend.

34. When in Kabul for the September parliamentary elections, the delegation from the NATO Parliamentary Assembly met with experts from the UK embassy to discuss the counter-narcotics programme (the United Kingdom is the lead nation on this issue in Afghanistan). In general the trends continue to be moderately positive. The area of poppy cultivation in the country is down by 20% compared to last year although the total reduction in the amount of the opium produced is only 2%. This is because exceptionally good rains and growing condition produced record yields in all crops in Afghanistan so the yield per hectare of poppy planted was higher than usual. Some provinces such as Nangahar show very sharp declines in poppy production. This is mainly due to a sustained effort by the local government to eradicate poppy production. Other areas, particularly Helmand province, show an increase this year. The situation is currently being examined to see if any lessons can be learned that would shed more light on what causes the success or failure of the counter-narcotics effort in different provinces and use that analysis to refine the national programme.

35. A new counter-narcotics plan was agreed to by all of the Afghan ministers in February 2005 and a multi-faceted programme is under way. The United Kingdom has taken the lead on institution building. After an admittedly bad start for the Counter-Narcotics Ministry, much has improved in the last 6 months. President Karzai is personally involved and more international funding is being directed to the effort. Several specialized teams of Afghan police have been trained in counter-narcotics and are operating across the country, targeting drug labs, heroin stockpiles and smugglers. Most importantly, the current programme is more focused on working with the governors of each province and lending support to their counter-narcotics effort.

36. But there are other factors at work that may have a more long-term effect. President Karzai and other officials have appealed to Afghans' traditional values in the hope that this approach will be a more lasting deterrent to drug production. Local clerics and tribal elders have to a large extent answered Karzai's call and are preaching that opium production is counter to Islamic values. In a traditional and conservative society such as Afghanistan's, these statements from local leaders can carry considerable weight. In fact, Afghan farmers cited this as one of the main reasons for their decision to stop producing poppy in 2005 in interviews with UN personnel conducting the most recent assessment.

37. Another factor that gives some cause for optimism is that poppy cultivation is not firmly rooted in the society and drug traffickers are still unorganised. Opium production is a relatively recent phenomenon in Afghanistan, starting in the 1980s when neighbouring countries began to aggressively target opium production. Although the drug trade is immensely profitable, UN reports indicate that drug traffickers do not yet seem to have formed cartels and criminal syndicates. By most accounts, there is still a window of time in which the opium production problem can be managed.

38. It is likely that the way forward will include a range of actions. The appeal to traditional values is important, but it must be backed up with sticks and carrots. The stick is an aggressive programme of arresting heroin traffickers and destroying poppy crops, although it should be Afghan police and government officials in the active roles, not their international advisors. Both the United Kingdom and the US officials responsible for working with the Afghan government on this issue are firmly aware of this important condition and recognize that there must be an Afghan face on the counter-narcotics effort. The carrot is aid to farmers to improve their ability to grow profitable amounts of legitimate produce and get it to market.

39. Although the trends are positive, both Afghan government officials and international experts emphasize that the key issue is the provision of alternative livelihoods to enable farmers to earn a viable living from legitimate crops. This involves the provision of seed and fertilizer, agricultural credits other financial measures. It also involves repairing Afghanistan's irrigation and road infrastructure. Decades of war destroyed the irrigation system and poppy was the only viable crop because it can thrive in dry environments. Repairing the irrigation system and the roads so that farmers can get their product to markets is a critical part of providing alternative livelihoods to poppy production. Additional attention and financial support of this programme is needed now to ensure that the current reductions in poppy production continue.

40. Despite the long road ahead, we should not ignore the very significant contributions of many NATO members in this area. The United Kingdom, which has the lead role on counter-narcotics assistance, has been very active on all fronts in this struggle. The United States and others have provided valuable assistance. In 2005 the United States contributed nearly 1 billion additional to the counter-narcotics effort. Italy has played a significant role in training judges and prosecutors, and Germany's efforts to build the Afghan National Police are a significant part of the overall fight to reduce the narcotics traffic.

41. In sum, the elements of a comprehensive policy appear to be recognized by the Afghan government and its international partners, but how such a policy is implemented is critical. It must be long-term, and based on developing the Afghan government's ability to manage the situation in a manner that prevents it from becoming another instance of foreign domination in Afghanistan's history. The test, of course, is the trend line of opium cultivation in the coming years. As noted, the trend is positive but sustaining it will require prolonged attention and a comprehensive strategy backed by commensurate funding.

