SACT REMARKS to

NATO INDUSTRY FORUM

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INTRODUCTION

Général d'armée aérienne Denis MERCIER

Minister of Defence Josè Pedro AGUIAR-BRANCO,

Deputy Secretary General,

Ambassadors

Generals, Admirals,

Ladies and Gentlemen

Distinguished guests,

Minister of Defence Josè Pedro AGUIAR-BRANCO, I would like to thank you once again for your kind words and the enduring support provided by the Portuguese authorities and their staff to help Patrick Auroy and myself in organizing the NATO Industry Forum in such exceptional conditions.

I also want to pay tribute to our Deputy Secretary General who has stressed the NATO Industry Forum's <u>relevance</u> in finding innovative solutions to NATO's security challenges.

So, I'm greatly honoured to have the opportunity to add a military and transformational perspective to our candid discussions today.

As a golden thread to my short statement, I would like to use Albert Einstein's famous words: "*If I had one hour to solve a problem, I would spend 55 minutes thinking about the problem and 5 minutes thinking about solutions*". <u>Note</u>: solution**s**, not solution.

I believe his words reflect our current challenge in terms of defining the right tempo, the right timing to provide NATO with the most effective and efficient solutions to maintain its <u>relevance</u>;

A <u>relevance</u> based on credible conventional and nuclear forces as well as our technological edge in a rapidly evolving security environment.

In other words, if we would extend Einstein's 55 minutes to the next 20 years, it is our <u>role</u> to find the best way to continuously provide a strategic foresight, while selecting the tools to deliver the most appropriate capabilities, when the Alliance needs them. – "when" meaning now or in the future-.

So, it is my belief that this forum fits perfectly in this <u>role</u> of taking the time to discuss the future security environment and ways to build or better deliver the solutions.

Therefore, as a start, I would like to share with you ACT's current vision of the future security environment and then sketch the outline of what we foresee as NATO's future capacity – I mean the capacity for NATO to fulfil its three core tasks.

This capacity, built on a system approach, is the foundation of our Allia<u>nce's</u> posture. And the credibility of this posture relies in fact on three main criteria:

- A strong political will bolstered by a robust strategic communication

- the readiness and interoperability of NATO's forces, which are today mainly demonstrated during exercise Trident Juncture 15.

- a strong Industry which helps forces to confront surprises and new challenges. Industry is more than an enabler : it is an important factor to NATO's credibility.

Therefore, NATO's capacity will not be developed and built in <u>isolation</u> by those wearing uniforms, but together, through a sustained exchange and collaboration with Industry. That is why, we must enhance our reciprocal relationships.

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Let's then begin with our vision. From a geostrategic perspective, NATO may face adversaries consisting of states as well as non-state actors, that will work independently or in concert to challenge the Alliance in ways that complicate consensus(-based) responses.

These adversaries will be versatile and innovative, triggering an increasing number of simultaneous crises, developing new types of threats, which at the end, will try to impose higher costs on our Nations' ability to constantly adapt and react.

In addition, the world is at the beginning of major technological breakthroughs against many of today's technical or physical barriers.

Many weapons or platforms will have extended ranges and higher velocity and many of our systems will have extended endurance. Our

traditional approaches to decision-making, deployment, resupply, and the operational depth of our forces will all have to be reassessed.

Advanced manufacturing, smart energy, big data, miniaturization, robotics, systems' autonomy and <u>hyper</u>velocity will soon provide new opportunities as well as challenges for our forces.

Indeed, most of these technologies will also be available to our adversaries and these major changes will take place at a very high pace.

The future security environment will require forces which are very resilient, networked and have a level of integration that generates military advantage.

The two Strategic Commands came to this conclusion in a publication called the Framework for Future Alliance Operations (FFAO), which I <u>encourage</u> you to read. It provides many ideas to prepare for the future.

FFAO is really designed to provide long-term perspectives for NATO's capacity, and Industry will have to play an active role all along the way.

<p style="text-align:center">*</p>

In my view, to build this model of forces, agile, aware, resilient, networked, NATO's Transformation should head towards a <u>whole</u> integrated system approach.

It should build on a core, <u>robust</u> Command and Control that enables all capabilities to be plugged in.

With this capacity, we would not change the nature of warfare, which will remain chaos as Napoleon used to describe it, but we will be able to manage chaos in more <u>creative, innovative and adaptive</u> ways than our adversaries.

In fact, NATO's capacity requires a high level of integration and interoperability which calls for an open architecture on the model of what has already been achieved for the Air Command Control System, and what has just started with NATO's Federated Mission Network.

FMN has been designed to <u>enable</u> Allies and Partners to create shared mission networks by the connection of their national operational assets. But this is only a first step.

Open architecture will offer the necessary flexibility to capitalize on the most appropriate solutions. It will offer Nations, or groups of Nations, the ability to provide their own expertise, even in niche sectors, provided that they can be connected.

With open architecture, we want all Allied nations to find a place and incentives to invest in.

As you can also see, to create such a system will require gathering all the skills of Industry, both in the defence and commercial sectors as this will have no real difference from what is currently called a cloud.

So, we will need to get the expertise, wherever it lies.

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This is why I believe in a two-way, comprehensive relationship with Industry, the whole Industry, on both sides of the Atlantic.

On one hand, to define each part of the capacity, Industry can provide a clear statement of the future foreseen "state of the art", in terms of technologies or processes, but also in terms of business models.

On the other hand, the Alliance can provide a better vision of the requirements, and more importantly, offer opportunities to Industry in order to experiment and assess new ideas, new concepts such as cloud or smart data at very early stages.

Through exercises on the model of what we are currently doing in Trident Juncture 15, Industry can have a direct dialogue with field operators. Exercises will allow us to test many different concepts and help in defining the most promising ways to be further explored.

This enhanced relationship is key to making sure we address the right problem and define the most efficient solutions in terms of time, cost and effective capabilities.

This is a constructive approach that we have to build.

Right after the NATO-Industry Forum in 2013, Patrick Auroy gathered all NATO stakeholders and invited Nations to work on the implementation of the Framework for NATO-Industry Engagement.

Part of the job was to identify our means to engage Industry. The good news is that we already have many tools in place in NATO. The challenge is now to leverage them up to their full potential.

Coming back to my introduction with Einstein's words, our dialogue must enable Allies to avoid specifying too early their requirements for capabilities, which over the long-term may appear <u>irrelevant</u> and extremely difficult to support in terms of maintenance, logistics and obsolescence.

So, I'm eager to get your insights, I'm expecting a lot of interactions and challenging questions for which we will build together the appropriate answers. Today, we work under Chatham House rules, so we can think out of the box, we must think out of the box!

For the time being, I am honoured and pleased to leave the floor to M. Mauro Moretti. I really thank you for providing us with your personal industry perspective on enhancing this two way relationship with NATO. Thank you.