

**TRANSCRIPT**

**ADDRESS**

**Saturday March 15, 2008**

**Welcome:** **Mr. Craig Kennedy**, The German Marshall Fund of the United States

**Introduction:** **Mr. Marc Leland**, Board Co-Chair, The German Marshall Fund of the United States

**Keynote:** **The Hon. Jaap de Hoop Scheffer**, Secretary General, NATO

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CRAIG KENNEDY: I hope you had great lunches. Did they work out this year? OK, so this is an OK thing to keep doing? Next week, we might do it picnic style in the park. We'll find something new to do next year, maybe tents set up some place, but I'm glad that it worked.

One of the people that have helped make the Brussels Forum really special is the Secretary General of NATO. He was part of the very first one, and one of the more memorable sessions. We're very pleased that he's back. We've asked the Chairman of the Board of the German Marshall Fund to introduce him today. Marc Leland.

MARC LELAND: Thanks, Craig. I was glad to be given this honor. I had seen the Secretary General, I guess, last at the Riga Summit, which we did a big session around, as we did in Istanbul, and as we at the German Marshall Fund will do in the next one in Bucharest. It's really thanks to the Secretary General that we're able to do. He is an integral part of this. He always says really nice things, as Craig knows, about the German Marshall Fund.

So I really want to thank him for all he's done for us, but I also really want to thank him for all he's done for the transatlantic relationship, which is really why he is here. As you know, Secretary General Scheffer has been the Secretary General since 2004, and his term was extended, happily for all of us, so that he could lead NATO into its 60<sup>th</sup> anniversary next year in 2009.

Most people know he was the Minister of Foreign Affairs before in the Netherlands and he's been an integral part of transatlantic relations in that capacity, and also in his capacity at NATO.

The Bucharest Summit -- I'm sure everybody here knows, but I will say is going to be the largest gathering ever in NATO's history of summits. I hope you're looking forward to it. It will re-unite not only all 26 NATO Member States, but also the 23 countries of the



Euro-Atlantic Partnership Council, the New Global Partners, and the NATO-Ukraine and NATO-Russia Meeting. And Afghanistan, which was a topic that I know you dealt with -- the Secretary General dealt with at a previous Brussels Forum, is going to be a big priority on the agenda in Bucharest.

We will be discussing Afghanistan here tomorrow. He will appear on a panel in Bucharest, I hope, given the time -- we plan to -- with the President of Afghanistan, Hamid Karzai, and with the Prime Minister of Canada. I know the President of the United States is going to be there. I was able to introduce him in Latvia, and I was also with him here in Brussels when he came to Brussels. We've known each other long enough that I said, one thing we never imagined, that either of us would ever be in Riga, and certainly not together.

Now, it will be even less likely that we would ever be in Bucharest together. Anyway, it's going to be a very major meeting. NATO enlargement has been a great success story to date, and it really is thanks to the Secretary General's leadership that the seamless transition of seven new countries into the alliance has happened.

So, I know that you all saw your paper this morning. You know he's been in Kosovo, so maybe he'll tell us a little bit about how exciting that was. We're really honored to have him here.

JAAP DE HOOP SCHEFFER: Thank you very much for your kind words. Am I going to say something nice about the GMF? Of course. Before I begin, though, let me congratulate Craig Kennedy, Ron Asmus, and the GMF for having established this Forum, the Brussels Forum, in such a short space of time, as I think an unmissable event. You prove it by your presence. An unmissable event on the transatlantic agenda.

This said, coming back to Marc Leland your introductory remarks -- I hope that Craig and Ron and the GMF in general have not totally used up their formidable reserves of energy and creativity on this year's Brussels Forum, because in just three weeks time, they are hosting another major GMF conference to coincide with the NATO summit in Bucharest.

It will be this conference -- this conference will, without any doubt, be a very special part of the summit's public diplomacy. As you can never have too much of a good thing, I hope to see a number of you at the GMF event in Bucharest as well.

It is partly for that reason -- don't be shocked not -- that I will not talk about the Bucharest Summit today. You either know what will be on the agenda already, or you will hear about it soon enough. Rather, what I want to do with you today is to look beyond Bucharest at our next summit in 2009 and perhaps even a bit further. Don't worry, what I will have to say about this also very much relates to the Bucharest agenda.