42. Finally, it is worth briefly mentioning the demand side of the narcotics problem. Most of the heroin consumed in Europe comes from Afghanistan's poppy fields. As President Karzai has pointed out, it is demand for heroin in Europe that fuels poppy production and a significant drop in its consumption would make poppy a far less attractive crop for Afghan farmers. A serious programme to reduce opium poppy production in Afghanistan should include a renewed commitment to reduce heroin consumption across Europe. Beyond the obvious benefits to our societies, driving down the demand for heroin will drive down the incentive to produce opium poppies.

B. PROGRESS IN BUILDING THE AFGHAN STATE

43. Afghanistan is struggling to build a functioning state. There is no system of taxation in place yet beyond collecting customs duties. Half of the state budget is financed through international contributions. All areas of public administration are lacking in trained personnel and other resources. Government ministries have been created and ministers have been appointed, but the country lacks the necessary trained individuals to staff those ministries.

44. The corrosive effects of opium production are also felt throughout the governing structure. Numerous individuals from local police to ministry officials are suspected of being part of the problem rather than part of the solution. In addition to undermining the counter-narcotics programme of the central government, they instill a culture of bribery and criminality in the basic structure of the government.

45. There has been some progress in building the basic institutions for governance. The Afghan constitution drafted in 2003 sets forth the broad outlines of the emerging government of Afghanistan. Among its features is a strong presidency with the power to appoint one-third of the upper chamber of the legislature. There are checks on the power of the president; the parliament can impeach the president and the president is prohibited from disbanding the parliament.

46. The bicameral parliament is divided in a lower chamber (*Wolesi Jirga* - House of People) and an upper chamber (*Meshrano Jirga* - House of Elders). The lower chamber of 249 seats is to be elected by the people. The upper chamber is selected by provincial authorities, district councils and the president. Both chambers include provisions to ensure some participation by women representatives. Half of the president's appointees to the House of Elders are to be women and the constitution states that at least 2 representatives from each of Afghanistan's 34 provinces should be women.

47. The constitution also has provisions to protect women and minorities. It recognizes the equality of women as citizens of Afghanistan. The Uzbek and Turkmen languages are officially recognized and they may be used as the official language in those regions where those minority groups are concentrated.

48. The constitution also attempts to craft a balance between modern constitutionalism and Afghanistan's traditional culture. Political parties may be established as long as they do not contradict the "principles of Islam" and laws passed by the government are not to contradict the "beliefs and provisions" of Islam.

49. The most significant recent event in Afghanistan was the presidential election in October 2004. Despite predictions of a wave of violence from Taliban and other anti-democratic forces, there were remarkably few disruptions. Turnout was high and a considerable percentage of the female population took part in the voting. Some candidates challenged the validity of the election process because in some polling stations the election workers used the wrong ink to mark voters' thumbs to prevent fraud. The challenge was short-lived, however, and within a few days all of the candidates agreed that the process was fair if imperfect.

50. As expected, Hamid Karzai won a large percentage of the vote. 55% of the ballots cast were for Karzai putting him over the 50% threshold needed to avoid a run-off election. Karzai's nearest competitor, Yunus Qanooni, received 16% of the vote.

51. In short, the election process was successful. The large turnout and eager participation of the population demonstrated its legitimacy. The international observers certified its fairness. The lack of violence showed that anti-democratic forces are either cowed by the presence of international military forces, lack popular support, or both. Most significantly, the election confers

legitimacy on the president who up until now was operating as an appointed chief executive. Now Karzai has greater political freedom to enact changes because he is the popularly elected leader of the country.

52. The next challenge was to extend the democratic legitimacy of the government by holding elections for the lower house of parliament in September 2005. The months leading up to the September election featured a resurgence of violence and Taliban activity, mostly along the border with Pakistan and the traditional home of the Taliban in the Kandahar region. This violence should not be dismissed as the "last gasp" of the Taliban, but nor should it be seen as a sign of impending violence across the country or broad dissatisfaction with the political direction of the country. Rather, we should acknowledge that there is still an active Taliban presence, albeit one that cannot muster enough personnel or support to mount a threat to the government of Afghanistan.

53. In large part the increase in activity is due to a revised coalition strategy that is more distributed and proactive. Coalition forces operating in the region have turned increasingly to smaller, dismounted infantry operations that allow them to investigate the more remote parts of the country. This has led to more engagements with Taliban remnants who sought shelter in some of the more inaccessible valleys and mountain regions.

54. Five members of the NATO Parliamentary Assembly travelled to Afghanistan to participate in the international election observation mission for the September parliamentary election. In general the delegation found that the election process was well managed. Afghan election officials were well prepared and knowledgeable of the rules of the election process. No serious irregularities were witnessed by any member of the delegation. Some problems that occurred in last year's Presidential election did not mar this election at the polling sites visited by the delegation.

