NATO RESOURCE CONFERENCE
Prague, 4-5 November 2010

NATO AGENCIES REFORM

ACQUISITION PROCESS REFORM

Richard Williams
Deputy Director, Armaments Directorate
14 NATO Agencies Today

Central Europe Pipeline Management Agency (CEPMA)
NATO Air Command and Control System Management Agency (NACMA)
NATO Airborne Early Warning and Control Programme Agency (NAPMA)
NATO Alliance Ground Surveillance Management Agency (NAGSMA)
NATO Battlefield Information, Collection and Exploitation System Agency (BICES)
NATO Communication and Information System Services Agency (NCSA)
NATO Medium Extended Air Defence System Agency (NAMEADSMMA)
NATO Eurofighter and Tornado Management Agency (NETMA)
NATO Consultation, Command and Control Agency (NC3A)
NATO Helicopter Management Agency (NAHEMA)
NATO Maintenance and Supply Agency (NAMSA)
NATO Airlift Management Agency (NAMA)
NATO Standardization Agency (NSA)
Research & Technology Agency (RTA)

Plus: NATO Undersea Research Centre (NURC)
Goals of Agencies Reform

- Maximum Effectiveness and Efficiency
- Maximum Sharing of Support Services
- Improved Governance – Enhanced Transparency and Accountability
- Greater Synergy and Eliminate Duplication
- Savings
Key Elements of Reform

- Consolidation of functions and programmes of existing agencies into three agencies dealing respectively with procurement, support, and communications and information.
- Consolidation and rationalization of services to the greatest extent feasible.
- Creation of a governance structure that places the Council in control of Agencies while also ensuring the direction of multinational programmes by the participating nations.

Way ahead

- Defence Ministers agreed reform in principle on 14 October.
- Council prepares a more detailed reform proposal for new Agencies Structure and its governance for final approval at Lisbon Summit.
- Rapid implementation of new structure by end of 2011.
Step 1

**Procurement Agency**

- Major Platform Acquisition
  (i.e. Alliance Ground Surveillance, Medium Extended Air Defence, Eurofighter, NATO Helicopter for the 1990s)

**In Service Support, Maintenance and Logistics** for, but not limited to:
- Airborne Warning and Control Systems
- Airlift Capabilities
- Weapon Systems
- Unmanned Aircraft
- Land Vehicles

**Support Agency**

- Operational Logistics
  - Real Life Support
  - Deployable Capability Packages
  - Operational Logistic Planning
  - Port Services
  - Strategic Airlift Services

- Services
  - Defence Fuel and Pipelines
  - Random Brokerage
  - Ammunition
  - Partnership for Peace Trust Funds Projects
  - Logistics Stock Exchange
  - Distribution and Storage

**Communication and Information Agency**

- Joint, Land, Air and Naval Command and Control Systems
- Tactical and Strategic Communications
- Missile Defence Command and Control Systems
- Messaging Systems
- Exercise and Experimentation
- Air Defence Ground Radar
- Common Communications Support
- Operational Capability Packages and Projects
- Cyber Defence Systems

**Shared Services**
Step 2

Procurement and Support Agency

- Major Platform Acquisition
  (i.e. Alliance Ground Surveillance, Medium Extended Air Defence, Eurofighter, NATO Helicopter for the 1990s)

  **In Service Support, Maintenance and Logistics** for, but not limited to:
  - Airborne Warning and Control Systems
  - Airlift Capabilities
  - Weapon Systems
  - Unmanned Aircraft
  - Land Vehicles

- Operational Logistics
  - Real Life Support
  - Deployable Capability Packages
  - Operational Logistic Planning
  - Port Services
  - Strategic Airlift Services

- Services
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Communication and Information Agency

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Shared Services
Agencies Reform
Topics for Discussion

- What works well in the current Agencies and what would you change?
- From a resource policy/planning perspective how to best organise the Governance Structure?
- How to ensure strengths of multinational programmes are preserved?
- Shared Services – how to make it work?
ACQUISITION PROCESS REFORM

- NATO requires a clearly defined policy and process framework to govern the acquisition of common-funded capabilities across the life-cycle.

- Framework should provide governance for the consistent and timely delivery of appropriate NATO common-funded capabilities to match short, mid and long-term requirements, and should:
  - Assign ‘ownership’ for all parts of process
  - Support balancing of risk
  - Be coherent with NDPP and Reform Initiatives
Capability Framework for Common-Funded Acquisition

NDPP STEPS 1 - 3

FACILITATE IMPLEMENTATION

NDPP STEP 4

NDPP STEP 5

CAPABILITY PACKAGES AND PROJECTS

REQUIREMENT

APPROVE

IMPLEMENT

OPERATE

DISPOSE

CRISIS RESPONSE OPERATIONS URGENT REQUIREMENTS

ALLIANCE OPERATIONS AND MISSIONS
Challenge: establish life cycle governance

Benchmarking:
- U.K.: Acquisition Operating Framework (Senior Responsible Owner)
- France: Architecte de Systèmes de Forces/Officier de Cohérence Opérationnelle

Proposed approach:
- Embed Capability Life-Cycle in NDPP
- Process coordination: Capability Coordinator
- Clarity of purpose of all stages; input-output alignment; staffs coordinate/nations decide
Process alignment/improvement

Challenge: improve process stages within framework

Benchmarking:
- Capability Framework: Key Performance Indicators
- Ongoing reform initiatives

Proposals:
- Strengthen requirement definition
- Enhance programmatic approach
- Strengthen implementation monitoring/reporting
- Strengthen operation feedback loop
OSA

SC

IC, BC &
HN

MC/RPPB

REQUIRE-
MENT

APPROVE

IMPLEMENT

OPERATE

DISPOSE

CAPABILITY WORKING GROUPS

CAPABILITY COORDINATORS

TAILORED TORs AGREED

COUNCIL COMMITTEES

NAC

STAKEHOLDERS

CAPABILITY LIFE-CYCLE
Topics for Discussion

- How to ensure a full-life cycle approach for NATO common-funded acquisition?
- What are the main areas for improvement from requirement definition to implementation?
- What can we learn from national experience?
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Discussion