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Why did I choose this subject? Because I think that any institution worth its grain of salt has to be able to deal not only with what is urgent, but also with what is important. We must tackle and go on to tackle immediate challenges, of course. But we should not lose sight of those issues which, in my opinion, will determine NATO's future.

As some of you may remember, about a year and a half ago, I called for NATO to begin work on a new strategic concept. At that time, many felt that my call was premature. That happens to NATO Secretary Generals from time to time. Today, I feel even more strongly that we do need this document and that we do need to start soon to prepare the ground.

I think there are many reasons why. One reason is that our current concept dates back to 1999. Although it has proven remarkably prescient, and thus has aged quite gracefully, it simply does not take full account of what has happened since its publication, 9/11, Afghanistan, globalization, with all its pluses and minuses, to name just a few developments.

But I think we also need a new concept for public diplomacy reasons. Our publics have found it difficult to keep track of NATO these last few years. A new concept, I think, will help in explaining where we are and where we are going, and why NATO remains essential for their security. Good example, Afghanistan, necessary, very critical public opinion, but still a very important public diplomacy investment is necessary to show to a critical public opinion why we are there and what we are doing. I think if a concept could help in explaining where we are and where are going, I think it is a reason to seriously think about it.

Another reason, I think, for a start to discuss a new strategic concept is the United States' election cycle. Starting work on a new concept in 2009 will help to engage the new U.S. administration on NATO early on in its tenure. With so many issues competing for Washington's attention, both domestic and external, that is, in my opinion, certainly a good thing.

However, the key reason, of course, for reviewing our strategic concept is a conceptual one. The burdens on NATO are greater today than ever before and this makes it ever more urgent that we have a clear strategic vision, clear priorities and, above all, a clear sense of the resources that we need to be successful. In other words, we need to answer the question: what kind of NATO do we want for the years to come?

If we look at NATO from a historical perspective, the answer should be pretty straight forward. It must be an Alliance that provides us with both immediate protection against immediate threats and with an instrument to shape the strategic environment in a way that is conducive to our interests and to our values. NATO has always been able to do both.

In the Cold War, NATO offered us protection against Soviet military power, while at the same time providing the umbrella for the political reconciliation and, I would even say, integration of Western Europe. Since the end of the Cold War, and to this day, NATO has been a military insurance policy against any possible convulsion in Europe's transformation, and we employed NATO operationally to address an immediate crisis in the Balkans.

At the same time, NATO turned out to be an excellent framework for managing Europe's longer term transition, both to our partnership policies, and, of course, through the enlargement process.

Now the question is, ladies and gentlemen, can NATO continue to perform this twin role in the strategic environments of the 21st century? Can it continue to provide immediate protection against threats and fulfill the broader requirements to help shape a new international order?

I believe that the answer to these questions is yes, provided that we base our policies on a sound evaluation of what is required. We need to be clear about the security environment we are going to be living in. We need to be equally clear and honest about the limits to what can sensibly be achieved by our alliance.

A few words first on the strategic environment; clearly that environment will be characterized by a number of features that are quite different from those that determined NATO's past. That goes without saying. Globalization will continue to change the security dynamics in many ways. Climate change will put many of our key resources, like food, water and land, under considerable stress. The global competition for energy and natural resources will redefine the relationship between security and economics.

A growing reliance on information technology will make our societies more vulnerable to electronic warfare. Proliferation of weapons of mass destruction technology and know-how raises the specter of terrorist non-state actors acquiring means of mass destruction.

At the same time, collective defense, NATO's core function, will remain and will have to remain a precious commodity. So, what does this all mean for NATO's evolution, and what does this all mean for a new strategic concept?

Let me give you a few preliminary conclusions: first, we need to take a deeper look at the meaning of collective defense and allied solidarity in the new security environment. In the Cold War, collective defense was all about repelling a Soviet invasion. After 9/11, we applied this collective defense obligation to an attack by a terrorist non-state actor.