55. Most importantly, the members of the delegation were impressed by the participation of Afghans of all ethnicities and ages. Women also participated in force both as voters and election officials, albeit at what appeared to be a lower rate than men. Turnout also appeared to be lower than for the Presidential election held last year. This may have been caused in part by the complexity of the ballot, which ran to seven pages in the Kabul area.

56. The delegation spoke informally with several members of the international community who were critical of the election. Although the process worked well, they were concerned about what sort of parliament was to be elected and what its role would be in the political system. Some also voiced concerns about the lack of political parties, which may lead to many members of parliament being selected by the electorate on the basis of ethnicity rather than ideology or political programme. Others would have preferred to see a proportional representation system as opposed to the single non-transferable vote system that was used to elect the parliament.

57. But many other observers were more optimistic and noted that regardless of the flaws, it is better to have a system that pulls former combatants into the political process than to have them outside it and potentially destabilizing the country. In addition, the parliamentary elections had already been postponed once leaving President Karzai as the only elected official in the country for more than one year. Another postponement might have discouraged the many Afghans who expressed a desire to serve as members of parliament or of the provincial councils.

58. Only time will tell if the elections will provide Afghanistan with a representative government and lasting democratic institutions. The elections are only a first step and that much must be done to build sustainable democratic institutions in Afghanistan. This will require a long term commitment on the part of NATO, the individual allies and other international organizations. The delegation was also made aware of the need to build sustainable institutions that can be supported at least in large part within the Afghan government's financial means. This election cost the

international community $150 million, approximately half of the government's current annual income. Cleary a less expensive means of conducting elections must be found if the country is to hold them again without the complete financial support of the international community.

C. REGIONAL WARLORDS

59. During decades of civil war, most power in Afghanistan devolved to regional leaders who controlled their own militias, dispensed with justice as they saw fit and generally ruled over considerable portions of the country. With the fall of the Taliban government and the creation of an internationally recognized and now democratically elected government in Kabul, much of the focus of the nation-building effort is on reducing the power of the regional warlords and increasing the power of the central government

60. In the 2004 report the committee found that the regional warlords were a significant problem. The main challenge is to build an Afghan state, but this is not possible as long as independent warlords can maintain the fiefdoms in parts of the country, extracting resources and collecting customs duties as if they were sovereign rulers. President Karzai called the militias the greatest threat to the country's security and warned that, "without disarmament the Afghan state will have really serious difficulties." Although the central government is slowly extending its control, these regional warlords are often extremely powerful in their areas and have little incentive to cede power to the central authority.

61. There are some signs that President Karzai is increasingly able to curb the power of the regional warlords with a combination of co-optation and confrontation. Many of the warlords who commanded militias are now working within the government of Afghanistan. Ismail Khan was removed from his position as governor of Herat but was pulled into the government as Minister of Water and Energy and has allowed his militia to be disarmed. In the north, Uzbek militia leader Abdul Rachid Dostom maintains a strong regional power base, although he has demobilized his forces. In return, President Karzai named Dostom as his chief military adviser. Other militias belonging to the Northern Alliance began demobilizing in January 2005. The United States and the Afghan government had been reluctant to press too hard on the Northern Alliance militias given their role in defeating the Taliban and their resulting special status in Afghan society. However, a combination of incentives and a general sense that there is more to be gained from being part of the central government than remaining outside of it appears to be working.

62. The Disarmament, Demobilization and Reintegration programme also appears to have succeeded. The NATO Senior Civilian Representative told the NATO Parliamentary Assembly delegation that visited Kabul in September that all known heavy weapons are now under central government control and that militia members have been disarmed. The UN disarmament programme officially ended in June 2005 with the successful demobilization of more than 63,000 militia members and the cantonment of 10,880 heavy weapons. Most of those former militia members are entering the UN-established Afghanistan's New Beginnings Programme for retraining and some are opting to be trained for positions in the army or the police force. Most, however, are choosing to be trained for civilian occupations. It is of interest that the vast majority of those demobilized did not chose to join the military and instead opted for retraining in agriculture, business, or other vocations. According to the UN only 5% chose to join the army or the police.

63. In short, militias have disbanded and heavy weapons are under the control of the central government. The trends are positive, but sustained support for the current policies of disarmament, demobilization and reintegration is needed to endure the future stability of Afghanistan.

