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**Subject**

Choices for the Armed Forces

Dear Ministers,

Europe is facing a major geopolitical and military conflict. Russia's invasion of Ukraine is a gross violation of existing international agreements regarding Ukraine's territorial integrity. The war in Ukraine is putting the security of Europe as a whole – and thus of the Netherlands – under immense pressure. Not since the Cold War have the security needs of the European countries coincided so emphatically. To protect the freedom and security of European citizens, NATO needs to be strengthened, and this will require an increase in the European contribution to the collective defence.

Germany is acutely aware of this need. The German government has announced that it will be investing a one-time sum of €100 billion in defence, thus in one stroke placing the country's defence spending above the 2% of gross domestic product (GDP) that NATO is asking of all Allies. The Netherlands is also going to increase its investment. To achieve 2% of GDP, the government will need to increase the €3 billion pledged in the new coalition agreement (2021-2025) by a further €2 billion.

The Advisory Council on International Affairs (AIV) believes that the Netherlands should make an appropriate contribution to Europe's collective defence. That will only be possible if the government invests at least 2% of our GDP in defence. The next important question is how the Ministry of Defence should spend this money. In this advisory letter, the AIV sets out five urgent recommendations.

**1. Geopolitical necessity**

Europe has arrived at a turning point in history. The war in Ukraine is shaking up the international balance of political power in a way that was until recently regarded as unlikely. Carefully constructed international agreements and conventions have been severely damaged and the international legal order is being undermined by Russia's actions. The current international events are presenting multilateral organisations, such as the EU, NATO and the UN, with new and unexpected challenges.

NATO is the cornerstone of the Netherlands' security policy. In this highly precarious geopolitical security situation, the Alliance ensures the military protection of European and

Dutch territory. NATO guarantees military deterrence and collective defence. For this, NATO requires the Allies to have versatile and almost constantly deployable and combat-ready armed forces. As a result of ongoing cuts, however, this is barely the case for the Netherlands. Just like other European partners, the Netherlands relies heavily on the transatlantic relationship and on the nuclear and conventional power of the United States.

The events in Ukraine are now forcing European Allies to take drastic action. European security itself is at stake. The defence of Europe is about much more than protection against a military invasion; it is also about the defence of freedom and sovereignty. Hybrid threats are also presenting new challenges. Collective defence comprises more than purely military means, but a strengthened defence organisation is certainly an essential part of it.

## **2. A new focus on collective defence**

A reformulation of Dutch security policy is inescapable. The AIV believes that the current developments demand a renewed focus on the principle of collective defence. Now that the government has committed additional funding to defence, it needs to think about future-proofing the armed forces, focusing both on military threats and non-military challenges.

There is a growing overlap between military and civil challenges. Threats from the entire arc of instability around Europe (from the Caucasus via the Middle East to West Africa) also impact on the security of Dutch citizens. As well as the military threats, the Netherlands is increasingly affected by the spillover effects of instability such as terrorism, large-scale drug trafficking, people smuggling, migration and numerous hybrid threats including cyberattacks and subsea warfare attacks – kinetic and otherwise – on vital subsea infrastructure, such as telecommunications and high-voltage cables. Collective defence thus affects the resilience of society as a whole.

It is partly because of this that the armed forces' main constitutional tasks are becoming increasingly difficult to separate. Those tasks are set out in article 97 of the Constitution: 'There shall be armed forces for the defence and protection of the interests of the Kingdom, and in order to maintain and promote the international legal order.' Three main tasks are defined in the Explanatory Memorandum: (1) protection of collective and national territory; (2) promotion of the international legal order; and (3) assistance for civil authorities in the event of disasters and crises.

The AIV advises the government to organise the armed forces more specifically from the perspective of allied collective defence. The other two main tasks should be more closely linked to the first one.

## **3. NATO and the EU are leading**

The AIV argues that the international security dimension should be the guiding principle for the structure of the armed forces, not only in terms of budget but also in terms of organisation and prioritisation. No European nation can conduct military operations on its own any more. That applies to defence tasks and to crisis management operations in equal measure. When it comes to hybrid threats and the upsurge of information warfare, too, it is not enough for European countries to operate independently.

The AIV emphasises the importance of the Netherlands' active involvement on three fronts: NATO, the EU and the UN. The UN is important for the Netherlands in respect of peace operations, for which an adequate budget, including for missions, is vital. Where security and defence policy is concerned, NATO and the EU are leading. The Strategic Concept

(NATO) as well as the Strategic Compass (EU) should be the guiding principles for the Netherlands in this respect.