I believe that our work on a new concept should be the opportunity for a broader discussion. Since 9/11, the world has not stood still. If you are an Estonian, you are clearly worried about the recurrence of mass cyber attacks. If you are a Norwegian, you wonder what the consequences of global warming and the competition for energy resources will be on activities in the so-called 'High North'.

If you a Brit, Spaniard or a Turk, and have witnessed a major terrorist attack in one of your cities, you wonder what is coming next. And if you come from a country with a high degree on energy dependency, you obviously wonder how you are going to cope if supplies are disrupted.

Many of these challenges, ladies and gentlemen, will, of course, not trigger a classical military response. But they will require allies to support each other politically, economically, and perhaps also militarily.

Our security, after all, is indivisible. To my mind, that means that we cannot deal collectively with some issues, such as global terrorism, but then leave some of our member to cope all alone with cyber attacks, energy blackmail or nuclear threats.

Of course, we are already looking at what NATO could do. Right now, in the run up to the Bucharest Summit, allies are discussing what added value NATO could offer in these areas. I predict that sooner or later the debate will have to go beyond mere added value within our existing capability. We will also need to look at which additional capabilities we will need to protect our populations against missile proliferation or threats to our critical energy infrastructure.

What may currently look like the preoccupation of only a few allies may soon affect all of them. That is why, in my opinion, a debate about the meaning of collective defense and about allied solidarity has become inevitable.

This brings me straight to my second point: a new strategic concept must firmly embed the logic of the so-called comprehensive approach. Afghanistan and the Balkans are showing it today. Our response to cyber attacks or to attacks to our energy supplies might well show it tomorrow. In order to be successful, we must increasingly coordinate with other civilian actors and organizations. I hope that the Bucharest Summit will send a strong signal in that regard, where it concerns the big meeting we'll have on Afghanistan, as already referred to.

There in Bucharest, many representatives from the major international institutions, including United Nations Secretary General Ban Ki-moon, will attend that Afghanistan meeting. I think this is certainly a good start.



But I think we need to move further than holding occasional summits and occasional meetings. And we cannot just rely on a very talented international figure, such as Kai Eide, to pull all the strings together in theater. At the very least, this type of coordination, without a firm framework, runs the risk to scorn the valuable time and valuable resources.

We need structured cooperation with the United Nations and the European Union on the strategic level. And we need to coordinate much more closely on the tactical level as well, including with non-governmental organizations. There is, ladies and gentlemen, in my opinion, a substantial gap between the military and the civilian aspects of crisis management. I think Afghanistan is showing that today.

As a result, we risk duplication, or worse working at cross purposes. A new concept should make the point, squarely and forcefully, in today's security environment NATO is no longer a solo player. The alliance works best when it is working with others. It has neither the means nor the ambition to tackle each and every challenge on its own.

And that brings me to my third point: as we might start work on a strategic concept, it should be clear that we will increasingly need to act with global partners. Let me be clear to avoid misunderstanding, I am not talking about global members. I am not talking about a NATO that aspires to be a global policeman.

*Il n'est pas question d'être le gendarme du monde.* In French, it sounds much nicer than in English. But I would like NATO's global partnerships to be better structured and not just linked to the participation of these partners in our asset mission. If NATO is to be capable of acting anywhere in the world, we will need this network of global partners. That is why I'm very much in favor of expanding our complex to cover issues of common concern, such as the fight against terrorism, or the fight against proliferation.

I also believe that we need to exchange lessons learned from our participation in peace support operations and that we need to work on nuts and bolts issues, such as improving our inter-operability and our communications. I therefore hope that our cooperation in Afghanistan and the lessons we are learning in Afghanistan as we speak will serve as a model for the way in which we can combine our efforts to solve other pressing security challenges as well.

My fourth point: even in a globalized world, NATO's mission of consolidating Europe will continue and will have to continue. Thankfully, a strategic concept does not have to deal with time tables, waiting rooms or fast tracks. But it will have to deal with the extremely important issue of the open door.

Of course, we all know about the power of enlargement to strengthen our Euro-Atlantic community. But the new concept will have to make clear how to put that open door principle into practice as Europe's eastern most countries start knocking at NATO's door.



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And if our governments and public opinions are to be confident in the continuation of NATO enlargement, the concept may also have to say something about the conditions that have to be met before more countries are admitted in the future.