64. Although the larger militias have disbanded, smaller units of 20-200 armed individuals are rife across the country. NATO and Afghan government officials estimate that there are many such groups with a total of as many as 20,000 members. These illegally armed groups are a threat to the ongoing progress in Afghanistan because they are often involved in the narcotics traffic.

65. This is a complex task. Some of those groups are simply bandits or criminal gangs and can be addressed as such, but many are composed of individuals who spent much of their adult life fighting against the Soviet occupation. They may be willing to give up their weapons and rejoin civil society, but they need incentives and retraining so that they can become productive members of post-conflict Afghanistan. A successful policy will likely involve military confrontation with the particularly dangerous illegally armed groups combined with retraining and incentive programmes to convince others to give up their weapons and reintegrate into society. The issue is now being addressed through the existing 5-part security sector reform project. The current structure features Counter-narcotics (UK) Judicial Reform (Italy) Disarmament, Demobilization and Reintegration (Japan), Development of the Afghan National Army (US), and development of the Afghan National Police (Germany). It should be noted, however, that the simple fact that small illegally armed groups have risen to prominence on the security agenda is a sign of progress. It is only because heavy weapons have been secured and militias have been disbanded that the threat posed by small groups of bandits has emerged as a serious security issue.

D. THE AFGHAN NATIONAL ARMY AND THE AFGHAN NATIONAL POLICE

66. Progress continues in building the Afghan National Army (ANA), which now stands at 25,000. An additional 5000 are currently in training. The ANA is on track to meet its target strength by September 2007, three years ahead of schedule. Desertion rates, which were a significant problem a year ago, have declined to manageable levels. The ANA is now the dominant non-NATO military force in the country in terms of training, size, and equipment. This is a notable difference from two years ago when the ANA was struggling to be a serious military presence in a country dominated by armed militias. Germany has the lead role in building the police force.

67. The ANA saw its first military action at the end of 2002 when it was deployed alongside coalition forces and it is now conducting more independent operations in southern Afghanistan against Taliban remnants. It is also playing an important role in supporting the regional governors by dismantling illegal roadblocks set up by local factions and confiscating weapons caches. By all accounts the ANA is performing well and is generally welcomed by the local population. There are now several permanent ANA units based around the country including Mazar e-Sharif in the north, Kandahar in the south, Gardez in the east and Herat in the west.

68. The ANA also appears to be coping with the challenge of integrating different ethnicities into a national army. The former Minister of Defence, General Mohammad Fahim, was originally perceived as recruiting too many Tajiks for the army, which caused many Pashtuns to refuse positions in the army or to leave them after short periods of time. Attempts to create an ethnically balanced army were also thwarted by the refusal of regional commanders Abdoul Rachid Dostom and Ismail Khan to contribute recruits. This situation has been improved by the appointment of more Pashtuns to positions in the Ministry of Defence and Mr Khan's removal, which was part of Mr Karzai's overall effort to rein in Afghanistan's warlords. The ANA is also purposely creating mixed units of Pashtuns, Uzbeks, Tajiks, and other groups to ensure that no individual battalion can been seen as solely representative of one ethnic or tribal group.

69. Improved pay for soldiers is helping to build the military. Monthly pay has been increased to $70 from the original $30. This has contributed to a steady decrease in desertion rates, from a high point of 10% in the summer of 2003 to less than 2% in May 2004. Those working to train the

army also report an emerging *esprit de corps.* Soldiers' morale is "very high, with all displaying a positive attitude towards their work and mission," said Office of Military Co-operation - Afghanistan Deputy Director of Defence Operations Sector, British Lt. Col. Andy Fenton.

70. The long-term plan for the construction of the ANA includes the rebuilding of regional command centres, logistics and intelligence units over the next two years. The military infrastructure - much as the rest of the infrastructure in Afghanistan - is in serious disrepair and will require a considerable investment before the ANA can function without the assistance of ISAF or coalition forces.

71. The national police force is also rapidly expanding according to the Minister of the Interior. Some 38,000 police are now operating across Afghanistan and the force will number 50,000 by the end of 2005. In addition, the border police will be well on the way to their desired end strength of 12,000 by the end of the year. Corruption in the police force remains a serious concern, but the Ministry of the Interior recently increased pay in the force to most officers to $70 per month, a considerable salary in a country where the estimated per capita GDP is at most a few hundred dollars per year.

V. NATO IN IRAQ

72. Another important mission for the Alliance is helping Iraq develop its security forces in a manner consistent with democratic governance and civilian control of the military. Regardless of the divisions in the Alliance over the intervention in Iraq, all of the Allies recognize that it is now in their collective and individual interests to ensure that Iraq is increasingly stable and able to provide for its own security.