Dutch defence spending is linked to the agreed NATO targets. At the Wales Summit (2014), it was agreed that all NATO countries would spend 2% of their GDP on defence by 2024. Member countries have to meet specific readiness requirements within, for example, the Readiness Action Plan and the NATO Readiness Initiative. A further tightening of these requirements was discussed at the last NATO meeting of defence ministers. The Netherlands should be able to provide rapidly deployable capabilities and personnel at extremely short notice, but the Dutch armed forces are not in a position to do so. NATO and the EU have therefore frequently expressed their concern about the very limited high-end capabilities of the Dutch armed forces, in terms of both quantity and quality, which is why, over the last 10 years, the AIV has been systematically warning against drastic cuts and calling for a structural increase in the defence budget.

The AIV sees the broad parliamentary support for the increase of the defence budget (motion submitted by MP Sjoerd Sjoerdsma et al.) as promising. Only if the Netherlands meets the NATO guideline is there a legitimate hope that the armed forces, after decades of cuts, can be put back on track. It is important that the Netherlands should now be guided by the NATO and EU priorities for the improvement of the armed forces and abandon the 'replacement approach' (just modernising the equipment you have) once and for all.

#### **4. Towards a European security policy**

The AIV supports the deepening EU-NATO cooperation and sees this as an essential element in Europe's future security structure. The latest NATO and EU strategic plans focus on this issue. NATO has indicated that it would welcome a strengthened EU defence capability, as long as it also contributes to balanced burden-sharing in the Alliance. The EU is also willing to intensify cooperation with NATO and to commit to a strengthened European security structure.

In 2020, the AIV produced the advisory report 'European Security: Time for New Steps', in which it stated that the EU's current vulnerability called for a refocusing of Dutch security policy. This focus should be centred more on Europe. In the event of aggression against an EU member state, both article 5 of the North Atlantic Treaty and article 42.7 of the Treaty on European Union (the mutual defence clause) could apply. A conflict, such as the one currently ongoing on Europe's borders, would not necessarily result in the immediate invocation of article 5, but may require a European response. Article 42.7 (TEU) could then come into play, particularly where a European response to hybrid threats is concerned.

The AIV notes the ambitions of the EU's Strategic Compass, including the creation of a rapid-reaction force: the EU Rapid Deployment Capacity (EU RDC). The purpose of the EU RDC is to boost the capacity for EU crisis management operations, for example in Africa. The AIV believes that the Netherlands should contribute significantly to these crisis management tasks and urges that the recommendations in its 2020 report be taken seriously. The same applies to the development of the Military Planning and Conduct Capability (MPCC), which should eventually be able to lead all EU military operations. The Netherlands should provide a pro rata personnel contribution to this capability. The AIV also urges that cooperation with Germany and France on equipment and arms export control be intensified. EU efforts to strengthen resilience, including the creation of an EU hybrid toolbox, also require an active whole-of-government contribution from the Netherlands.

## **5. The discrepancy between ambition and budget**

The current state of the Dutch armed forces is a cause for concern. According to the 'Deployability report' for the armed forces that was published on Budget Day 2021, the Netherlands finds itself in NATO's lowest reaches with regard to spending on and participation in missions and operations. Materiel readiness stands at less than 50%, ships are in dock, aircraft remain on the ground and there is too little in the way of training exercises. With a personnel shortfall of 20%, a huge effort – including in terms of funding – will be needed to fill the military units. The Netherlands will thus be unable to supply sufficient capacity for capabilities such as the NATO Response Force and the EU RDC, while it is precisely those troops – as the crisis in Eastern Europe is showing – that are so crucial initially for the defence of allied territory and for crisis management.

In the Defence Vision 2035, published in October 2020, the government put forward an ambitious view of the future of the defence organisation. The Ministry of Defence calculated that a total of €26 billion would be needed to meet all international requirements, clear all backlogs and keep an ambitious military force operational.

The letter to parliament (Framework Letter) of 11 February 2022 regarding defence budget spending did not bode well, however. So many ambitions were formulated in the letter that there is no longer any form of prioritisation. Investment across the entire defence organisation – without any strategy – will mean that the organisation will still fall short on all fronts in the long run. The Netherlands will thus be unable to create the necessary conditions for a modernised military force that is truly future-proof.

The AIV therefore foresees problems. As a result of the 1-for-1 replacement method, expectations are that the defence organisation will continue to spread the budget over a great number of separate capabilities for years to come, which means that this money cannot be invested in boosting sustainability (the capability to sustain an operation in the long term), let alone contribute to the continued modernisation of the armed forces.

## **6. Efficient spending**

The AIV considers it vital for the government to start a targeted programme of adaptation and further modernisation of the Dutch armed forces. This is the moment to change course. The AIV is therefore urging that the right balance be found between boosting basic readiness and availability on the one hand and making strategic, long-term choices on the other.