As you know, I have often warned, and I do it again today, against enlargement fatigue. As long as there is a gap between where countries are and where they want to be, the unification of Europe will not be complete. This, of course, is as relevant for the European Union as it is for NATO.

As long as some countries feel that they are not entirely masters of their own future, not least because others try to deny them their free choice, Europe is not the common space that I want it to be. Retaining this vocation to enlarge the European democratic space and acting upon it will, in my opinion, remain a crucial part of NATO's *raison d'être*.

My last point: as a political-military organization, NATO must become more effective, and a new strategic concept should be crystal clear about this. If NATO is to remain our prime venue for transatlantic security policy in a rapidly changing world, then this organization, NATO, must not only transform its policies, but also its structure.

Given the increasing demands upon us, our activities must all be less process-oriented and more results-oriented. Our resources have to better match our priorities. You cannot reconcile forever more performance with a zero growth budget. Let me be clear, or more clear, I think that NATO nations are soon going to have to increase NATO's budget to match a growing list of responsibilities.

We also need a defense planning system that is more responsive to nations' needs. We need a process of force generation that is more predictable and delivers faster results. See, again Afghanistan.

We need to exploit the opportunities of common capabilities, strategic air lift, logistics, far more energetically. And we must take a hard look at the way we fund our operations, so that all allies are motivated, rather than discouraged, to put their capabilities forward.

I believe, ladies and gentlemen, that taking NATO's reform seriously means also to look for more synergies with the European Union. I would like to see much more pooling of our capabilities, especially in areas such as vital enablers, transport helicopters, or in research and development, or in harmonizing our force structures and training methods.

After all, NATO and the European Union only have one common set of national defense budgets and one national military force. So it is absolutely critical that all of the capabilities that we are able to generate from this pool of forces are equally available to both



NATO and the European Union. If we duplicate, or worse go off in different directions, we will both fail.

That is why, in my opinion, our finance ministers should want closer NATO-EU cooperation just as much as our foreign and defense ministers. It is why a new concept should be unequivocal about the need for more NATO-EU cooperation. It is why the elaboration of a new concept for NATO should take account of the European Union's efforts to update its own European security strategy, and vice versa. You will not be surprised that I look with great interest to the upcoming French presidency in the European Union and French initiatives to discuss ESDP and the European Union's security strategy.

That is highly relevant for NATO, ladies and gentlemen, as NATO's debate is highly relevant for the European Union.

Ladies and gentlemen, I have one more particular concern, and I have raised this from the start of my tenure. We must deepen and broaden the scope of our political consultations. The challenges today are multifaceted, interlinked, and can arise from anywhere in the world. So we need to do a better job of what I call scanning the strategic horizon.

We cannot just be reactive, discovering the strategic significance of a region only after putting NATO forces on the ground there, or waiting for Estonia to be cyber-attacked before we wake up to the dimensions of information warfare, or waiting for another major terrorist attack before we step up our activities against terrorism.

When it comes to proliferation, energy security, the consequences of climate change, or failing states, we need to anticipate these dangers and do more preventively to mitigate their affects. This can only be achieved through more and better transatlantic dialogue. If I use the word preventive, ladies and gentlemen, that is also a very strong argument for the comprehensive approach, because those other international organizations I talked about should also play a very important role in preventing us from doing certain things.

Ladies and gentlemen, as things now stand, I hope -- and I can perhaps add I expect -- that work on a new strategic concept will commence at our next summit in 2009, NATO's 60<sup>th</sup> anniversary. Anniversaries in NATO are not just about past achievements, they are, first and foremost, or they should be, about the future.

With a new U.S. administration in office, a new French approach vis-à-vis NATO and a new dynamic in the European integration process, I believe that our 2009 summit should produce a short but powerful document that reaffirms the enduring fundamentals of transatlantic security cooperation and lay down some parameters for a new strategic concept.





For want of a better term, let me call this document an Atlantic Charter. Such an Atlantic Charter should be devoid of any technicalities, just as the Washington Treaty was written in a language so clear and so simple that, in the words of one drafter, even a milkman in Omaha could understand it.