73. This is critical to the reconstruction of Iraq. An ongoing feature of post-Saddam Iraq is the violence perpetrated mostly by the Sunni Arab minority against the Shia majority. The attacks are increasing less on coalition troops and more on civilians and the civilian infrastructure. Until this violence is contained, it will be very difficult to restore the country to any sort of normal economic and political life. Constant power interruptions, dangerous roads, and general lack of security hinder economic development and employment. The first step in ensuring a democratic and self-sufficient Iraq is building the sort of native security forces that can control the violence, but doing so in a way that does not return to the authoritarian methods of the past.

74. This is a major challenge in a country ruled by a brutal dictatorship that used the military as a primary means of repression. In the 1980s the army was used in the systematic slaughter of at least 50,000 Kurdish men women and children. In the early 1990s, the army conducted operations against the Arabs in the southern marshes of Iraq, killing or forcibly moving more than 200,000 individuals. The Iraqi people are unfortunately accustomed to security forces and a military run by the Sunni minority that were often used to violently repress the Kurdish minority, the Shia majority and any dissent across the ethnic or religious groups. Breaking from that past and building security forces and a military that have the confidence of the population is a long-term and difficult task.

75. At the Istanbul summit in June 2004, all NATO members agreed to support the interim government of Iraq in the training of its security forces. The North Atlantic Council (NAC) then considered how to best implement this decision, and on 30 July agreed to establish a Training Implementation Mission to conduct training both inside Iraq and at other locations in the region or in Europe. The first troops for this mission were deployed in August under the leadership of Major General Carel Hilderink of the Netherlands who was designated as deputy commander. Overall command of the mission is under US Army Lt. General David Petraeus who is commander of both the training mission and the Multi-National Security Transition Command in Iraq.

76. In September 2004 the NAC agreed to expand the mission in Iraq to include a training, education and doctrine center in Iraq. In December NATO Foreign Ministers met and authorized SACEUR to begin the next stage of the mission expanding the size of the NATO presence from approximately 50 to 300. The name of the mission also changed to become the NATO Training Mission – Iraq. In February 2005 Major General Agner Rokos of Denmark took over as deputy commander. Seven hundred officers will be trained by the end of 2005 and that number is expected to increase to 900 in 2006.

77. On 22 February at a meeting of the heads and state and government of all 26 allies at NATO Headquarters, the allies agreed that all of the allies would contribute to the mission in Iraq. They were united in support of the newly elected government, and consistent with UNSC Resolution 1546, all 26 allies are now contributing to the NATO mission to assist in training Iraqi security forces.

78. The new NATO Training Education and Doctrine Centre opened at Al Rustamiyah in September 2005. The opening of the centre marks a significant increase in NATO's commitment to Iraq, featuring both junior and senior officer courses. Other NATO training facilities and programmes are planned including the Baghdad College for National Defence Studies and the Basic Officer Training Course.

79. Some Iraqi personnel are being trained outside of Iraq. Selected Iraqi security personnel are being instructed at the NATO Joint Warfare Center in Stavanger, Norway and the NATO School on Obergammergau, Germany. In addition, Germany is training Iraqi personnel in the United Arab Emirates. France is engaged in a bilateral training mission and is slated to begin training Iraqi police in Qatar in the near future. Spain announced that it is willing to train Iraqi soldiers in demining operations at a base near Madrid.

80. NATO is also co-ordinating the equipment and technical assistance to the Iraqi authorities through a NATO Training and Equipment Co-ordination Group established at NATO Headquarters in October 2004. The group helps to ensure that bilateral aid offered by the allies is complementary and meets the needs of the Iraqi forces. Several NATO allies have donated considerable amounts of military equipment including Denmark and Romania. NATO members have contributed nearly 30,000 weapons and millions of rounds of ammunition. A delivery of 77 Hungarian tanks is pending. Greece, Norway, and Luxembourg have contributed financial assistance.

81. The participation of the allies varies widely and some see this show of unity as simply a token gesture to repair the transatlantic link. As of September, thirteen allies actually had personnel in Iraq working on the training mission. The United States is supplying approximately one third of the trainers. France, Belgium and Germany have all stated that their personnel will not serve with the mission inside of Iraq. France agreed to allow only one of its officers at NATO headquarters to be involved in planning for the mission.