### **➤ I. Short term: basic military readiness in order**

The AIV regards the recovery of the armed forces' basic readiness, availability and deployability as a top priority; the government should prioritise this accordingly. At the heart of this basic readiness are proficient units provided with sufficient well-trained personnel, operational materiel and sufficient supplies. The units should be trained in accordance with the standards set by NATO and the EU through participation in national and international exercises, from low to high intensity, and they must be deployable for a particular period within an agreed response time. A more intensive exercise programme will be required to increase the level of availability and operability.

In actual terms, this means that the defence organisation must refrain from acquiring or expanding new capabilities, or should postpone doing so, if this is indefensibly expensive or defeats the short-term objective. It does, however, mean an essential and substantial investment in personnel. The operating budgets also need to be brought up to the desired level. In addition, logistic and other support should be increased and stocks need to be

replenished. With regard to sustainability and modernisation of the defence organisation's real estate and infrastructure, as announced in the coalition agreement, the AIV recommends that greater use be made of public-private partnerships.

➤ **II. Long term: strategic specialisation and reorganisation**

The AIV advises the government to strive for a different, longer-term defence planning process. Obviously, it is not the entire budget that is under discussion: much of the current expenditure is already committed. For many major long-term investments (such as the Joint Strike Fighter), political choices have already been made and contracts concluded. It is also important to acknowledge that, given their operational contribution, parts of the armed forces cannot simply be changed, as the Netherlands is bound by international agreements at multilateral and bilateral level.

For the longer term, the Netherlands will need to commit to capabilities that increase sustainability. Both NATO and the EU are calling for the joint prioritisation of enablers, particularly in the context of strategic intelligence and reconnaissance, including unmanned aerial systems, precision-guided munitions and the modernisation of ground-based weapon systems. NATO also urges the Netherlands to give priority to the adaptation, reorganisation and reinforcement of the operational commands.

NATO has specific concerns about the Royal Netherlands Army, where a qualitative reinforcement of striking power is needed to enable participation in collective defence at the highest end of the spectrum of force. The adaptation targets for the Royal Netherlands Navy and Royal Military and Border Police are insufficient, particularly in terms of quantity, to be able to deliver adequately within NATO. As far as the Royal Netherlands Air Force and Cyber Command are concerned, the government should continue the modernisation process on which it has already embarked.

## **7. The armed forces of the future**

For the future, the Ministry of Defence needs to prepare for strategic choices. The AIV proposes a number of focus areas, drawing on the Defence Vision 2035, NATO's Strategic Concept and the EU's Strategic Compass (the last two of which are expected shortly).

➤ **Collaborative**

The security situation is forcing national militaries to build up operational capabilities. NATO and the EU will benefit from the further expansion of intensified military cooperation, integration and specialisation, mainly organised bottom-up (between member states themselves). Through cooperation in respect of specific capability development, the Netherlands can make itself more relevant and of greater interest within the international security domain. The Netherlands should make a particular commitment to common programmes within NATO and the EU that enhance enablers, such as strategic reconnaissance assets, command and control (C2), logistic and digital communications, and other programmes. Not only will this increase the resilience of the Netherlands, the EU and NATO, but it is also at the heart of the deterrence principle that keeps potential enemies from launching an attack.

The AIV considers it advisable to create European leading groups of countries that will cover identified shortfalls for both NATO and the EU. This should also lead to the joint procurement of equipment and combined support. The Framework Nation Concept (FNC) for NATO's land operations could, for example, be linked to the EU's existing Permanent Structured Cooperation (PESCO) projects. The European Intervention Initiative (EI2), in

which the Netherlands is an active participant, could provide the framework for creating European leading groups for crisis management operations.

#### ➤ **Specialised**

The AIV sees potential in the formation of a small, modern military force that is highly specialised. It should tie in with the operational contributions that have already been agreed for the various domains (maritime, land, air and cyber). This specialisation should be developed in cooperation with NATO and EU allies. The AIV encourages the deployment of specialist capability groups of European countries, with the Netherlands working with a number of countries to provide specific capabilities. The FNC offers opportunities in this respect and smaller member states could provide specialist capabilities within a larger context under the leadership of a lead nation.

Specialisation exists only by virtue of reciprocity. The Netherlands would have to seek a coalition of nations to address specific capabilities. The AIV refers to the example of the European Air Transport Command (EATC), which coordinates military air traffic in Europe for the Netherlands, Belgium, Germany, Luxembourg, Spain, France and Italy. The EATC model could be key in the Netherlands' search for specialisation and collaboration in respect of capabilities in other fields, such as unmanned reconnaissance drones, military satellites, logistics processes, training, maintenance and purchase of spare parts or ground-based air defence. The Netherlands will have to participate in European programmes with a view to improving the standardisation of weapon systems and increasing the level of interoperability.