So a new Atlantic Charter should reiterate in clear and simple terms what this alliance is all about, a community of values that seeks to promote these values, but also will defend them when they are under threat. I am perfectly aware that neither an Atlantic Charter, nor a new strategic concept will provide us with perfect answers to all the questions I have raised here today. If I can't raise them here, where should I raise them? This exercise will, I'm sure, provide us with better answers, perhaps not all the answers, but with better answers.

By revisiting the basic policies of our alliance, both documents will help to strengthen our sense of common purpose. I'm convinced that they will bring home and make clear to our publics NATO's tremendous potential to shape the strategic environment in ways that the founders of this alliance never dared to dream of. I thank you very much for your attention.

(APPLAUSE)

KENNEDY: The secretary general has agreed to take two or three questions. Where's the first one? No questions? Back there.

MARK CHAMPION: Mark Champion from the Wall Street Journal. I know you said you don't want to talk about Bucharest, so I won't encourage you to talk about Bucharest. You have, I think, three proposed new members to admit from the Balkans, and you -- there's a talk of perhaps giving MAP to Ukraine and to Georgia.

Obviously, we don't know what's going to happen there, but at the moment it looks rather difficult for MAP and it looks rather difficult for Macedonia. What is your expectation of what will happen, and would it be a problem, do you think, for NATO if Macedonia can't join and there is no MAP?

SCHEFFER: Let me start by answering you that, as you and I know, at least I know, that 13 or 14 working days are a long time in politics and we are about 13 or 14 working days away from the Bucharest Summit and I can assure that both as far as Ukraine and Georgia's MAP creations are concerned as well as on the main issue if I might qualify it this way when NATO by the way has no direct role to play. Let's also underline that fact. There's no direct role for NATO or its Secretary General on the main issue but I know that a lot of activity is going on also on the main issue. I do hope that the summit will show results in this regard.



I tried in my speech at least to underline NATO's open door as spoken about the unfinished business in Europe. We are discussing the MAP request from the Ukraine and Georgia. As you know, we haven't finished that discussion yet and I'm not going to beat around the bush. I'm not going to say that the sun is shining and I know already now what the outcome of it will be. The outcome I hope would be or should be perspective. The outcome should be perspective for hopefully the three western Balkan nations who are knocking on NATO's door. Perspective for Bosnia-Herzegovina and Montenegro because we should look at the Balkans from a regional perspective and let me add very quickly perspective for Serbia as well.

So I do hope that we'll see invitations in Bucharest to speak about the Balkans first. I do hope that we see a quality in strengthening I should say in our relationship with Montenegro and Bosnia-Herzegovina and I do hope that the strong signal will be sent despite the discussion going on in Serbia at the moment. That's in our opinion the future of Serbia lies in Euro-Atlantic integration and not in sullen nationalism and the Serbs will finally decide themselves in the elections which course they want to follow. I can only say that I strongly hope because this is Europe, I strongly hope that this will be the outcome of the Bucharest Summit but I use the word hope. I cannot say what the outcome will be. NATO is in alliance with 26 sovereign democracies and I can tell you that the keeping the flock together is not always easy.

On Ukraine and Georgia, I also hope I can start from the same basic line. I also hope that they will see the results of Bucharest as an inspiration for them to proceed on their Euro-Atlantic track. In what form that exactly will be it is honestly quite early to tell and I hope that the few working days left will provide a more clear answer than I can give you here and now.

**VLADIMIR CHIZHOV, PERMANENT REPRESENTATIVE OF RUSSIAN FEDERATION TO THE EU:** Thank you, Secretary General. You know I always ask benign questions. When Craig introduced you he mentioned that you are just back from Kosovo. Could you perhaps dwell and describe your assessment of the mess down there?

**SCHEFFER:** I was going to say my assessment might not necessarily coincide with yours. As you and I know -- have known, have known for a long time, for a long time already. But I was there yesterday indeed and let me give you my assessment. Let me start by saying that as a NATO Secretary General speaking on behalf of NATO, I'll hesitate because otherwise I'll hear it from you sooner rather than later that I'll speak on behalf of United Nations or any other international organizations let alone on behalf of a P5 member.