82. So-called "national caveats" – restrictions placed on forces and personnel assigned to NATO missions – are causing difficulties for the Iraq training mission. This is not a new issue – such caveats caused operation difficulties in Kosovo – but the problem has resurfaced in a potentially more damaging fashion over NATO's activities in Iraq. Although the Alliance agreed to the training mission in Iraq, certain nations are preventing their personnel assigned to NATO multinational staffs from participating in this mission. When the Committee met in Washington in January, US Defence Department officials pointed out that this not only affects the mission in Iraq but, more important for the long-term, runs counter to the spirit of multi-nationality that underpins NATO's military structure and to the principle of consensus itself.

83. So far the training mission in Iraq has received relatively minimal tangible support from many of the Allies. This may be a residual effect over the disagreement within the Alliance over the military intervention in Iraq in 2003. It may also reflect the stretched nature of many allied militaries to meet commitments in Afghanistan and other deployments. Either way, we should work to overcome the obstacles to participation in the training mission because its success or failure will significantly influence events in Iraq and the region.

84. The January election demonstrated that the insurgency has limited popular support. More than 8 million Iraqis voted in an act of defiance against the insurgents, who did everything possible to discourage participation in the electoral process. The insurgents' attacks are now often aimed at civilian targets, particularly Shia mosques and population centres. As of the time of this report, the Shia majority who have been suffering the bulk of those attacks has resisted engaging in revenge attacks on the Sunni. There is no guarantee, however, that this tolerance will last indefinitely. If the insurgents are able to provoke the Shia majority into a violent reaction, the result could be a civil war that would split the country.

85. Obviously, the best way to avoid this scenario is to end the insurgency. This is mainly a political process, but there is a strong military role to be played by the emerging Iraqi security forces. To be successful, those forces will have to be multi-ethnic, well disciplined and trained, and respectful of human and civil rights. Such forces will not simply spring forth from Iraqi society after the decades of brutality inflicted on the Iraqi population by the previous regime. They must be created and nurtured by professional Western militaries that embody the values of the democratic societies that they serve. It is more than a matter of tactical training and ensuring competency with weapons and other systems. Some involved in the NATO training mission note the debilitating effects of three decades of totalitarian rule on the military. Personal initiative was systematically rooted out as it could only have dangerous consequences for any individual. The resulting passivity is debilitating to society in general, but it poses particular challenges for those attempting to build a modern officer corps in Iraq. We will need to ensure that the new Iraqi security forces maintain close contacts with Western militaries so that they absorb the culture and values of professional militaries subservient to democratically elected leaders. This is a long-term process, but it is vitally important to building an Iraqi military that can halt the insurgency without triggering a cycle of violence that will divide the country.

VI. FUTURE OPERATIONS?

86. Most allied militaries appear to be stretched to meet current commitments, so it is difficult to consider additional operations. However, it is worthwhile thinking in advance about potential scenarios that could lead to the involvement of NATO member forces in the context of the lessons we have learned from current operations. Your Rapporteur emphasizes that the following is merely hypothetical.

87. Some analysts have raised the possibility of NATO becoming involved in the settlement of the Arab-Israeli dispute and assisting in the enforcement of a peace agreement if and when one is reached. Any settlement would involve the creation of new international borders between a new Palestinian state and Israel. As an organization, NATO would likely win the confidence of both parties, more so than an EU force or a UN force. NATO forces could also work closely with the Palestinian security forces, helping them create a military that can contribute to regional stability as well as defence of the national territory. As is the case in Iraq, such training would have to go deeper than simply technical co-operation, to include long-term contacts between the emerging Palestinian military and western militaries to help develop forces appropriate for an emerging democracy.

88. NATO might also become involved in other stabilization and reconstruction operations in the future. At the present time this seems unlikely, but few would have predicted in 2001 that NATO would be heavily involved in the stabilization and reconstruction of Afghanistan by 2003. Even if it is difficult to predict where and how NATO might become involved in such an operation, it is worth reflecting on some of the lessons of the current operation in Afghanistan that can be generalized to other potential situations.

- A commitment to stabilization is likely to be long-term. Regardless of the region or the circumstances, the duration of any such operations will be measured in years, not months. This is a factor of the mission being performed. There is no single enemy to defeat and then declare an end to the mission. Instead, stabilization and reconstruction missions are aimed at tasks that are by definition long-term and somewhat open-ended as they gradually transition from more military tasks to more police-oriented and civil affairs tasks. This can be seen in the mission in Bosnia where NATO maintained a substantial presence for a decade before turning over the operation to the European Union. Even now, however, the military presence is still needed to ensure stability and the normalization of Bosnia. Afghanistan is also likely to be a long-term mission. It is important that we recognize the likely long duration of future missions, as this will affect many aspects of mission planning and force generation. It is also important that we communicate this to the general public – they should not expect fast missions and deployments that bring the troops home, as is often promised, in time for Christmas.