#### ➤ **Technologically advanced, digital and data-driven**

The AIV believes that the government needs to work towards a defence organisation that is technologically advanced, digital and data-driven. Investment is needed in digitalisation, information technology, data and cyber capabilities, all of which are necessary to steer the armed forces in the direction of a modern organisation. The development of new key technologies, such as artificial intelligence, quantum computing and big data, is vital in this respect.

A technologically advanced military force cannot function without good data governance. The AIV welcomes the fact that the Ministry of Defence is working on its own data strategy, although it would point out to the government that national ambitions in relation to data must keep pace with data-related plans within NATO and the EU. This also applies to policy in respect of hybrid threats. The AIV believes it is important for the forthcoming government-wide response framework for state threats, which centres on hybrid warfare, to have a serious policy impact. With regard to hybrid warfare too, the EU and NATO should be the main consultation platforms for the Netherlands.

#### ➤ **Multidomain approach**

The government should take a critical look at how the defence organisation is structured. The war in Ukraine has shown how intensively the concept of multidomain operations is applied; in other words, the integration of the land, air and sea domains in combination with cyber activities now defines the battlefield, even though the main activities would still suggest conventional land warfare. In the light of international agreements, future operations by the Dutch armed forces will play out in the context of multidomain and integrated operations (maritime, land, air and cyber). NATO has already developed this concept extensively through the Concept for the Deterrence and Defence of the Euro-Atlantic Area (DDA). The focus in the EU is also on multidomain and integrated action through the EU RDC.

It is important, therefore, that a long-term strategy be developed in respect of the defence budget. The AIV recommends that the government move to a 10-year defence planning process, i.e. one spanning more than a single government term. If this recommendation is supported by a parliamentary majority, this long-term planning model should be laid down in a Defence Act. Such a long-term funding and planning model is already used in some Scandinavian countries, such as Denmark and Sweden. The Ministry of Defence will also need to develop its own operational concept in line with its international partners. This concept should be based on the National Security Strategy and the Integrated International Security Strategy (IISS), or the Government-wide Security Strategy, which is yet to be developed.

## **8. Recommendations**

Europe is vulnerable to many threats, particularly on the eastern flank and in the southern periphery. In view of the geopolitical security situation, NATO is asking the Allies for versatile and almost constantly deployable and combat-ready armed forces. The Netherlands has hardly anything to offer in this respect. Now that the government has pledged additional billions in funding, the Ministry of Defence is faced with the question of how this money should be spent. The AIV makes five urgent recommendations in this regard:

### **I. Focus on collective defence**

The AIV advises the government to organise the armed forces more specifically from the perspective of collective defence. The other two main tasks should be more closely linked to the first one.

### **II: Implement NATO targets**

The AIV urges the government to start the implementation of the agreed NATO targets as soon as possible. The current geopolitical tensions show that failure to meet the accepted NATO goals is irresponsible. These goals should be translated into definitive plans in the new Defence White Paper for the structuring and modernisation of the armed forces. The Ministry of Defence must make a start on boosting the army's striking power and addressing the quantitative shortfalls in the navy and the military and border police, as well as continuing the modernisation of the air force and cyber command.

### **III: Get military readiness in order**

The AIV strongly urges the government to invest the pledged additional funds immediately in the basic readiness, availability and deployability of the armed forces. At the heart of this basic readiness are proficient units that are provided with sufficient and properly functioning equipment and well-trained personnel. There will also need to be adequate supplies and sufficient combat and other support for those units to allow them to sustain operations over a long period of time.

### **IV: Specialise via coalitions within NATO and the EU**

The Dutch armed forces should be systematically geared towards international coalitions within NATO and the EU. As far as defence and security policy is concerned, the new Strategic Concept (NATO) and the Strategic Compass (EU) are particularly important for the Netherlands. The Netherlands will need to focus on multidomain and integrated operations. In addition, the AIV advises the government, as in 2020, to proceed with further reinforcement of the EU security structure. Furthermore, the EU will have to be able to use the EU Rapid Deployment Capacity to take military action independently in cases of crisis management.

#### **V. Design a 10-year defence planning process**

The AIV advises the government to move to a more binding 10-year defence planning process, i.e. one spanning more than a single government term, and to lay down this planning model in a Defence Act.

Yours sincerely,

Professor Bert Koenders  
Chair of the Advisory Council on International Affairs

The AIV adopted this advisory letter on 4 March 2022. It was prepared by AIV members Henne Schuwer and Lt Gen (ret.) Jan Broeks in cooperation with Peace and Security Committee members Lo Casteleijn and Dick Zandee. The executive secretary was Dr Hans van der Jagt.