I must tell you that as far as NATO is concerned and KFOR is concerned, the role and the responsibility is crystal clear. KFOR is there on the basis of Security Council Resolution 1244 and when I say there Mr. Ambassador, I mean all over Kosovo. All over Kosovo and KFOR will not be denied by anyone from that responsibility. Second point, I

experienced again yesterday that KFOR does have the trust and confidence of all Kosovans. I went to a Serb enclave and I spoke at length with people who have not an easy life as you know. They don't have an easy life but they did tell me that it was also for them of extreme importance that KFOR plays its role there.

My third remark would be that NATO is not, Ambassador, in the recognition business and you know the situation and we should not beat around the bush either here. But I would definitely disagree with you if you describe the situation in Kosovo as a mess and if -- let me take your terminology but only for the sake of argument, if there are messy situations from time to time, who are creating those messy situations? Who are running into the courthouse in Mitrovica, and who are making I think a basic mistake and are not looking after their own interests very well.

So, indeed, I do hope that every organization will play its role. The UN will play its role. The European Union will play its role. Let me speak on behalf of NATO to assure you Ambassador that the KFOR, 16,000 strong will continue to play its role on the basis of 1244, unless the Security Council decides otherwise, and you know, Ambassador, much better than I do what is necessary for the Security Council to agree.

**RALF FÜCKS, HEINRICH BÖLL FOUNDATION:** As the Secretary General, a question which surely goes beyond Bucharest. Would you please lose some words in the future of NATO-Russian relations and on NATO's outreach to Asia?

**SCHEFFER:** On NATO-Russia. There's only one keyword I see in this relationship and that is Engagement with a capital E. It is my strong conviction that this is a very important relationship. I even go one step further. I think NATO cannot do without Russia, and Russia cannot do without NATO, so I attach great importance to this relationship and I attach also great importance to the acceptance by President Putin of the invitation to come to Bucharest. It will be the first time in the history of the NATO-Russia Council and NATO-Russian co-ordination that we'll have a NATO-Russia Council and the heads of state and government there and we are busy preparing for that.

If I say engagements, that does also mean that we also discuss in all openness and transparency the issues on which we disagree. We should discuss Kosovo. We should discuss missile defense. We should discuss the future of the CFE treaty. We should discuss NATO enlargement or expansion as our Russian friends like to call it. We should do that because even if you and I could say that in Moscow the perception is the wrong perception, that NATO enlargement is threatening. I think it's the wrong perception. I always quote President Ilves of Estonia 'I do not know how more democracy, moral of law, more respect for human rights can ever be a threat to any nation in this world'. But if that is the perception in Moscow, even if we think it's wrong we should discuss that perception and that is what we do in the NATO-Russia Council.



Back to Bucharest. I do hope that in a flexible sense and we have lots of areas in which we are cooperating very well operationally effectively. I hope that for instance Afghanistan might be an area. Might be a UN amended NATO operation where NATO and Russia I think will make strides to cooperate closely together in fighting our critics. In perhaps elements of logistical support by Russia for the NATO operation. We have this very successful project of training Afghanistan and Central Asia in personnel in the fight against narcotics. In increasing our interoperability on initiatives on corporate air pictures. So we have a range of issues.

There are also some issues which NATO cannot directly - we can discuss it - but we cannot directly solve it, and I'm glad to hear that on contentious and difficult issues there is also still a chance for a Russian-American continuation of discussions on important issues like missile defense. But let us, let us, let me conclude that for me the word 'engagement' that does not mean -- that does not mean -- that of course red lines drawn by others can ever be accepted by NATO. NATO decides itself on its enlargement. There are no vetos or *droit de regard* but I think we still have many areas in which the Russian Federation and NATO can work very well together and again, I'm looking forward to a very constructive and interesting NATO-Russia Council in Bucharest.

KENNEDY: Thank you very much. We look forward to seeing you in Bucharest in a few weeks. Thank you.

Now if everybody could just stay seated we're going to get setup for our next session. There's going to be some spare seats down here in the front if people want to take them come on down.

I also would like to just say before he gets completely out of the room that we want to welcome Peter MacKay, the Minister of Defense of Canada who's been with us now for the third time and we really appreciate having you here. That's why this is a North American-European Conversation.

[END]