- The same forces may have to cover the full range of military operations. It is likely to be increasingly difficult to maintain the firm distinctions between combat and support forces. What we have seen in recent operations in Afghanistan is that the same troops often have to perform a variety of missions nearly simultaneously. They might support local authorities on a raid against suspected terrorists, perform street patrols, and help dig a well in a short span of time in the same location. Our forces will have to be better trained to cope with these varied tasks and deployed in combinations that allow for maximal flexibility.

- Future operations will likely involve close co-operation with other international actors. This is nothing new for NATO which has worked closely with the UN and the European Union in other operations. But it should be emphasised that this is likely to be a hallmark of future operations. This may also include working with non-governmental organizations (NGOs) such as humanitarian relief groups or other providers of aid. Co-operation with the European Union may become particularly important. Future operations are likely to involve many of the functions that the European Union is trying to build into its crisis response capability in a concept that combines civil and military response forces. The planned EU gendarmerie force and the deployment of legal and judicial advisors to Georgia are two examples of this. They are capabilities that NATO does not have, but they are likely to be important parts of stabilization and reconstruction missions.

- Common funding of operations will need to be seriously considered. The principle that only countries participating in an operation pay for the costs is not a viable model for the future. The NRF will feature elements from various allies on a rotating basis, but the decision to use the NRF will be taken by all 26 allies. This would mean that the whole alliance would take decisions to act in the interest of all of the members, yet only those currently supplying forces to the NRF would pay. Enhanced common funding of operations could help eliminate this problem and encourage greater participation in the NRF. The following section of this report offers some thoughts on how this might be pursued.

VII. COMMON FUNDING FOR CRISIS RESPONSE OPERATIONS

89. NATO relies on the national military capabilities of its members, but some common costs are spread out across the members. Those include the cost of maintaining the international staff at NATO HQ, joint military headquarters, pipelines and other infrastructure, and the commonly owned and operated Airborne Early Warning and Control System (AWACS). Costs for those common items are paid by each member according to a mutually agreed upon formula. In general, the larger and more wealthy members pay a larger share of the costs than the smaller and less wealthy members. The majority of funding is provided by three allies. Germany, the United Kingdom and the United States provide approximately 60% of the funding for common expenses with the United States accounting for the single largest percentage of any member.

90. NATO has long since maintained common funding arrangements for a range of expenses. The relevant question for this committee is, should the Alliance consider adjusting the common funding of operations to cover the additional expenses incurred by participants in crisis response operations?

91. Although the basic principle of funding operations throughout the history of the Alliance has been that members participating in an operation pay the costs of transporting and maintaining their forces for the duration of their participation, NATO common funds have been used to pay for some common expenses such as deployed headquarters. But the NRF illustrates that it is worth considering adjusting the line between what is purely a national expense and what is eligible for common funding. A better system would be to establish some form of increased eligibility for common funding so that the costs are spread across the full 26 members of the alliance, not just those supplying forces to the operation in question. Although the NRF is a good illustration of the problems inherent in current funding mechanisms, the same logic applies to other types of NATO crisis response forces such as the Deployable Joint Task Force or other on-call forces.

92. This raises several obvious questions: how much should be budgeted for crisis response operations, what costs should be eligible for common funding, and how could those costs be apportioned across the Alliance? The current common budgets are relative small compared to the total defence spending of the members. At less than 1.5 billion dollars combined, they represent a fraction of a percentage point of combined defence spending. But increasing the eligibility for the use of common funds for operations could add considerably to this amount. In addition, the current common budgets are for relatively fixed expenditures such as the costs of the international staff at NATO HQ. Operations costs, however, can vary widely because in some years there may be intense activity and other years could be relatively calm. Deployment costs can be estimated, but different missions could involve different expenditures. For example, a peacekeeping mission may involve very few munitions while a peace enforcement mission could involve the use of a significant number of precision-guided munitions.

93. Clearly common funding for crisis response operations could vary widely depending on the interpretation of what expenses it should cover. The following estimate is based on the idea that the common budget should be used to offset the additional expense to members who deploy their troops as part of the NATO mission. An obvious candidate for common funding would be the transportation costs incurred as part of a crisis response operation.

94. One model could be the cost of the US mission in Afghanistan (*Enduring Freedom*). It is a good model for at least two reasons. First, the mission involves approximately 20,000 personnel in theatre, roughly the same size that the NRF is expected to be when it reaches its full strength. Second, it is a difficult and distant location that probably sets an upper limit for cost estimates of the deployment of the NRF.

95. The cost of *Enduring Freedom* was estimated by the US Congressional Budget Office to be approximately $4.5 billion per year and that figure is broken down into several categories. The United States spends $0.9 billion on transportation for *Enduring Freedom*. Including the costs of

operations and maintenance, fuel, spare parts, ammunition, and the costs associated with command, control and communications, the United States spends approximately an additional $2.6 billion per year. The remainder of the total cost of *Enduring Freedom* is personnel expenses.

96. Assuming that common funding would be used to cover the transportation costs of members deploying as part of a crisis response operation, the total amount needed could be in the range of $0.9 billion. It should be noted, however, that this is a high-end estimate. It assumes that the entire NRF would be deployed for a year in an operation as distant and difficult as the US mission in Afghanistan. But it could likely be far less costly depending on a variety of factors. A peacekeeping mission in a less difficult and distant location could be far less costly, as could a mission that does not require the deployment of the entire NRF.

97. Your Rapporteur encourages the members of the committee to consider how funding could be secured. One option would be to create a new common budget into which members would pay on an annual basis. Unspent funds in any one-year could be reserved for future years. This would have the effect, however, of building up a considerable account in a few years time if unused. Therefore, a better option might be to increase the existing common military budget by some percentage of the estimated transportation costs on the assumption that it would not be used continuously every year. A third option might be to request that each member reserve a set amount in the national defence budget each year that could be called upon as needed.

98. Assuming that the costs were distributed in roughly the same percentages as the current common budgets, the costs to each member could be as shown in the table below. The high-end option indicates the cost to each member assuming that the Allies want to immediately add $0.9 billion to the existing common budgets. The low-end option assumes that the Allies choose to build up this amount over a four-year span.

99. Your Rapporteur does not suggest that these estimates should be viewed as more than simply indicative of the range of costs we might expect to see. But he hopes that it will serve as a useful point of departure for a serious discussion of the issue and add some substance to what is otherwise an academic exercise.

100. Despite the benefits of such a funding arrangement, some might argue that this represents an additional and unwarranted cost imposed on each member of the Alliance. In fact, it is not so much an additional cost as it is a spreading of the costs of NATO operations across time and members in a predictable way that facilitates national budgeting. Most members of the Alliance will participate in the NRF at some point. There is an equal chance that the NRF will be deployed during any time period. Under the current funding arrangement, if it is deployed when a member is in the NRF rotation, that member would pay the full costs of deployment. This could be a significant one-time expenditure that would be difficult to budget for in advance. But if the additional costs are at least in part commonly funded, each member insures itself against such budgetary shocks. Instead of paying for an operation all at once, the member pays a much smaller amount each year. Perhaps the most useful analogy is to view such a funding mechanism as a form of self-insurance that minimizes long-term cost risk.

Table: Potential cost of expanded common funding of NATO crisis response operations to include transportation costs (in millions of US dollars)

Country	Estimated Average Percentage of Common Budgets	High End Option (Build up contingency fund in 1 year)	Low End option (Build up contingency fund over 4 years)
Belgium	**3,5**	**31,5**	**7,9**
Bulgaria	**0,2**	**1,8**	**0,5**
Canada	**4,6**	**41,4**	**10,4**

Czech Republic	**1,0**	**9,0**	**2,3**
Denmark	**2,5**	**22,5**	**5,6**
Estonia	**0,2**	**1,8**	**0,5**
France	**8,0**	**72,0**	**18,0**
Germany	**18,5**	**166,5**	**41,6**
Greece	**0,7**	**6,3**	**1,6**
Hungary	**0,7**	**6,3**	**1,6**
Iceland	**0,0**	**0,0**	**0,0**
Italy	**7,4**	**66,6**	**16,7**
Latvia	**0,2**	**1,8**	**0,5**
Lithuania	**0,2**	**1,8**	**0,5**
Luxembourg	**0,1**	**0,9**	**0,2**
Netherlands	**3,7**	**33,3**	**8,3**
Norway	**2,0**	**18,0**	**4,5**
Poland	**2,7**	**24,3**	**6,1**
Portugal	**0,5**	**4,5**	**1,1**
Romania	**0,2**	**1,8**	**0,5**
Slovakia	**3,7**	**33,3**	**8,3**
Slovenia	**0,2**	**1,8**	**0,5**
Spain	**0,2**	**1,8**	**0,5**
Turkey	**1,4**	**12,6**	**3,2**
United Kingdom	**13,8**	**124,2**	**31,1**
United States	**23,8**	**214,2**	**53,6**